



LANDSBANKINN HF. | Reg. No. 471008-0280 | LANDSBANKINN.IS



Green Finance Allocation & Impact Report

February 2025

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Introduction

Allocation

In February and November 2021, Landsbankinn issued two EUR 300 m green, senior unsecured and senior preferred bonds. In September 2023, the Bank again issued bonds, EUR 300 m green, senior preferred, with the intention to use the proceeds to finance eligible loans under its Sustainable Finance Framework. In 2024, the Bank bought back EUR 224.7 m of its February 2021 issuance.

Proceeds of the remaining balance from the first issuance have been fully allocated to eligible loans to three companies under Landsbankinn's Sustainable Finance Framework. Proceeds from the second issuance have been fully allocated as eligible loans to thirty companies and proceeds from the third issuance have been fully allocated as eligible loans to nineteen companies under the same Framework. Proceeds from the February 2021 issuance



were used to refinance eligible loans issued in 2018-2020 to investments and expenditures related to catching, production and processing of Marine Stewardship Council (MSC) certified fish and seafood. Proceeds from the November 2021 issuance were used to refinance eligible loans issued in 2018-2022 to investments and expenditures related to (i) catching, production and processing of MSC certified fish and seafood, (ii) sustainable water and wastewater management, (iii) renewable energy, (iv) green buildings and (v) energy efficiency. Proceeds from the September 2023 issuance were used to refinance eligible loans issued in 2021- 2023 to investments and expenditures related to (i) catching, production and processing of MSC certified fish and seafood, (ii) sustainable water and wastewater management, and (iii) eco-efficient and/or circular economy adapted products, production technologies and processes, (iv) green buildings and (v) renewable energy. Euro exchange rates are from 30.11.2024, 145.3 ISK/EUR. That is the date when the Bank's Risk & Finance Committee approved the suggested allocation of the Sustainable Finance Committee (SFC) for the 2021 and 2023 issues.

Initially, verification of the allocation eligibility of the February 2021 issuance was conducted by Sustainalytics. At the publication of this report, Deloitte has verified both the November 2021 and September 2023 issuances, as well as the February 2021 issuance, and the auditor's report is attached as an appendix.

Landsbankinn published an updated Sustainable Finance Framework in early 2024. The main changes from the previous Sustainable Finance Framework involved a reduction in the number of sections and further refinement of the methodology. The updated Framework is published with a second-party opinion (SPO) from Sustainalytics just like the older version. The Framework shall in so far as possible align with the Green Bond Principles 2021 (including Appendix 1, June 2022) (GBP), the Social Bond Principles 2023 (SBP) and Sustainability Bond Guidance 2021 (SBG) of the International Market Association (ICMA). In addition, it is Landsbankinn's ambition for the Framework to follow the EU's classification system for sustainable activities (also known as the EU Taxonomy) where practically possible and evaluate use of the future classification system for sustainable investments within the EU. The Framework follows the ICMA Guidance Handbook for bonds to finance the sustainable blue economy and the UN Blue Bond Reference Paper for Investments Accelerating Sustainable Ocean Business.

In 2024, the Bank issued green, senior preferred bonds in the total amount of EUR 600 m, in two issuances. The intention is to use the proceeds to finance eligible loans under the updated Sustainable Finance Framework. The balance from these issuances has not been allocated yet.

Impact

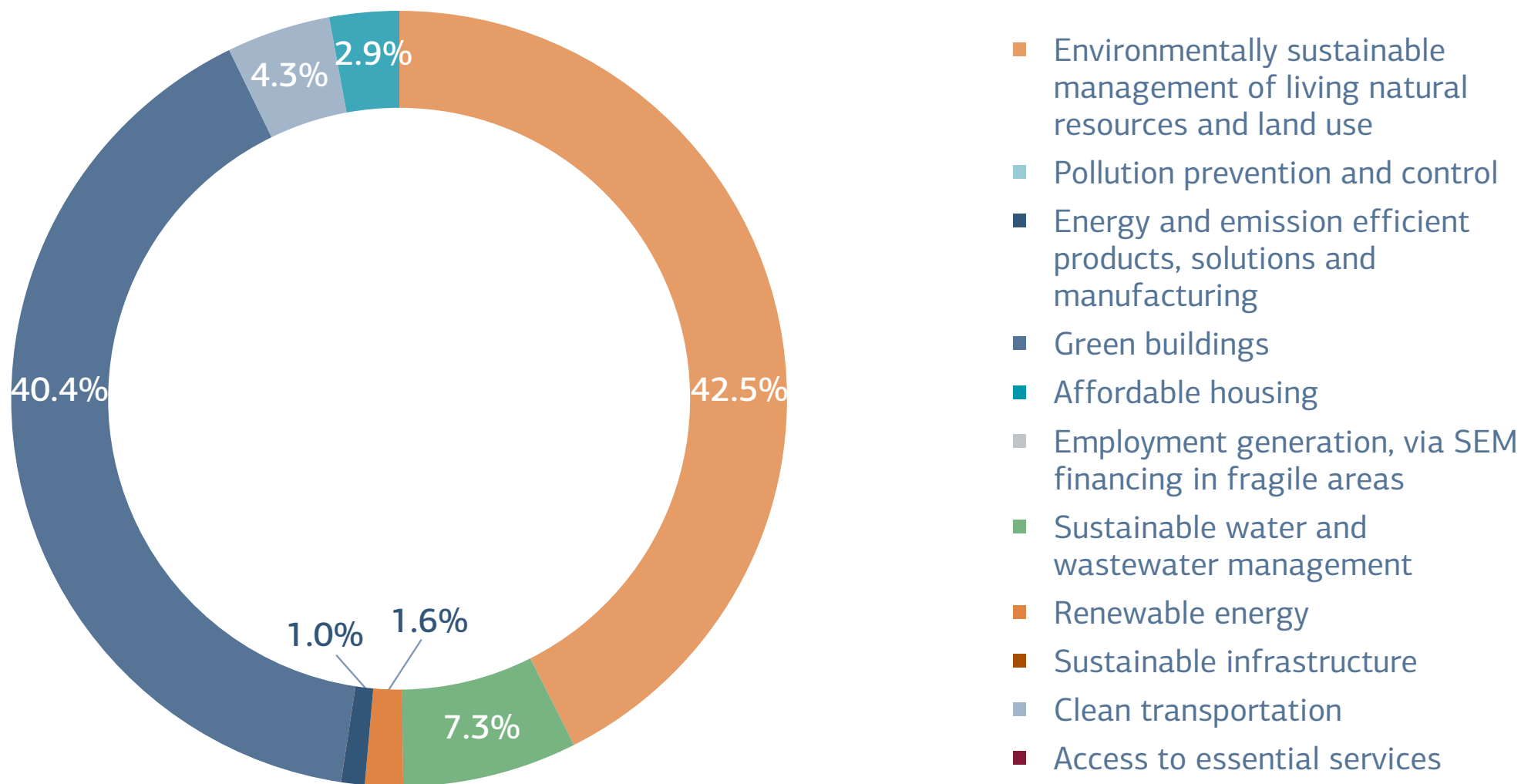
This report also qualifies as a report on the impact or avoided impact from the Bank's green bonds to the best of our knowledge with the data that is available to us. There are a few instances of loans that are eligible and have received allocation of proceeds where we have not been able to access data to assess avoided emissions or other impact. In those cases, we do our best to describe the impact and how it fits the categories of the Sustainable Finance Framework. It must be kept in mind that in these cases, bank secrecy requires that disclosure is kept as general as possible. In an economy and society as limited in size as Iceland, it is challenging to describe a company without revealing which company is being discussed.



