



GRI Standards - Appendix

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GRI Standards - Appendix

2 – 29 Approach to stakeholder engagement

Determination of material topics began with a review of Landsbankinn's stakeholders, i.e. individuals or groups that have an interest that is affected or could be affected by the organisation's activities. Landsbankinn's stakeholders are divided into internal and external stakeholders. Internal stakeholders include employees, customers, suppliers, shareholders and society (that is Iceland). External stakeholders refers to regulators, media, investors, interest groups, lobbying groups and authorities.

GRI - description of material topics, a list of material topics and approach to their management.

Landsbankinn regularly evaluates its material topics in sustainability for the purpose of disclosing appropriate information in each sustainability report based on the best current knowledge. During each review, material topics are evaluated with regard for several stakeholder groups. This method ensures review of each material topic with regard for all stakeholders, both internal and external, in a 5-year rotation. The last review of Landsbankinn's material topics took place in 2019 and the stakeholders contacted were customers, employees (including management) and society (i.e. members of the public who are not Landsbankinn customers). Another review was initiated in 2021, contacting customers, employees and society (i.e. members of the public who are not Landsbankinn customers).

As a GRI Sector Standard for financial institutions has yet to be published, we are unable to use them to compare with Landsbankinn's operation. To date, material topics have been determined based on Landsbankinn's impact on GRI indicators. Following a revision of the GRI Standards in fall 2021, it was decided to take a more detailed look at material topics under GRI. Once this work is done, determination of which GRI indicators from the GRI Topics chapters extended to the material topics could be made. Another alternative would have been to continue to utilise the old definitions and disclose information on all GRI Topics covered in previous reports. The decision to take the first alternative is based on enhancing the strategic efficiency of the Bank's sustainability work. Much of our efforts in 2021 have been expended on analysing and developing the sustainability category, focusing and defining it to help us set sustainability goals and work systematically towards those goals.

A survey was sent to all Landsbankinn employees in fall 2021. The survey was created by presenting a list of material topics by sectors from S&P Global, MSCI, SASB, London Stock Exchange Group and Refinitiv. All topics for financial institutions were collated and divided into the categories environment, social and governance (ESG). There were some repetitions and the list was edited to eliminate these. Based on these topics, a survey of 31 questions was presented to Landsbankinn's employees. The question posed was how much or little emphasis Landsbankinn should put on each topic in its operation. There were five possible responses: Very little - Rather little - Neither/nor - Rather much - Very much. The response ratio was 32% and qualitative analysis was carried out on the responses. Three topics emerged which were clearly measuring ESG-related questions. Only questions with over 0.6 correlation to each topic were advanced. Under environment, there were four questions with a correlation of 0.818 to 0.835 to the topic and one with 0.650 correlation, with environmental issues having the highest correlation. In the social topics, four questions had a correlation between 0.638 to 0.735 to the topic. In governance, seven questions had a correlation between 0.620 to 0.776 to the topic.

Where questions were measuring the same topic, the question with the highest correlation to each topic was selected and put to the public in collaboration with EMC rannsóknir. Respondents numbered 635 and the results were analysed by customers of the Bank, overall responses and demographic factors. The demographic factors are gender, age, domicile and position, which is defined based on such factors as household income, assets, savings, education and employment status of adult household members.

In reviewing material topics on the list, it was examined whether their impact had materialised and the possible impact of each topic. The extent of impact on the categories' economy, environment, people and human rights were analysed, as well as their impact through the Bank's actions and/or business connections. The table below lists both the material topics that resulted from quantitative analysis and their impact on the above categories. Management of material topics by the bank using GRI indicators is also shown.

Environmental

GRI Standards		Environment	Impact on these indicators through Landsbankinn's actions and business connections	Materialised impact - negative or positive	Impact that is likely to materialise - negative or positive
2-22, 2-23, 2-24, 2-25, 2-26, 2-27, 2-28, 2-29	201-2, 203-1, 204-1, 301-1, 302-1-2-3-4-5, 305-1-2-3-4-5-6, 306-2, 308-1-2, G4-DMA(FS1), G4-DMA (FS9), G4-FS11	Climate change action	<p>The economy</p> <p>The environment</p> <p>People</p> <p>Human rights</p>	Action against climate change takes place through sustainable financing of projects under the Bank's Sustainable Finance Framework. Landsbankinn has also carbon-offset emissions from its operation. This is a positive impact.	A likely future scenario is tailoring the Bank's products to PCAF results that show where the most extensive emissions from the Bank take place in order to reduce emissions. This would have a comprehensive positive impact.
	307-1	Adhere to plan for climate action	<p>The economy</p> <p>The environment</p> <p>People</p> <p>Human rights</p>	The impact has not materialised in this case but is likely to manifest shortly.	The impact here will be through business connections which will impact all categories. Customers will have to adapt to changed legislation in support of the plan for climate action and Landsbankinn will help them in the process through sustainable financing and possibly tailored products. This impact will be positive across all categories.
	203-1, G4-DMA (FS8)	Finance projects with a positive environmental impact	<p>The economy</p> <p>The environment</p> <p>People</p> <p>Human rights</p>	The impact has not begun to materialise here.	Landsbankinn is in a position to finance projects that have a positive environmental impact through business connections and must meet the requirements of the Bank's Sustainable Finance Framework. The positive impact would likely affect all categories.
	G4-DMA (FS3), G4-FS10	Offer sustainable financing	<p>The economy</p> <p>The environment</p> <p>People</p> <p>Human rights</p>	Landsbankinn has begun offering sustainable financing under its Sustainable Finance Framework, i.e. projects that meet the criteria of the Framework can receive sustainable financing. The impact is positive on all categories.	The likely continuance is to increase sustainable financing under the Framework and the impact would be positive across all categories.

Social

GRI Standards		Social	Impact on these indicators through Landsbankinn's actions and business connections	Materialised impact - negative or positive	Impact that is likely to materialise - negative or positive
2-7, 2-8, 2-19, 2-20, 2-21, 2-30, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2	403-5, 403-6, 404-1-2-3,	Employee training	The economy	Employee training is a project that is continuously evolving at Landsbankinn through a broad selection of courses and other methods of developing knowledge. Especially positive impact on people and the economy; also on other categories.	Continued development in line with modern demands and an ever-changing banking system. A positive impact is expected as long as training of Bank employees continues and through encouragement of others to do the same in the Bank's Annual & Sustainability Report.
			The environment		
			People		
			Human rights		
2-7, 2-8, 2-19, 2-20, 2-21, 2-30, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2	404-1-2-3,	Develop human resources	The economy	The development of human resources is an on-going project under the Bank's Human Resources department, shared through the Bank's Annual & Sustainability Report for the benefit of others. Main positive impact on people and the economy but also on other categories.	Continued development in line with modern demands and an ever-changing banking system. A positive impact is expected as long as development of the Bank's human resources continues and through encouragement of others to do the same in the Bank's Annual & Sustainability Report.
			The environment		
			People		
			Human rights		
2-7, 2-8, 2-19, 2-20, 2-21, 2-30, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2	201-1-3, 202-1, 202-2, 403-3-4-8, 405-2, 407-1, 413-1-2, 414-2, G4-FS13, G4-FS14, G4-DMA (FS15), G4-DMA (FS16)	Good labour market practice	The economy	Good labour market practice has a positive impact on all categories and a negative impact if they are not respected. Landsbankinn operates under a strict regulatory environment and we consider that the Bank employs good labour market practices with the resulting positive impact.	Positive impact continues so long as good labour market practices are maintained; failure results in a negative impact.
			The environment		
			People		
			Human rights		
2-7, 2-8, 2-19, 2-20, 2-21, 2-30, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2	405-1, 406-1,	Contribute to participation, diversity and employee access	The economy	The impact from this topic that has materialised is mainly in connection to diversity among employees as Iceland is a fairly homogeneous society and the only country the Bank operates in. Accessibility could in many cases be better - much of the Bank's housing is old and accessibility not good enough. This affects mainly people and human rights.	In a fast-changing society, there may be a negative impact from lack of diversity in the workforce and poor accessibility. Efforts to increase diversity among staff are on-going and the Bank moves to new headquarters this year, where accessibility is ensured for all. The impact on people and human rights is positive.
			The environment		
			People		
			Human rights		

