



Summary - Statement on principal adverse impacts of investment decisions on sustainability factors

Summary

This Principal Adverse Impact (PAI) statement is a joint declaration by Landsbankinn hf. (LEI 549300TLZPT6JELDWM92) and Landsbréf ehf. (LEI 213800VY5YTFW1FUUQ55) on a consolidated basis. Landsbankinn and Landsbréf have regard for the principal adverse impacts of their investment decisions on sustainability factors. Landsbankinn and Landsbréf will jointly be referred to herein with the pronoun “we”.

According to the definition in Regulation (EU) No. 2019/2088, on sustainability-related disclosures in the financial services sector (hereafter SFDR), Landsbankinn is a credit institution that provides asset management services for portfolios. Landsbréf ehf., a subsidiary of Landsbankinn, is a specialized financial institution in asset and fund management, licensed as an alternative investment fund manager (AIFM) and a management company for undertakings for collective investment in transferable securities (UCITS). TM tryggingar hf. (hereafter TM) is an insurance company that is part of the Landsbankinn hf. group. TM's active product offering does not include insurance-based investment products and as such, it does not fall under the disclosure obligations of the SFDR and is not part of this statement.

Landsbankinn has largely entrusted Landsbréf with the management of its client's asset portfolios. This statement does not address investment decisions made by the Bank or Landsbréf concerning their own proprietary investments.

In cases where Landsbankinn provides investment advice, the Bank follows the policies and procedures established for responsible investment. Disclosure is based on the data that the Bank and Landsbréf collect in connection with assessing sustainability in investment decisions.

This statement does not cover funds that are invested in; it only applies to individual securities, sovereign states and supranational institutions. However, such funds are included in the calculation of reported ratios.

We have regard for the potential adverse impacts of investments by integrating environmental, social and governance (ESG) factors into due diligence and decision-making when selecting investment options, as applicable, in addition to adhering to predefined exclusion criteria set out in policies on responsible investment and sustainability risk. Landsbankinn, in collaboration with Landsbréf, is currently reviewing its procedures for sustainable investments with the goal of strengthening processes to identify, assess and mitigate the adverse impacts of investment activities on sustainability factors, as well as to take advantage of opportunities inherent in sustainable growth.

At the entity level, we assess the principal adverse impacts by measuring and monitoring the aggregate negative effects of our investments on sustainability factors. We disclose information on 18 sustainability indicators in accordance

with Table 1 of Annex I of Delegated Regulation (EU) 2022/1288 supplementing the SFDR, along with two additional indicators, one from Table 2 and one from Table 3 in the same Annex. For each of these indicators, we provide information about measures taken and planned actions. This information reflects the sustainability priorities underpinning our investments and form the basis for consistent and transparent reporting.

Limited disclosure from the companies in which we invest means that we still face challenges in fully assessing and identifying all principal adverse impacts of our investments.

This statement includes information on the principal adverse impacts of our investments, as measured according to the guidelines mentioned above. Comparison with benchmarks in this field is complicated by the diverse nature of the portfolios of our customers and funds under management (asset classes, nature of the investments, sectors, etc.). Without comparative data from additional past periods, it is difficult to determine which sustainability factors are experiencing the greatest adverse impacts. Because climate change threatens societies and economies worldwide, we focus on reducing the impact of our investments on the climate, alongside other priorities on environmental, social and governance factors. This commitment is reflected in Landsbréf's policy on responsible investment and sustainability risk, Landsbankinn's sustainability policy and our participation in the UN Principles for Responsible Investment (PRI) initiative.¹

This PAI statement covers the period 1 January to 31 December 2024.² The information was originally published on 30 June 2025. We will continue to issue annual reports and more frequent updates as necessary.

This summary is published in both Icelandic and English.

¹ <https://www.landsbankinn.is/uploads/documents/bankinn/sjalfbaerni/Sjalfbaernistefna-Landsbankans.pdf>
<https://www.landsbref.is/uploads/files/reglur/landsbref-stefna-um-abyrgar-fjarfestingar.pdf>

² The identified impact does not cover certain investments for which data is not available and could not be obtained through best efforts or reasonably estimated. The calculation basis for our impact is based on the methodology published in the regulatory technical standards in the Delegated Regulation of the European Commission (EU) 2022/1288 of 6 April 2022, supplementing the SFDR.