Executive summary for green financing 2024

The distribution between categories of eligible funds under the Sustainable Finance Framework is depicted in the parallel image along with highlights from Landsbankinn’s sustainability work in 2024. Landsbankinn’s target to reduce its greenhouse gas emissions in accordance with the Paris Agreement has been verified by the Science Based Targets initiative (SBTi), the Bank has honed its Sustainability Policy even further and sharpened its focus on the Sustainable Development Goals (SDGs) it is working towards. Over 60% of the Banks foreign funding is green as at year-end 2024 and the Bank continues to get positive scores on its ESG risk from local and international rating agencies.

Eligible funds under the Sustainable Finance Framework by category



Main sustainability milestones



SCIENCE
BASED
TARGETS

Scientific climate targets verified in February 2024

8 DECENT WORK AND ECONOMIC GROWTH

5 GENDER EQUALITY

13 CLIMATE ACTION

Sustainability Policy of the Bank updated and its focus sharpened to boost success

International funding is

61%

green



Reitun

A3 rating 90 of 100

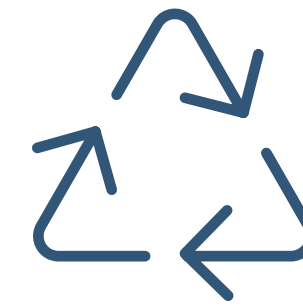


SUSTAINALYTICS

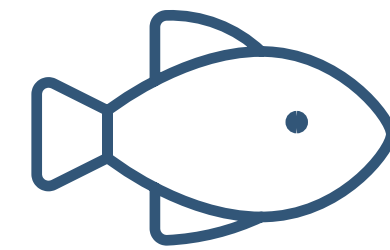
Low risk 15.4 of 100



Impact



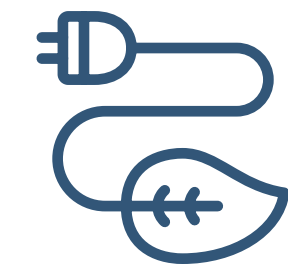
Annual avoided
emissions:
8.749 tCO₂e



Number of MSC
certified projects:
32



Number of square meters
of eco-certified housing:
3.282 m²

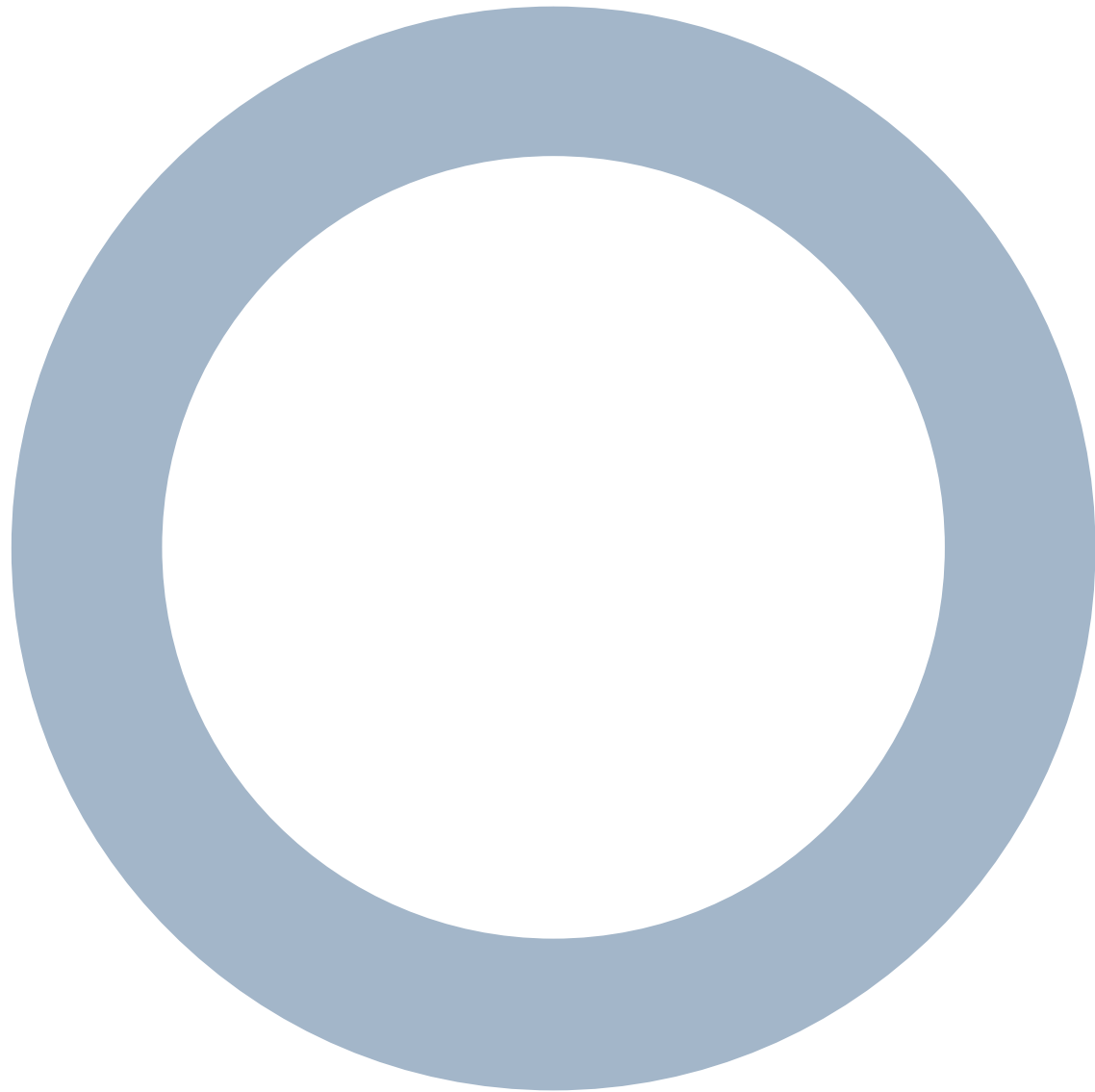


Avoided electricity use with
updated infrastructure:
237,250 kWh
– equivalent to the annual
electricity use of 24 homes