Governance

GRI Standards		Governance	Impact on these indicators through Landsbankinn's actions and business connections	Materialised impact - negative or positive	Impact that is likely to materialise - negative or positive				
2-5, 2-6, 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 205-1-2-3, 206-1, 415-1,	408-1, 409-1, 414-1,	Human rights	<table border="1"> <tr><td>The economy</td></tr> <tr><td>The environment</td></tr> <tr><td>People</td></tr> <tr><td>Human rights</td></tr> </table>	The economy	The environment	People	Human rights	Human rights in Landsbankinn's supply chain are considered as regards suppliers and in the Bank's own actions. Ensuring human rights has an impact on all categories.	Likely future impact is increased emphasis on human rights, especially in the Bank's supply chain. Negative impact if human rights are violated, positive impact for all categories if human rights are promoted through increased recognition of responsibilities in the supply chain and related actions.
	The economy								
	The environment								
	People								
	Human rights								
	417-3,	Responsible marketing	<table border="1"> <tr><td>The economy</td></tr> <tr><td>The environment</td></tr> <tr><td>People</td></tr> <tr><td>Human rights</td></tr> </table>	The economy	The environment	People	Human rights	Always be cognisant of responsible marketing. Failure to do so would negatively impact all categories and weaken the Bank's operating basis considerable.	Positive impact if effective, negative if not ensured. Care has been taken and will surely continue, especially with increased emphasis on data and data-driven marketing.
	The economy								
	The environment								
People									
Human rights									
418-1	Privacy	<table border="1"> <tr><td>The economy</td></tr> <tr><td>The environment</td></tr> <tr><td>People</td></tr> <tr><td>Human rights</td></tr> </table>	The economy	The environment	People	Human rights	The Bank employs a Data Protection Officer to safeguard privacy. Impact on people, the economy and human rights is positive or negative as the case may be. Every effort is made to ensure privacy at the Bank.	Considerable negative impact in case of failure. Currently well tended to, important to monitor closely when emphasis changes and/or are updated.	
The economy									
The environment									
People									
Human rights									
2-5, 417-1-2,	Responsible sale practices and labelling	<table border="1"> <tr><td>The economy</td></tr> <tr><td>The environment</td></tr> <tr><td>People</td></tr> <tr><td>Human rights</td></tr> </table>	The economy	The environment	People	Human rights	Always practice responsible sales and product labelling. Failure would have a significant negative impact on all categories and weaken the Bank's operating bases significantly.	Positive impact if done well, negative if not. Care has been taken and the aim is to continue on the same path.	
The economy									
The environment									
People									
Human rights									
419-1	Honour ESG obligations (avoid fines)	<table border="1"> <tr><td>The economy</td></tr> <tr><td>The environment</td></tr> <tr><td>People</td></tr> <tr><td>Human rights</td></tr> </table>	The economy	The environment	People	Human rights	Purview of the Bank's Compliance function; failure to honour obligations would impact all categories negatively.	Important to continue to do well in this topic.	
The economy									
The environment									
People									
Human rights									
418-1, 417-2-3, 419-1	Comply with regulatory anti-corruption framework (avoid fines)	<table border="1"> <tr><td>The economy</td></tr> <tr><td>The environment</td></tr> <tr><td>People</td></tr> <tr><td>Human rights</td></tr> </table>	The economy	The environment	People	Human rights	Purview of the Bank's Compliance function; failure to honour obligations would impact all categories negatively.	Important to continue to do well in this topic.	
The economy									
The environment									
People									
Human rights									
G4-DMA (FS12)	Practice good business ethics and governance	<table border="1"> <tr><td>The economy</td></tr> <tr><td>The environment</td></tr> <tr><td>People</td></tr> <tr><td>Human rights</td></tr> </table>	The economy	The environment	People	Human rights	Purview of the Bank's Compliance function; failure to honour obligations would impact all categories negatively.	Important to continue to do well in this topic.	
The economy									
The environment									
People									
Human rights									

Work on identifying and defining material topics was carried out by the Bank's sustainability experts with the assistance of specialists from the Marketing department, in addition to outsourced work to EMC rannsóknir. The Managing Director of Community oversaw the work and has approved these material topics for Landsbankinn's sustainability platform.

2- 6 Activities, value chain and other business relationships

About Landsbankinn	Change	31.12.2021	31.12.2020	31.12.2019
Retail customers of Landsbankinn	-13%	115,515	132,058	129,943
Corporate customers of Landsbankinn	21%	16,276	13,460	12,905
Branches and outlets	0%	36	36	37
Full-time equiv. positions	-7%	801	858	875
Employees	-8%	850	923	947

Key ratios (ISKbn)	2021	2020	2019
Net operating income	62,330	38,253	51,517
After-tax profit	28,919	10,521	18,235
After-tax ROE	10.8%	4.3%	7.5%
Capital adequacy ratio (CAR)	26.6%	25.1%	25.8%
Interest margin on average total asset position	2.3%	2.5%	2.8%
Cost-income ratio	43.2%	47.4%	42.6%
Total assets	1,729,798	1,564,177	1,426,328
Ratio of customer lending to deposits	154.1%	160.5%	161.1%

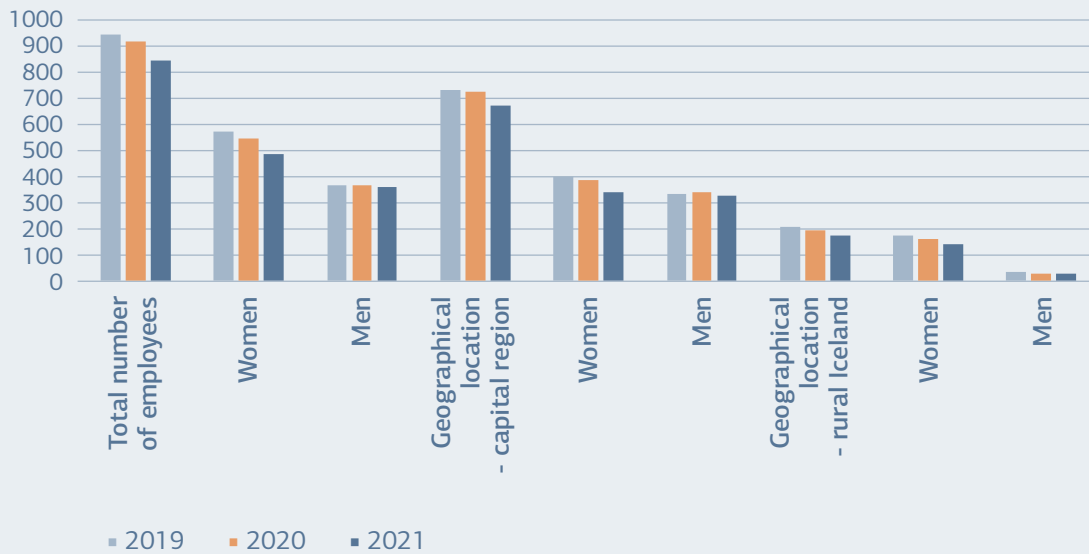
2-7 Employees

In disclosing the number of employees at Landsbankinn, the change has been made that instead of only including employees in banking jobs, we now include all employees who have a contract of employment with the Bank. Figures were updated for 2020 and 2019 for the sake of comparison and 2019 is now a new base year for employee statistics. As before, we only show the genders male and female as staff outside those two categories are too few for the information to be considered general. Five or more employees of the same gender are required to be in each category in order to disclose the information. The CEO is part of the Bank's executive board as in previous years.