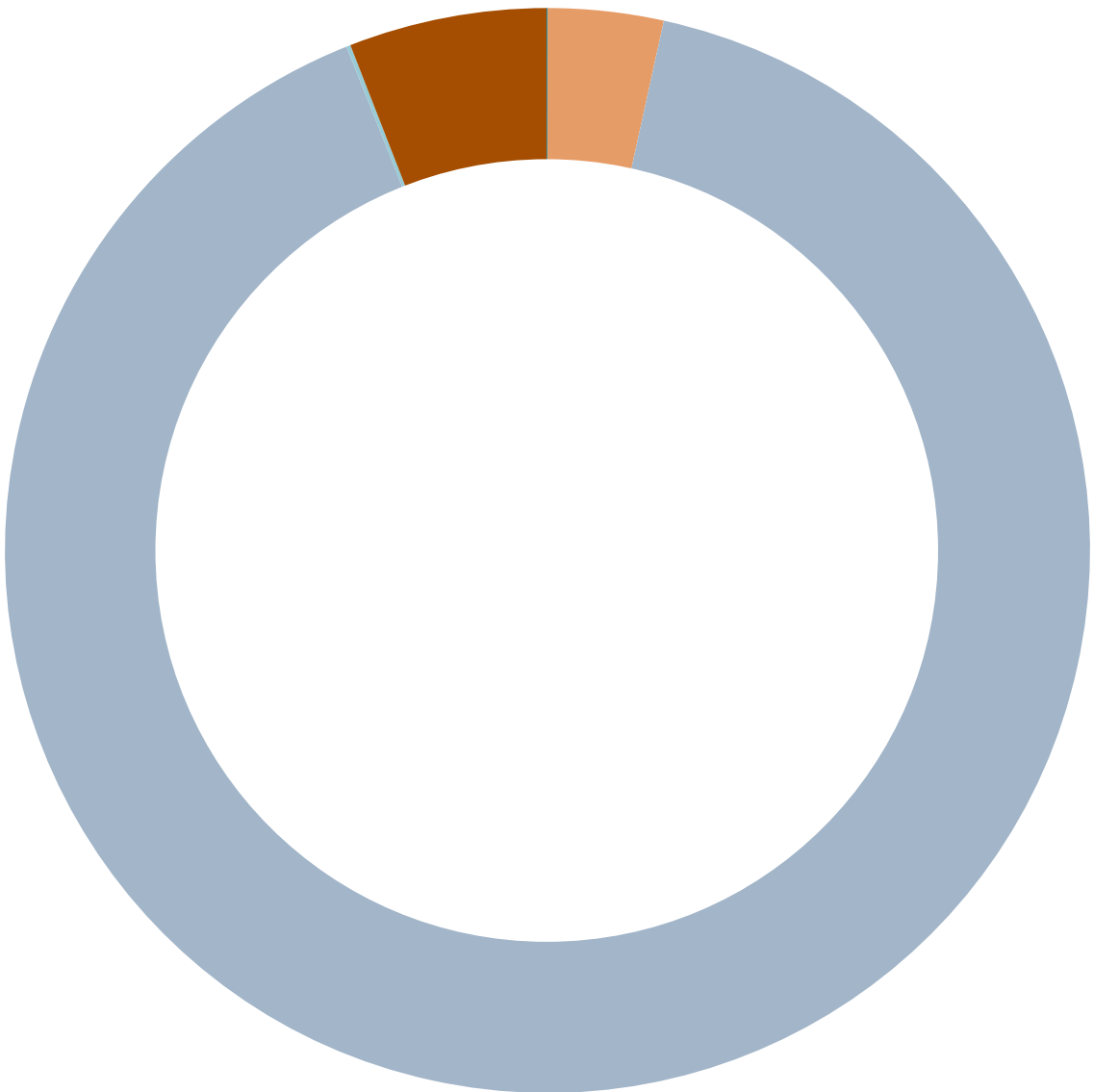
Allocation

Bond information	Issue date	25 February 2021	25 November 2021	12 September 2023	13 March 2024	8 October 2024
	Issuer	Landsbankinn hf.	Landsbankinn hf.	Landsbankinn hf.	Landsbankinn hf.	Landsbankinn hf.
	Bond type	Green, Senior Unsecured	Green, Senior preferred	Green, Senior preferred	Green, Senior preferred	Green, Senior preferred
	ISIN	XS2306621934	XS241 1726438	XS2679765037	XS2779814750	XS2913946989
	Bloomberg	LANBNN 0 3/8 05/23/25	LANBNN 0 3/4 05/25/26	LANBNN 6 3/8 03/12/27	LANBNN 5 05/13/28	LANBNN 3 3/4 10/08/29
	Amount (€m)	300	300	300	300	300
	Maturity date	23 May 2025	25 May 2026	12 March 2027	13 May 2028	8 October 2029
	Currency	Euro	Euro	Euro	Euro	Euro
	Place of listing	Euronext, Dublin	Euronext, Dublin	Euronext, Dublin	Euronext, Dublin	Euronext, Dublin
	Outstanding debt as of 2024/12/31 (€m)	75.3	300	300	300	300
Allocation information	Allocated proceeds as of 2024/12/31	100%	100%	100%	100%	100%
	Allocated proceeds to loans issued in 2018 (€m)	69.1	56.1	0.0	0.0	0.0
	Allocated proceeds to loans issued in 2019 (€m)	0.0	99.9	0.0	0.0	0.0
	Allocated proceeds to loans issued in 2020 (€m)	6.2	61.1	0.0	0.0	0.0
	Allocated proceeds to loans issued in 2021 (€m)	0.0	70.1	116.8	0.0	0.0
	Allocated proceeds to loans issued in 2022 (€m)	0.0	12.7	147.7	0.0	0.0
	Allocated proceeds to loans issued in 2023 (€m)	0.0	0.0	35.6	0.0	0.0
	Remaining balance of unallocated proceeds (€m)	0.0	0.0	0.0	0.0	0.0
	Refinance	100.0%	72.4%	88.1%	0.0%	0.0%
	New-finance	0.0%	27.6%	11.9%	0.0%	0.0%
	Allocation category 1	Environmentally sustainable management of living resources and land use	Environmentally sustainable management of living resources and land use	Environmentally sustainable management of living resources and land use		
	Criteria for category 1	Investments and expenditures related to catching, production and processing of MSC (Marine Stewardship Council), ASC (Aquaculture Stewardship Council, fully certified) or Iceland Responsible Fisheries Certified fish products. Small companies catching species listed under “MSC Certified Fisheries”, using qualified methods, by Icelandic Sustainable Fisheries are eligible if >90% of revenue come from such fishing activities.	Investments and expenditures related to catching, production and processing of MSC (Marine Stewardship Council), ASC (Aquaculture Stewardship Council, fully certified) or Iceland Responsible Fisheries Certified fish products. Small companies catching species listed under “MSC Certified Fisheries”, using qualified methods, by Icelandic Sustainable Fisheries are eligible if >90% of revenue come from such fishing activities.	