All figures in the chapter on human resources in the GRI report apply to the employees of Landsbankinn hf., not the entire Group. Number of employees refers to actual personnel rather than full-time equiv. positions. While data is gathered monthly, beginning and end of year positions are considered, as are the changes to statistical information on the Bank's human resources in the course of the year.

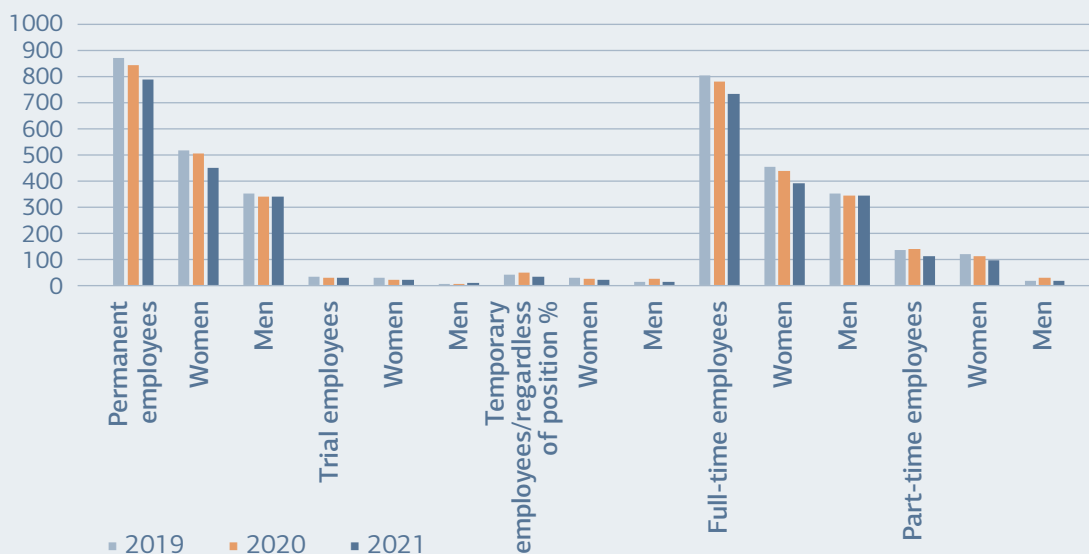
Landsbankinn defines Iceland as its operating environment and thus has only one operating environment yet discloses information by geographies, i.e. the capital region and rural Iceland.

Landsbankinn's employees - gender and geographical location



Landsbankinn's employees	2021	2020	2019
Total number of employees	850	923	947
Women	487	552	576
Men	362	371	371
Geographical location - capital region	675	728	739
Women	345	388	401
Men	330	340	338
Geographical location - rural Iceland	174	195	208
Women	142	164	173
Men	32	31	35

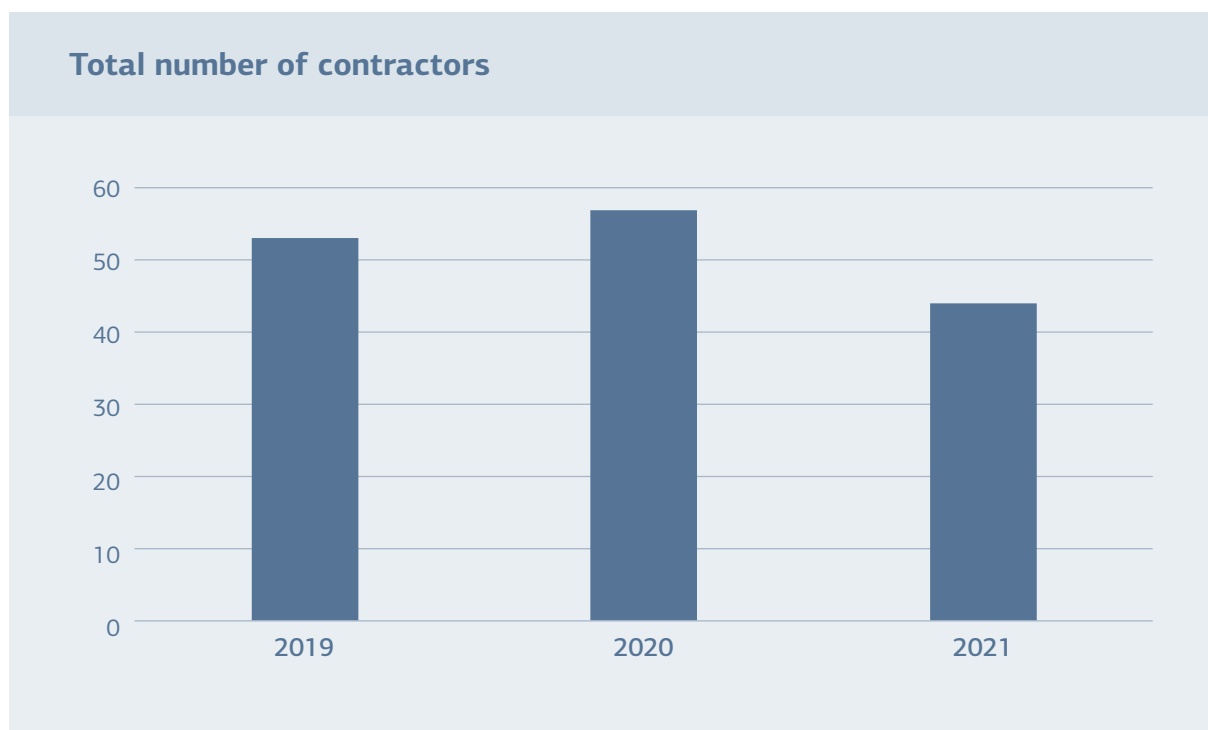
Type of employment



Type of employment	2021	2020	2019
Permanent employees	793	850	875
Women	451	507	521
Men	342	343	354
Trial employees	26	27	32
Women	18	21	27
Men	8	6	5
Temporary employees/regardless of position %	30	46	40
Women	18	24	28
Men	12	22	12
Full-time employees	737	785	811
Women	392	440	457
Men	345	345	354
Part-time employees	112	138	136
Women	95	112	119
Men	17	26	17

2.8 Workers who are not employees

Workers who are not employees include contractors who carry out temporary assignments for Landsbankinn. Contractors carry out temporary confidential and/or specialist work for the Bank and these are assignments that do not require new permanent positions. The number of contractors in 2021 is based on confidentiality agreements signed by contractors in 2021 and the figures thus indicate the number of contractors during the year rather than positions.



	2021	2020	2019
Total number of contractors	44	57	53

2 – 28 Memberships and partnerships

Related to sustainability

- Festa, Centre for Sustainability
- UN Global Compact
- UN PRI
- UNEP-FI
- IcelandSIF - Iceland Sustainable Investment Forum
- Climate project of Festa and the City of Reykjavík to work systematically on the SDGs
- UNEP-FI Principles for Responsible Banking.
- Partnership for Carbon Accounting Financials (PCAF)

Other companies

- ACI Ísland, association
- International Trade Commissions in Iceland
- Aluminium cluster, association
- Intrum Iceland ehf.
- Dokkan slf.
- The Fintech Cluster ehf.
- Íslandshótel hf.
- Íslenski ferðaklasinn
- Icelandic-Chinese Chamber of Commerce
- Confederation of Icelandic Employers
- The Icelandic Financial Services Association
- Icelandic Standards (IST)
- Stjórnvísí
- Project Management Association of Iceland
- Iceland Chamber of Commerce