Investments and expenditures related to catching, production and processing of MSC (Marine Stewardship Council), ASC (Aquaculture Stewardship Council, fully certified) or Iceland Responsible Fisheries Certified fish products. Small companies catching species listed under “MSC Certified Fisheries”, using qualified methods, by Icelandic Sustainable Fisheries are eligible if >90% of revenue come from such fishing activities.	-	-
	Allocation category 2	-	Sustainable water and wastewater management	Sustainable water and wastewater management	-	-
	Amount allocated to category 2 (€m)	0.0	0.1	0.3	0.0	0.0
	Criteria for category 2	-	Development, construction and operation of wastewater treatment (including collection and wastewater treatment plants).	Development, construction and operation of wastewater treatment (including collection and wastewater treatment plants).	-	-
	Allocation category 3	-	Green buildings	Green buildings	-	-
	Amount allocated to category 3 (€m)	0.0	0.4	0.8	0.0	0.0
	Criteria for category 3	-	Construction of new, or refurbished of public, commercial and private buildings are required to achieve certain certification.	Construction of new, or refurbished of public, commercial and private buildings are required to achieve certain certification.	-	-
	Allocation category 4	-	Renewable Energy	Renewable Energy	-	-
	Amount allocated to category 4 (€m)	0.0	17.7	3.4	0.0	0.0
	Criteria for category 4	-	Development, construction and operation of facilities using renewable energy for electricity and heating with carbon intensity <100 gCO2e/kWh considering life-cycle emissions.	Development, construction and operation of facilities using renewable energy for electricity and heating with carbon intensity <100 gCO2e/kWh considering life-cycle emissions.	-	-
	Allocation category 5	-	Energy efficiency	Eco-efficient and/or circular economy adapted products, production technologies and processes	-	-
	Amount allocated to category 5 (€m)	0.0	10.3	23.0	0.0	0.0
	Criteria for category 5	-	Development, manufacture, distribution and/or installation of products or services that increase the energy efficiency of industrial processes. These cannot include efficiency of fossil fuel production or distribution	Development and production of products which are intended to achieve, or have already received a credible, industry specific environmental certification. such as the Nordic Swan Ecolabel, the EU Ecolabel or equivalent.	-	-