201-1 Direct economic value generated and distributed

Direct economic value in ISK million*	Change	2021	2020	2019
Income	63%	62,330	38,253	51,517
Operating costs**	1%	7,718	7,668	8,050
Salaries and related expenses	0%	14,759	14,767	14,458
Dividend to shareholders	100%	4,489	-	9,922
Income tax and special tax	145%	9,547	3,901	9,290
Financial sponsorship	3%	119	115	150
Total economic contribution	38%	36,632	26,451	41,870
Economic gain	118%	25,698	1,1802	9,647
Proportion of economic contribution of gains	-15%	59%	69%	81%

* Consolidated information

** Less impairment of PPE and grants

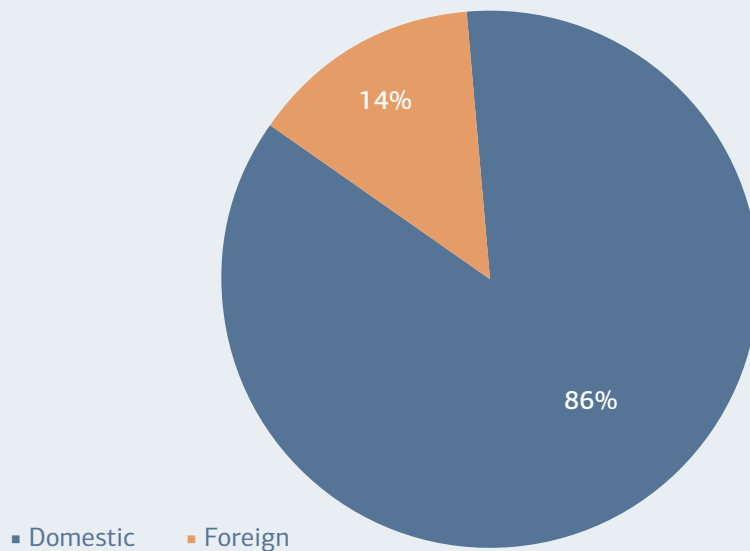
204-1 Proportion of spending on local suppliers

Landsbankinn defines Iceland as its local community and endeavours to do business with Icelandic suppliers in so far as this is economical. In rural areas, the Bank endeavours to do business with locals, provided they fulfil the requirements of the Bank's Procurement Policy.

	Domestic	Foreign	Total
Number of suppliers with a turnover over ISK 500,000	379	94	473
Number of suppliers with more than 1-year contracts	37	75	112
Total payments in ISKm*	5946	967	6913

* Consolidated information

Proportion of procurement from domestic and foreign suppliers



Proportion of supplier turnover by category	% of total	Domestic	Foreign
Information Technology (IT)	41.6%	71.0%	29.0%
Real estate operating costs	14.6%	100.0%	0.0%
Marketing costs	11.7%	100.0%	0.0%
Other	32.1%	94.0%	6.0%

Anti-corruption

205-1 Operations assessed for risks related to corruption

Landsbankinn has a policy on measures against bribery and corruption. The policy provides for effective organisational and managerial processes to minimise the risk of corruption and bribery in Landsbankinn's operation and in relations with customers, employees, regulators and other authorities, shareholders, auditors, competitors and other stakeholders. This policy reflects the United Nations Convention against corruption, enacted in Iceland in March 2011, Article 264 (a) of the General Penal Code No. 19/1940, Landsbankinn's Rules of Procedure and its Covenant of Ethical Conduct.

In 2021, Landsbankinn carried out a risk assessment of 92,7% of its operating segments with regard for misconduct and corruption. A risk assessment was carried out on the Bank's customers and operation, including all products, services and distribution channels, for the risk of money laundering and terrorist financing.

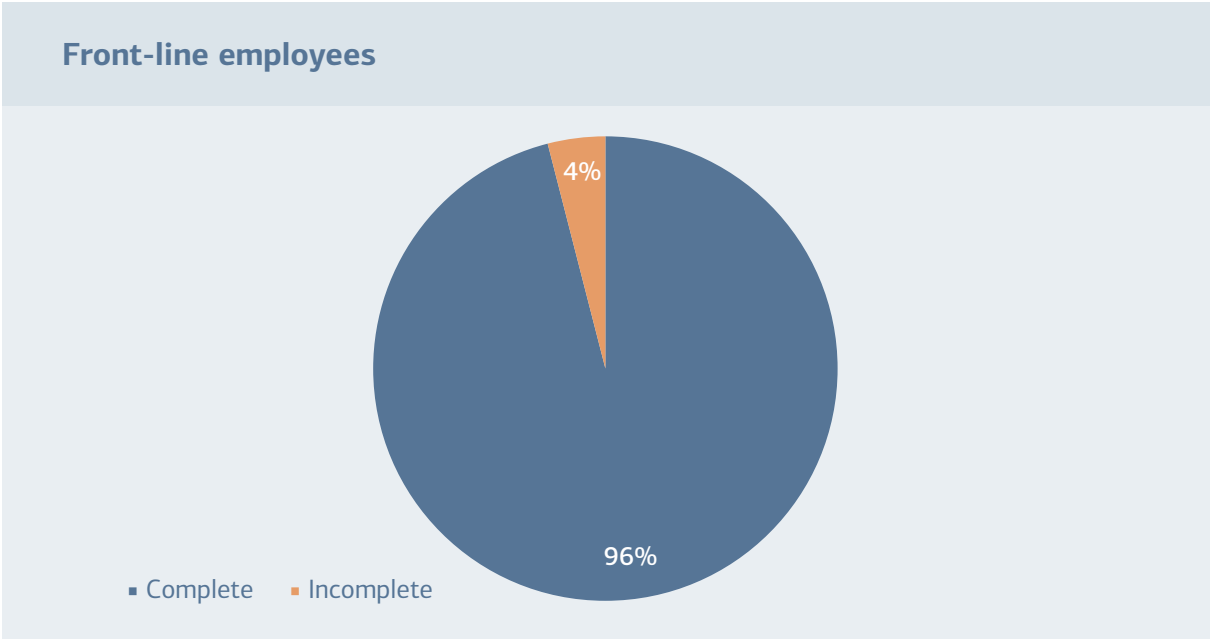
205-2 Communication and training about anti-corruption policies and procedures

New employees at Landsbankinn receive special instruction and training about the Bank's main rules, including rules on conflict of interest, notification of misconduct and actions to combat money laundering and terrorist financing. The Board of Directors and the CEO receive special instruction and training at the outset of employment as part of preparation for their eligibility assessment, carried out by the Financial Supervisory Authority of the Central Bank of Iceland.

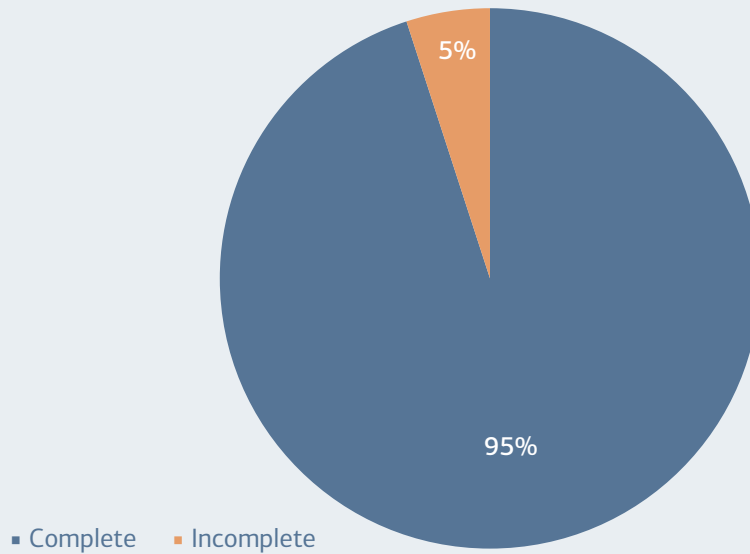
Landsbankinn's policy against bribery and corruption extends to the duty of superiors to inform and instruct, as such instruction shall aim to increase employee awareness of measures against bribery and corruption and information about how to respond to suspicion of bribery and corruption. A special presentation was created and sent to all employees, reviewing the obligation to report on bribery and corruption. Just over half of employees watched the presentation and so management was reminded to present the issue to their subordinates.

In addition to the presentation on bribery and corruption, employees receive regular instruction on measures against money laundering and terrorist financing. Such instruction takes place through visits to the Bank's various units, notifications posted to Workplace, and electronic instruction and testing on the Bank's education platform.

In 2021, front-line employees and employees at head office were tested on measures against money laundering and terrorist financing, with 96% of the former completing the test and 95% of the latter.



Head office



205-3 Confirmed incidents of corruption and actions taken

Landsbankinn takes suitable measures to reduce the risk of bribery and corruption in its operation. Suitable measures refers to the relevant organisational and managerial action taken at Landsbankinn, involving the following:

- The Board of Directors has set policies intended to support the Bank's measures against bribery and corruption, including a policy on conflict of interest, a policy on actions to combat money laundering and terrorist financing and a compliance risk policy.
- There are in place rules, work procedures and work descriptions that are intended to impede bribery and corruption, including rules on gifts and invitational trips, and rules on notification of misconduct.
- Landsbankinn's rules include a ban against donating funds or conferring other benefits that have monetary value to political parties, candidates or election campaigns.
- Employees receive regular instruction about bribery and corruption. The instruction aims to increase employee awareness of measures against bribery and corruption and communicate information about how to respond to suspicion of bribery and corruption.
- Landsbankinn's rules provide for the obligation of employees to notify without delay of any suspicion of bribery and/or corruption to the Compliance Officer or Chief Audit Executive, cf. Landsbankinn's rules on employee notices about misconduct, including the rights of whistle blowers. Employees may also submit anonymously concerns through the in-house mail service to the Compliance Officer or Chief Audit Executive. There were no corroborated instances of bribery or corruption in Landsbankinn's operation in 2021.

305-5 Reduction of GHG emissions

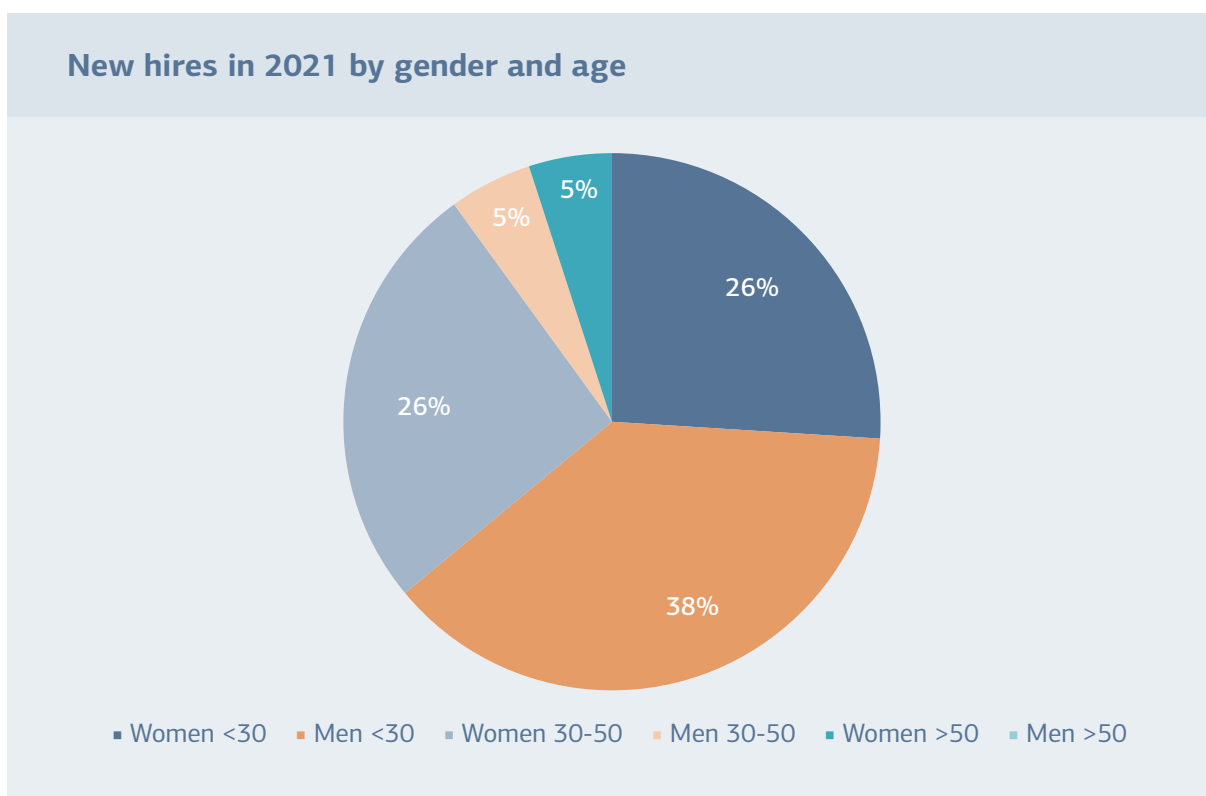
Landsbankinn carbon-offsets the Bank's operation through internationally approved actors and has renewed its internationally acclaimed certification from CarbonNeutral® in 2021. Landsbankinn encourages employees to utilise other means of travel to and from work than private vehicles and offers transport grants as an incentive.

Transport grants	2021	2020	2019
Amount per individuals per year (ISK)	102,000	96,000	96,000
Active agreements	365	389	408
Number of employees	43.81%	43.12%	44.10%
Thereof women	53.42%	58.35%	58.82%
Thereof men	46.3%	41.65%	41.18%

401-1 New employee hires and employee turnover

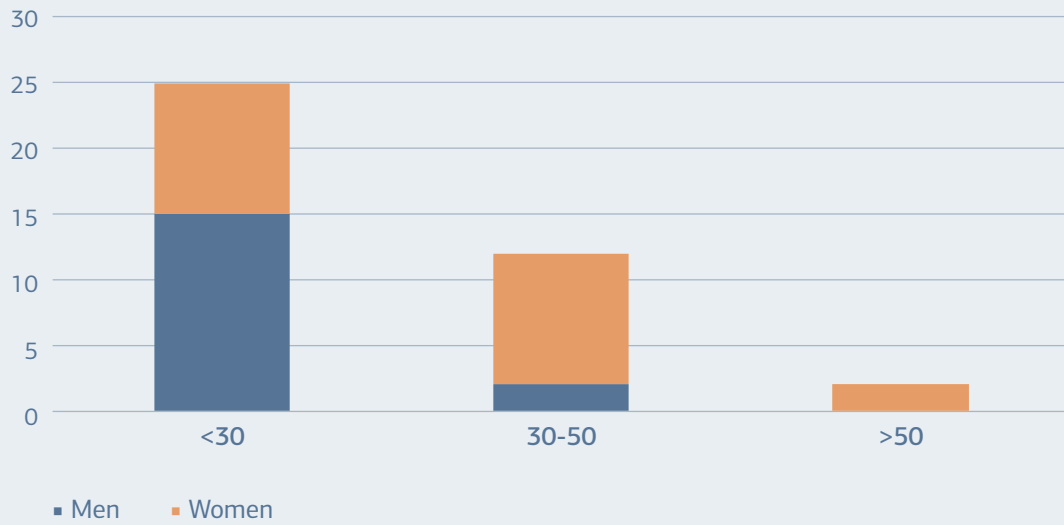
At year-end 2021, Landsbankinn had 850 employees working in the equivalent of 801 full-time positions

New hires were 56% women, 44% men.