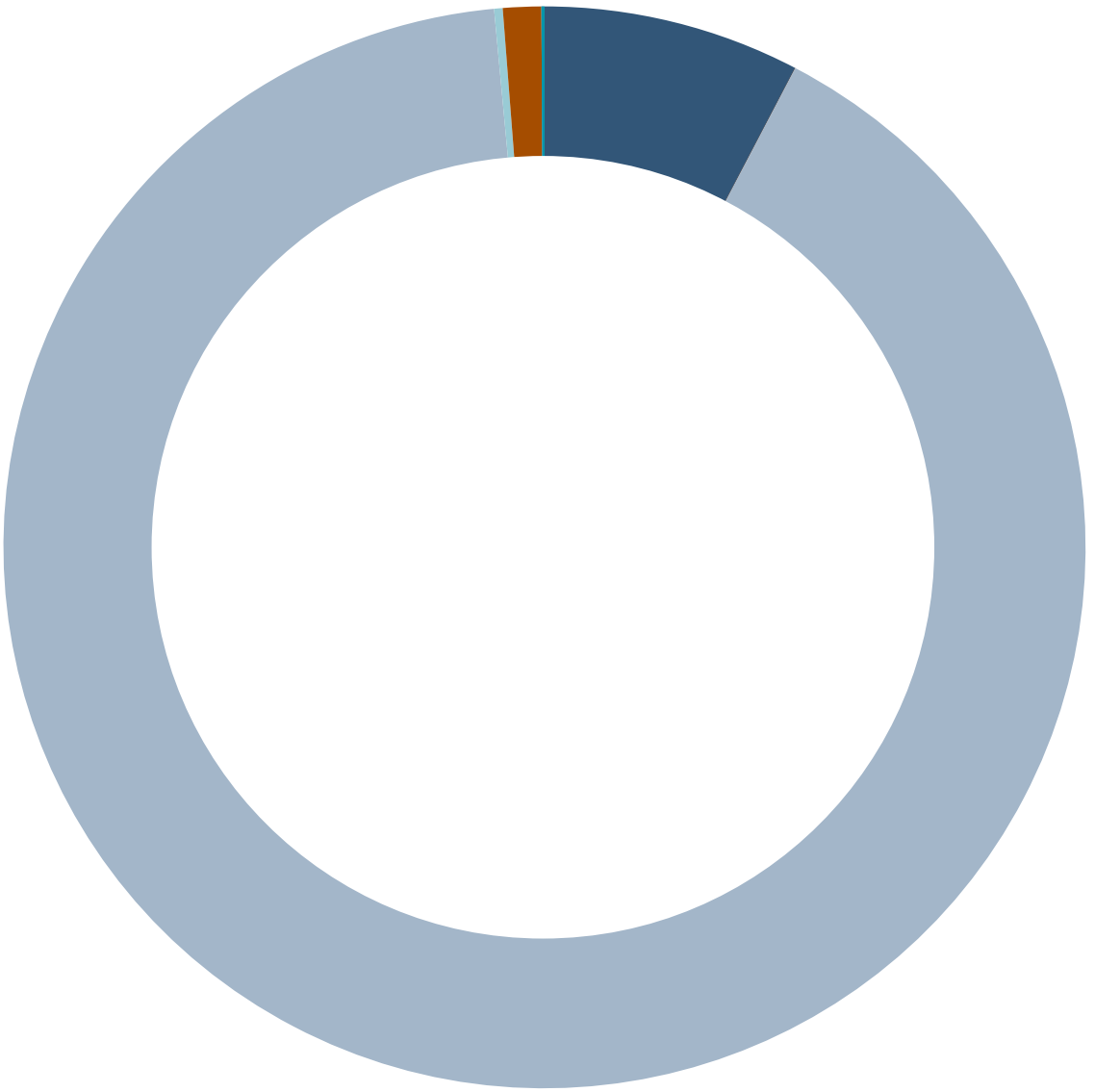
GB February 2021



GB November 2021



GB September 2023



- Eco-efficient and/or circular economy adapted products, production technologies and processes
- Energy efficiency
- Environmentally sustainable management of living resources and land use
- Green buildings
- Renewable energy
- Sustainable water and wastewater management



Bond information

February 2021 issuance

	2018 (€m)	% of loan	Allocated amount (€m)	2019 (€m)	% of loan	Allocated amount (€m)	2020 (€m)	% of loan	Allocated amount (€m)	2021 (€m)	% of loan	Allocated amount (€m)	Total
MSC Cert. Comp. 1	55.2	100%	55.2	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	55.2
MSC Cert. Comp. 2	13.9	100%	13.9	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	13.9
MSC Cert. Comp. 3	0.0	0%	0.0	0.0	0%	0.0	6.2	100%	6.2	0.0	0%	0.0	6.2
Total			69.08			0.0			6.2			0.0	75.3

November 2021 issuance

	2018 (€m)	% of loan	Allocated amount (€m)	2019 (€m)	% of loan	Allocated amount (€m)	2020 (€m)	% of loan	Allocated amount (€m)	2021 (€m)	% of loan	Allocated amount (€m)	2022 (€m)	% of loan	Allocated amount (€m)	Total (€m)
Energy efficiency Comp. 1	10.3	100%	10.3	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	10.3
MSC Cert. Comp. 1	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	15.1	100%	15.1	0.0	0%	0.0	15.1
MSC Cert. Comp. 2	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	0.4	100%	0.4	0.0	0%	0.0	0.4
MSC Cert. Comp. 3	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	1.4	100%	1.4	0.0	0%	0.0	1.4
MSC Cert. Comp. 4	0.0	0%	0.0	7.6	100%	7.6	1.3	100%	1.3	0.0	0%	0.0	0.0	0%	0.0	8.9
MSC Cert. Comp. 5	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	5.4	100%	5.4	0.0	0%	0.0	5.4
MSC Cert. Comp. 6	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	4.2	100%	4.2	0.0	0%	0.0	4.2
MSC Cert. Comp. 7	0.0	0%	0.0	0.0	0%	0.0	18.4	100%	18.4	0.0	0%	0.0	0.0	0%	0.0	18.4
MSC Cert. Comp. 8	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	8.3	100%	8.3	0.0	0%	0.0	8.3
MSC Cert. Comp. 9	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	3.9	100%	3.9	0.0	0%	0.0	3.9
MSC Cert. Comp. 10	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	13.7	100%	13.7	0.0	0%	0.0	13.7
MSC Cert. Comp. 11	0.0	0%	0.0	17.2	100%	17.2	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	17.2
MSC Cert. Comp. 12	2.7	100%	2.7	8.9	100%	8.9	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	11.6
MSC Cert. Comp. 13	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	1.1	100%	1.1	0.0	0%	0.0	1.1
MSC Cert. Comp. 14	0.0	0%	0.0	10.0	100%	10.0	16.6	100%	16.6	12.8	100%	12.8	0.0	0%	0.0	39.4
MSC Cert. Comp. 15	0.0	0%	0.0	5.1	100%	5.1	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	5.1
MSC Cert. Comp. 16	5.0	100%	5.0	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	5.0
MSC Cert. Comp. 17	9.3	100%	9.3	0.0	0%	0.0	0.0	0%	0.0	0.7	100%	0.7	0.0	0%	0.0	10.0
MSC Cert. Comp. 18	27.6	100%	27.6	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	27.6
MSC Cert. Comp. 19	0.0	0%	0.0	0.0	0%	0.0	16.5	100%	16.5	0.0	0%	0.0	0.0	0%	0.0	16.5
MSC Cert. Comp. 20	0.0	0%	0.0	0.3	100%	0.3	0.0	100%	0.0	0.0	0%	0.0	0.0	0%	0.0	0.3
MSC Cert. Comp. 21	0.0	0%	0.0	39.7	100%	39.7	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	39.7
MSC Cert. Comp. 22	0.0	0%	0.0	0.0	0%	0.0	3.9	100%	3.9	0.0	0%	0.0	0.0	0%	0.0	3.9
MSC Cert. Comp. 23	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	3.0	100%	3.0	0.0	0%	0.0	3.0
MSC Cert. Comp. 24	0.0	0%	0.0	11.3	100%	11.3	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	11.3
Green buildings Comp. 1	0.0	0%	0.0	0.0	0%	0.0	0.4	100%	0.4	0.0	0%	0.0	0.0	0%	0.0	0.4
Renewable energy Comp. 1	1.2	100%	1.2	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	1.2
Renewable energy Comp. 2	0.0	0%	0.0	0.0	0%	0.0	3.9	100%	3.9	0.0	0%	0.0	0.0	0%	0.0	3.9
Renewable energy Comp. 3	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	12.7	100%	12.7	12.7
SWWM* Comp. 1	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	0.1	100%	0.1	0.0	0%	0.0	0.1
Total	56.1		56.1	100.2		100.2	60.8		60.8	70.1		70.1	12.7		12.7	300


*Sustainable water and wastewater management

September 2023 issuance

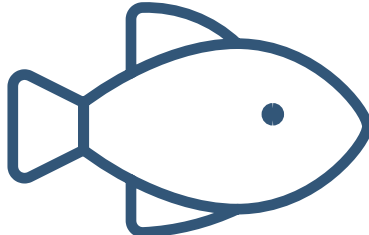
	2021 (€m)	% of loan	Allocated amount (€m)	2022 (€m)	% of loan	Allocated amount (€m)	2023 (€m)	% of loan	Allocated amount (€m)	Total (€m)
Eco-efficient and/or circular economy*** Comp. 1	19.2	100%	19.2	0.0	0%	0.0	3.9	100%	3.9	23.0
MSC Cert. Comp. 1	0.0	0%	0.0	5.0	100%	5.0	0.4	100%	0.4	5.4
MSC Cert. Comp. 2	0.0	0%	0.0	3.3	100%	3.3	0.0	0%	0.0	3.3
MSC Cert. Comp. 3	0.0	0%	0.0	35.7	100%	35.7	0.0	0%	0.0	35.7
MSC Cert. Comp. 4	0.0	0%	0.0	9.7	100%	9.7	1.2	100%	1.2	10.9
MSC Cert. Comp. 5	0.0	0%	0.0	0.0	0%	0.0	3.7	100%	3.7	3.7
MSC Cert. Comp. 6	0.0	0%	0.0	0.0	0%	0.0	0.7	100%	0.7	0.7
MSC Cert. Comp. 7	0.0	0%	0.0	17.2	100%	17.2	0.0	0%	0.0	17.2
MSC Cert. Comp. 8	48.1	100%	48.1	16.7	100%	16.7	1.3	100%	1.3	66.1
MSC Cert. Comp. 9	0.0	0%	0.0	4.4	100%	4.4	0.0	0%	0.0	4.4
MSC Cert. Comp. 10	0.0	0%	0.0	2.8	100%	2.8	1.7	100%	1.7	4.5
MSC Cert. Comp. 11	26.6	100%	26.6	0.0	0%	0.0	0.0	0%	0.0	26.6
MSC Cert. Comp. 12	22.9	100%	22.9	0.0	0%	0.0	0.0	0%	0.0	22.9
MSC Cert. Comp. 13	0.0	0%	0.0	37.3	100%	37.3	0.0	0%	0.0	37.3
MSC Cert. Comp. 14	0.0	0%	0.0	0.0	0%	0.0	18.4	100%	18.4	18.4
MSC Cert. Comp. 15	0.0	0%	0.0	15.5	100%	15.5	0.0	0%	0.0	15.5
Green buildings Comp. 1	0.0	0%	0.0	0.0	0%	0.0	0.8	100%	0.8	0.8
Renewable energy Comp. 1	0.0	0%	0.0	0.0	0%	0.0	3.4	100%	3.4	3.4
SWWM** Comp. 1	0.0	0%	0.0	0.0	0%	0.0	0.2	100%	0.2	0.2
Total	116.8		116.8	147.7		147.6	35.6		35.6	300.0