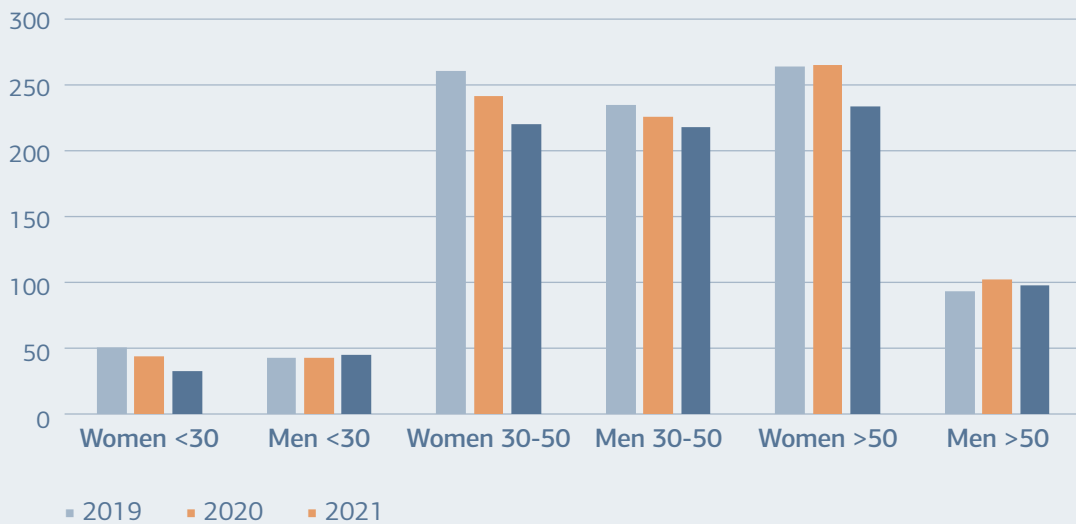
Age bracket of new hires as a ratio of the whole	2021	2020	2019
Women <30	26%	32%	37%
Men <30	38%	32%	13%
Women 30-50	26%	16%	19%
Men 30-50	5%	16%	21%
Women >50	5%	3%	8%
Men >50	0%	0%	2%

New hires in 2021 - numbers by gender and age



Below is a breakdown of age distribution by gender and age, and changes over a three-year period.

Age distribution by gender



Age distribution by gender	2021	2020	2019
Women <30	32	44	50
Men <30	45	43	42
Women 30-50	221	242	261
Men 30-50	219	226	236
Women >50	234	266	265
Men >50	98	102	93

Employee turnover by gender and age over the past three years.

Employee turnover - all jobs	2021	2020	2019
Women <30	1.35%	1.07%	0.83%
Men <30	0.79%	0.75%	0.63%
Women 30-50	3.50%	1.71%	1.77%
Men 30-50	0.68%	1.39%	1.36%
Women >50	4.85%	2.89%	2.71%
Men >50	1.24%	0.43%	0.63%
	12.41%	8.24%	7.92%

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

Landsbankinn's employees receive benefits under the collective bargaining agreement between the Confederation of Icelandic Banks and the Confederation of Icelandic Employers, from the Landsbankinn Employee Association and Landsbankinn hf. The terms vary depending on whether employment is trial or permanent. In some instances, trial employees can enjoy the same benefits as permanent employees.

All employees, both trial and permanent, have access to a consulting physician, lunch, accident insurance, parental leave as well as a sickness fund.

All permanent employees have life assurance, receive disability payments if needed and are paid a part of the difference between wages and payments from the parental leave fund.

In addition to the above, employees enjoy various benefits, such as access to summer cottages, sports grants, transportation grants, study grants and hobby grants. Further information about benefits available to employees is available on the Bank's website.

401-3 Parental leave

Number of employees entitled to parental leave*	2021	2020	2019
Women	30	30	34
Men	50	43	45
Total	80	73	79
Number of employees who took parental leave*	2021	2020	2019
Women	30	30	34
Men	47	42	36
Total	77	72	70
Number of employees who returned to work following parental leave*	2021	2020	2019
Women	28	32	32
Men	42	35	35
Total	70	67	67
Number of employees who returned to work following parental leave and were still employed 12 months later*	2021	2020	2019
Women	27	27	24
Men	31	33	28
Total	58	60	52

Number of employees who did not return to work following parental leave	2021	2020	2019
Women	2	2	3
Men	0	3	1
Total	2	5	4
Number of employees who return to work	2021	2020	2019
Women	93.33%	94.12%	91.43%
Men	100%	97.22%	97.22%
Still employed 12 months after parental leave (retention rate)	2021	2020	2019
Women	84.38%	84.38%	96%
Men	88.57%	94.29%	96.55%

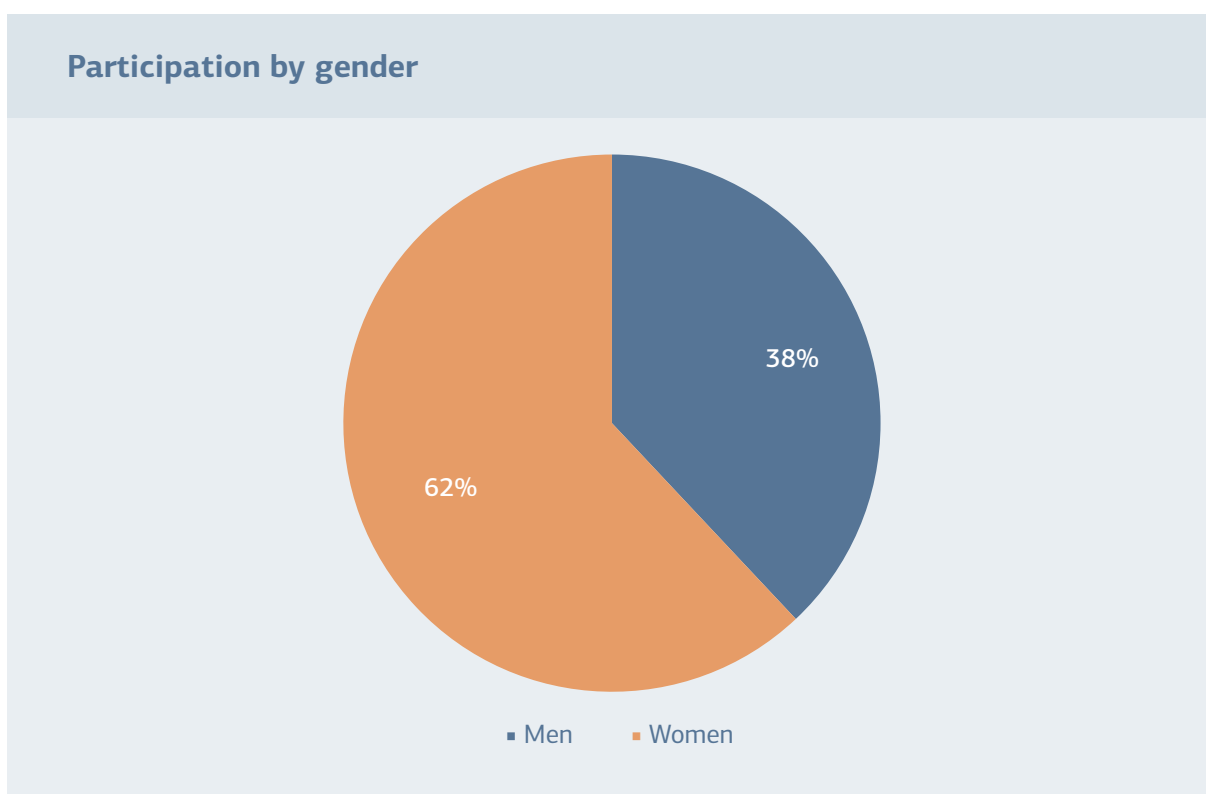
*In Iceland, the right to parental leave extends over two years, meaning that the figures for 2021 show parental leave rights for children born between 2019-2021; 2020 shows parental leave rights for children born between 2018-2020, and 2019 rights for children born between 2017-2019.