*Sustainable water and wastewater management
**Eco-efficient and/or circular economy adapted products, production technologies and processes
***Iceland Responsible Fisheries Certified fish products


Impact



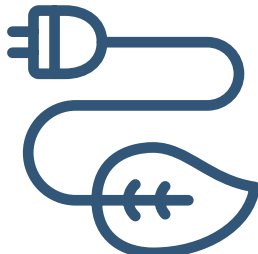
Annual avoided emissions:
8.749 tCO₂e



Number of MSC certified projects: **32**



Number of square meters of eco-certified housing:
3.282 m²



Avoided electricity use with updated infrastructure:
237,250 kWh
– equivalent to the annual electricity use of 24 homes

Project categories Impact of green financing



	Eco-efficient and/ or circular economy adapted products, production technologies and processes	Energy efficiency	Environmentally sustainable management of living resources and land use	Green buildings	Renewable energy	Sustainable water and wastewater management	Grand Total
Sum of Balance EUR	23.0	10.3	619.3	1.1	21.1	0.3	675.3

The proceeds from 2021 and 2023 green bond issuance have been allocated.

The proceeds from the 2024 issues have not yet been allocated.

Environmentally sustainable management of living resources and land use

General overview of the sustainability of Icelandic fisheries

- According to data (preliminary figures) from the Environment Agency of Iceland: Greenhouse gas (GHG) emissions from the Icelandic fishing sector have decreased by 49% since peaking in 1996, from 942 ktCO₂e to 485 ktCO₂e in 2023.
- This reduction in GHG emissions has been achieved through fleet upgrades, technological development and a reduction in the number of fishing vessels alongside growth of the value of marine products.
- In 2020, the number of fishing vessels under the quota system had decreased by 40% from 2008.
- The sector is taking steps towards electrification. Neskaupstaður in East Iceland was the first port to provide ships with electricity during layovers. According to the government's climate action plan from 2020, every port in Iceland shall provide such facilities in the future.

MSC certification

MSC certification is only applied to wild fish or seafood products from fisheries that have received certification according to the MSC Fisheries Standard, a set of requirements for sustainable fishing.

MSC certified fish and seafood derive from fisheries which have been independently assessed for impact on wild fish populations and the ecosystems to which they belong. MSC certified products are distinguished from non-certified products throughout the entire supply chain. They are visibly labelled and traceable to a certified sustainable source.

Under allocated proceeds, 32 companies are MSC certified.

Eco-efficient and circular economy

Eco-efficient and/or circular economy adapted products, production technologies and processes are divided into four categories:

- Development and production of products which are intended to achieve, or have already received a credible, industry specific environmental certification such as the Nordic Swan Ecolabel, the EU Ecolabel or equivalent.

- Research, development and operation of systems, products or technologies that increase energy efficiency, and/or mitigate the GHG emissions of Landsbankinn's customers and/or network users (without any reliance on non-renewable energy sources), such as 5G or other high-speed mobile network infrastructure.
- Internet of Things ("IoT") products and solutions.
- Cloud and analytics products and solutions, including data centres using renewable energy.

We are still in the process of assessing the impact of all allocated proceeds. In a few instances, companies whose operations meet the criteria of the Sustainable Finance Framework do not publish the necessary information to report on their impact. Because of the requirements of bank secrecy, we are unable to identify these companies by name. Instead, a general description of their eligibility for allocation of proceeds from the Bank's green bonds is provided.

One of these companies is a manufacturer that is a supplier of both ingredients in and finished high-quality nutrition products. These products are manufactured using renewable energy and Icelandic water. The company's production is certified carbon negative and verified by a reputable source.

This certification makes the company eligible under the Sustainable Finance Framework's eco-efficient and circular economy requirement: Development and production of products which are intended to achieve, or have already received a credible, industry specific environmental certification.

Energy efficiency

- Development, manufacture, distribution and/or installation of products or services that increase the energy efficiency of industrial processes. These cannot include efficiency of fossil fuel production or distribution.
- Energy-efficiency improvements involving changes to processes, reduction of heat loss or increased waste heat recovery. This includes the installation of renewable-powered cogeneration plants with carbon intensity below 100 gCO₂/kW.
- Installation and operation of fibre and high-speed mobile networks intended to replace copper-based communication networks.

The company that has received allocation is updating domestic infrastructure to become more energy efficient. It fulfils the requirements of the Sustainable Finance Framework's energy efficiency requirement: Installation and operation of fibre and high-speed mobile networks intended to replace copper-based communication networks. The company's projects are directly

associated with the development, installation, expansion, and maintenance of optical fibre networks. The projects involve both the installation of new fibreoptic cables and upgrading existing networks.