404-1 Average hours of training per year per employee

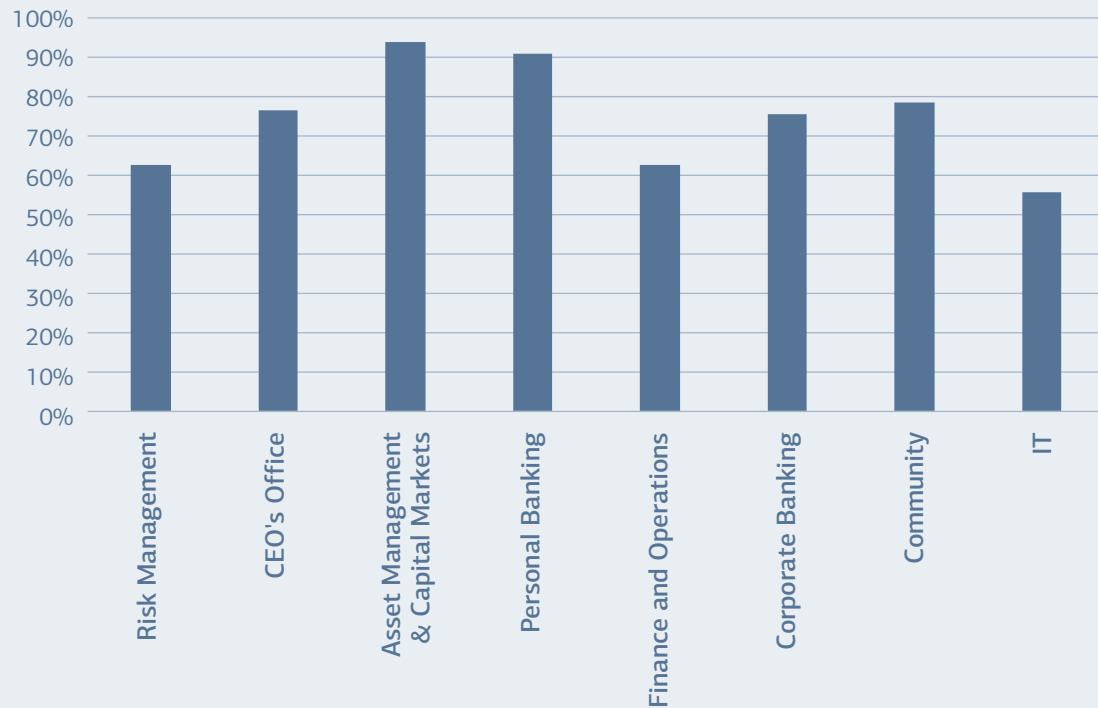
404-2 Programs for upgrading employee skills and transition assistance programs

Comprehensive learning culture

Over the past years, we have done a great deal to ensure that our team receives support and opportunities to develop as professionals and continue learning. Our work environment is undergoing rapid changes, enhancing the importance of ensuring that employees have access to a comprehensive learning programme within and outside the Bank in line with our strategy, challenges and projects at each time.



Active in education by division



Education and training in 2021

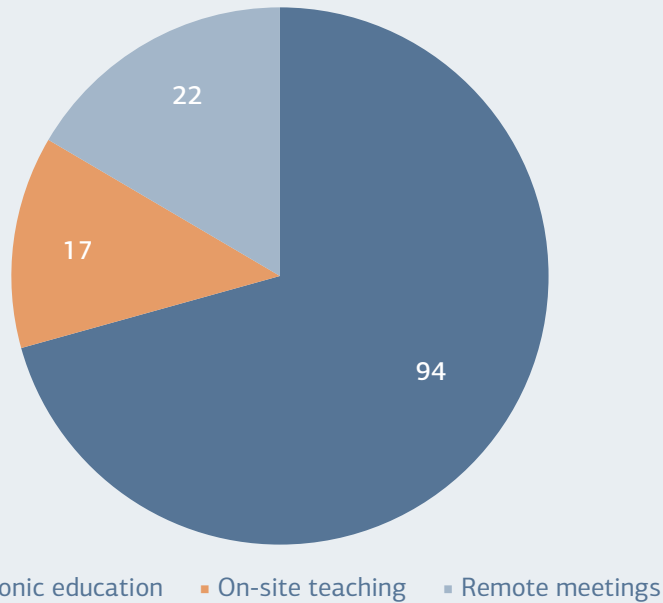
The Bank's education and training programme in 2021 was shaped by the implementation of a new strategy, adapting to increased flexibility in the workplace and by a focus on the team's health and wellbeing. We offered regular information meetings on strategic issues, information about returning to the workplace following a period of home office work, education about electronic teamwork and communication and other popular and pertinent subjects. The education programme included education on internal processes, such as products and services, laws and rules, and utilised different channels and formats, such as lectures, courses, workshops and e-learning.

Effective job development

The project effective job development aims to train the Bank's employees in skillsets considered important to the future workplace. These skillsets include leadership, communications skills, critical and solution-oriented thinking and teamwork proficiency. Participants attend courses and targeted training over two semesters. In 2021, 44 persons participated in the project.

As in 2020, we felt the impact of Covid-19 on the Bank's education programme. One of the effects was that we used remote learning more than previously. Each employee attended on average 2 education or training events during the year.

Type of education

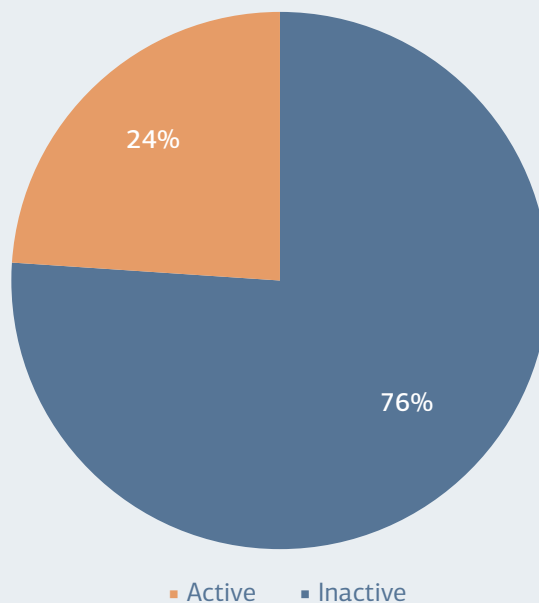


Participation in education

Not counting obligatory instruction, 76% of employees attended some job-related instruction offered by the Bank during the year. We are focused on ensuring that everyone enjoys equal education opportunities. Divided by gender, women (62%) are more active participants than men (38%).

Considering conditions in 2021, participation in education was highest in Asset Management & Capital Markets (94%) and Personal Banking (91%), lowest in IT (55%). The participation rate reflects education and electronic instruction that is not mandatory yet on the Bank's education programme.

Participation in education



Management training

In 2021, managers were offered education and training targeting the challenges managers face in a new and altered work environment. Participation by managers in education was generally good in 2021, or around 90%. Managers also had the opportunity to attend courses with a management trainer.

Orientation for new employees

In the first weeks and months on the job, new employees are required to complete obligatory orientation. This includes general information about the Bank's operation, rules and code of ethics. Managers are responsible for ensuring that new employees receive a warm welcome and appropriate training.

Preparation for retirement

Employees planning to go into retirement in the next two years are offered the opportunity to attend a retirement course to prepare for this important milestone. We emphasise physical attendance and networking in these courses. Two preparation for retirement courses were held in 2021 with 31 participants.

Grants to build knowledge

Employees are encouraged to apply for study and continuing education grants through the employees' association (FSLÍ) and their union. Such grants provide employees with the possibility of enrolling in longer programmes or courses outside of the Bank.