Fibreoptic networks (or fibre to the home (FTTH)) have a significantly lower environmental impact than copper networks, as they consume 18 times less energy per unit of data traffic and five times less energy per connected user, resulting in substantial energy savings and a reduced carbon footprint in telecommunications infrastructure.¹ The company in question installed FTTH in 2023 that transmitted 518 PB of data, in 2023 the company installed 260km of FTTH for 6,209 homes.

Energy consumption in telecommunications infrastructure was assessed by comparing the transmission of 518 PB of data over copper and fibreoptic networks, with fibre proving to be 20.27 times more energy-efficient than copper. Fiber used only 12,314 kWh compared to 249,564 kWh for copper, resulting in an energy savings of 237,250 kWh – equivalent to the annual electricity consumption of 24 households. The findings show that fibreoptics not only reduce energy consumption but also lower the carbon footprint of telecommunications networks, highlighting the importance of energy transition for reduced operational costs and more sustainable solutions.

Green buildings

Construction of new, or refurbishment of public, commercial and private buildings is required to achieve one of the following, or equivalent, certification:

- LEED “Gold”
- BREEAM (or BREEAM In-use) “Very good”
- Nordic Swan Ecolabel
- And/or additional criteria detailed in the most recent EU Taxonomy at the time of financing.

The company that has received allocated is constructing new, or refurbishing public and commercial buildings that have an environmental certification. The certifications that such construction has obtained is BREEAM and the Nordic Swan Ecolabel. Landsbankinn has funded 3,282 m² of eligible space, divided as follows:

- Nordic Swan Ecolabel: 365 m²
- BREEAM: 2,981 m²

Renewable energy

Development, construction and operation of facilities using renewable energy for electricity and heating with carbon intensity $<100 \text{ gCO}_2\text{e/kWh}$ considering life-cycle emissions. Such facilities must have implemented relevant solutions that reduce the most important physical climate risks that are material to that activity.

These facilities include:

- Solar energy
- Wind energy
- Hydropower
- Bio energy such as biomass, biogas, biofuels and landfill gas
- Ocean energy
- Geothermal energy
- Hydrogen

Under renewable energy, three companies fulfil the requirements of the Sustainable Finance Framework's renewable energy category. We can provide only very limited information for one of these companies. The company is an infrastructure company that meets the required criteria, but bank secrecy prevents the disclosure of any further details. Bond holders may contact us for more information about the company.

For the other two companies, we can report the annual GHG emissions reduced/avoided in tonnes of CO_2e :

- Company 1: 1,892 tCO_2e
- Company 2: hydro 6,625 tCO_2e and geothermal 232 tCO_2e
- Total: 8,749 tCO_2e

Company 1 operates in the field of renewable energy, specialising in small hydropower plants and hydroelectric power generation. It utilises hydropower, a carbon-neutral energy source, and meets the criteria for GHG emissions reduced/avoided in tCO_2e by reducing or avoiding greenhouse gas (GHG) emissions and generating renewable energy annually.

Company 2 specialises in electricity production and distribution in Iceland. They focus on utilising renewable energy sources, particularly hydropower. By generating electricity from hydropower, the company contributes to the reduction of GHG emissions, as hydropower plants do not emit CO_2 during electricity production, unlike fossil fuel power plants. As a result, the company prevents emissions that would otherwise occur if electricity were generated using fossil fuels.

Sustainable water and wastewater management

Development, construction and operation of wastewater treatment (including collection and wastewater treatment plants).

One company fulfils the requirements of the Sustainable Finance Framework due to its operations in pollution prevention and sustainable water and wastewater management. Because of lack of data, we cannot report on the impact of the company at this time and neither can we disclose details about its operation due to bank secrecy. Bond holders may contact us for more information about the company.



Independent Auditor’s Assurance Report

To the Management and the stakeholders of Landsbankinn hf.

We have been engaged by Landsbankinn hf. to provide limited assurance on the allocation of net proceeds from Green Bonds as disclosed in Sustainable Finance Allocation Report 2024. The allocation is made according to Landsbankinn’s Sustainable Financing Framework which is based on IC-MA’s guidelines and the EU taxonomy for sustainable financing.

Our engagement was performed in order to evaluate:

- Allocation of net proceeds from Green Bonds are used to finance projects that meet the critria of the Bank’s Sustainable Financing Framework from the year 2021.

We express a conclusion providing limited assurance.

Management’s responsibility

The Management of Landsbankinn is responsible for collecting, analysing, aggregating, and presenting the information in the report, ensuring that the information is free from material misstatement, whether due to fraud or error.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (IESBA Code), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Deloitte ehf. is subject to International Standard on Quality Management (ISQM) 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor’s responsibility

Our responsibility is to express a limited assurance conclusion on the allocation based on the Sustainable Financing Framework, presented in the Sustainable Finance Allocation report for 2024. We have conducted our work in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, to obtain limited assurance about our conclusion. In accordance with the standard, we have planned and performed our work to obtain limited assurance about whether Allocation information is free from material misstatement.

A limited assurance engagement is less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Considering the risk of material misstatement, we planned and performed our work to obtain all information and explanations necessary to support our conclusion.

We performed reviews of data, reviews of the underlying data processes as well as interviews with those responsible for producing the data. Our work has included interviews with key functions in Landsbankinn, inquiries regarding procedures and methods to ensure that the allocation of funding is in accordance with the guidelines within Landsbankinn’s Sustainable Financing Framework. We have assessed processes, systems, and controls for gathering, consolidating and aggregating the data at Landsbankinn, and performed analytical review procedures and tested data prepared against underlying documentation.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that allocation of net proceeds from Green Bonds in Landsbankinn’s Sustainable Finance Allocation report for the year 2024 is not prepared, in all material respects, in accordance with the Sustainable Finance Framework.

Kópavogi, 24 February 2025

Deloitte ehf.

Birna María Sigurðardóttir
State-Authorised Public Accountant