Sustainability report 2021

G4-DMA (FS16) Action to improve financial literacy by target group

The department Business Solutions in the Bank's Personal Banking division handles financial instruction to private individuals and supports increased financial literacy. Extensive coverage and education on economic and financial issues takes place through Umræðan, Landsbankinn's content and news site.

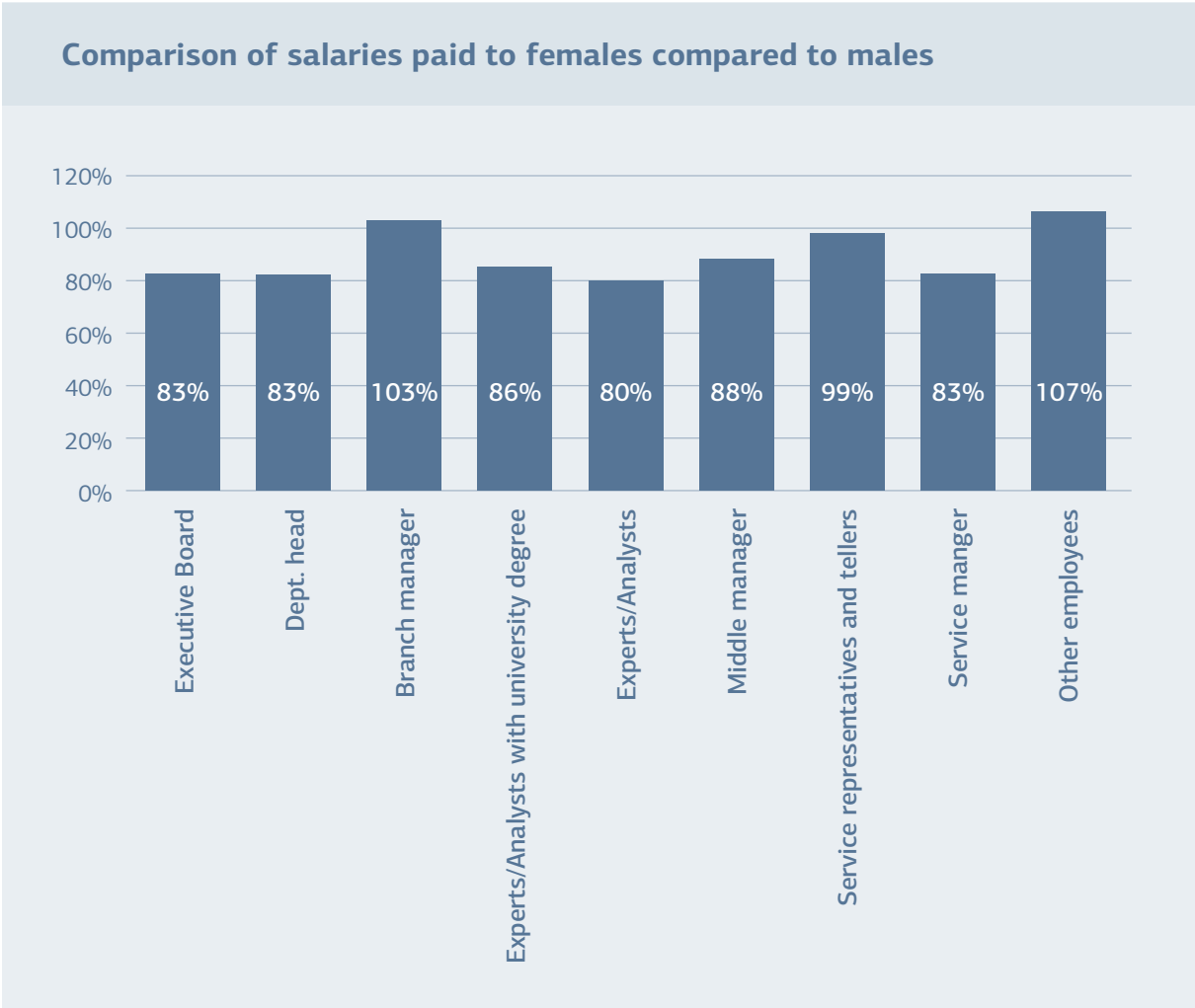
Over a span of several years, Landsbankinn has emphasised providing financial instructions to young people in upper secondary school, both younger students just embarking on their course of study and those about to finish school. This instruction is intended to contribute to increased financial literacy and prepare students for the future. This instruction is available to all upper secondary schools and is carried out in collaboration with the schools' representatives.

Covid-19 coloured these education activities for the second year in a row, with only 10 visits and half took place via remote meeting equipment. The Bank does not promote its products or services, only providing general financial advice. Employees in the Bank's Customer Service Centre have handled financial instruction in the capital area and employees in rural Iceland handle instruction in their area. An effort is made to ensure that younger employees of Landsbankinn handle instruction to upper secondary school students in order to take advantage of peer mentoring.

Landsbankinn is an active participant in the project Fjármálavit, which produces educational material in financial literacy for older elementary school students. The project is under the auspices of the Icelandic Financial Services Association and the National Association of Pension Funds in collaboration with members and their employees throughout Iceland. The same applies to Fjármálavit as all visits were suspended under restrictions on gatherings.

405-2 Comparison of salaries paid to males and females

Median wages are compared with position and gender. No regard is had for education, age, duration of employment or experience.



418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

In 2021, Landsbankinn received 50 complaints from customers regarding searches for their Id. Nos. in the Bank’s systems, and that of the Bank’s partner, Creditinfo. All searches were made for objective reasons and for business purposes, except one. The Bank’s employee was reprimanded.

Four customers referred their complaints to the Data Protection Authority in 2021. In one case, processing of personal data by the Bank was not considered to accord with the provisions of the Data Protection Act. The Data Protection Authority accepted the Bank’s explanations in one of the cases and closed the case. Decisions are still outstanding in two cases involving processing by the Bank of the applicant’s request to access own personal data on the one hand and registration of an Id. No. in connection with a deposit to an account on the other. In addition, a decision was reached in a complaints case from 2017 in which the Bank’s processing of the applicant’s request to access own personal data was not considered in compliance with the Data Protection Act.

Landsbankinn notified of three security breaches in the processing of personal data to the Data Protection Authority; one operational incident with the Bank’s processor and operational disruptions in the Bank’s self-service solutions in two cases. The Data Protection Authority did not see reason to take action or reprimand the Bank for two of these notifications and the decision is pending in the third case.

No other confirmed deviations from customer privacy were recorded.

G4-FS13 Access to banking services

The Bank's customers have access to around the clock banking service through Landsbankinn's app and online banking which offer all general banking services anytime and anywhere in three languages. Customers can apply for credit cards in the app, alter their credit limit, apply for loans or overdrafts, create accounts in online banking and regular savings, or become customers and apply for housing loans through an electronic process, all in the space of a couple of minutes.

Self-service is not restricted to the app or online banking. ATMs and other self-service equipment can be used to deposit and withdraw cash, purchase foreign currency, purchase gift cards, view account balance and pay invoices. Emphasis is placed on around the clock access to self-service equipment.

Landsbankinn operates the largest branch and ATM network in Iceland, with 36 branches and outlets and 90 ATMs in 62 locations throughout Iceland. Landsbankinn offers service visits to several rural regions. Customers mainly seek service in branches for financial advice, corporate services and to seek assistance in learning to use self-service solutions.

G4-FS14 Initiatives to improve access to financial services for disadvantaged people

In 2021, Covid-19 directed customers to online and phone service channels to an increasing degree. More customers contacted the Customer Service Centre over the phone, email and web chat, electronic signatures tripled and appointments for branch services, an innovation introduced in late 2019, has become a permanent feature. Employees throughout the country now provide advisory service through alternative channels when access to branches is restricted.

G4-DMA (FS16) Action to improve financial literacy by target group

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