

# Auditor's Limited Assurance Report

To Íslandsbanki hf.



## Introduction

We have been engaged by the Board of Directors of Íslandsbanki hf. (the Bank) to undertake a limited assurance engagement of *selected information* in the Bank's Annual and Sustainability Report for the year 2021.

## Assurance scope

The scope of our work was limited to providing assurance on:

- The environmental factors as presented on page 42 and 44 of the Bank's Annual and Sustainability Report 2021 and
- The Bank's offset of CO<sub>2</sub> emission for 2021 as presented on page 44 of the Bank's Annual and Sustainability Report 2021

Together: "*the selected information*"

Our assurance does not extend to any other information in the Annual and Sustainability Report.

## Responsibilities of the Board of Directors and the Executive Management for the Annual and Sustainability Report

The Board of Directors and the Executive Management are responsible for preparing and presenting the Annual and Sustainability Report. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Annual and Sustainability Report, such that it is free from material misstatement, whether due to fraud or error.

## Responsibilities of the Auditor

Our responsibility is to express a limited assurance conclusion on the *selected information* specified above based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information issued by IAASB. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Annual and Sustainability Reporting, and applying analytical and other limited assurance procedures, including inspection of documentation, and limited sample testing of the selected information.

The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards. The procedures performed, consequently, do not enable us to obtain assurance that we would

become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

We performed our review from November 2021 to February 2022. Our work consisted of the following:

- Interviews with employees of the Bank to gain an understanding of the design of processes, systems and controls around; gathering data underlying the carbon emission calculation, incorporating the data into an outsourced system to calculate the emission, preparation of the Annual and Sustainability Report and review of the accuracy and consistency of the report.
- Interviews with employees of the service provider of the emission calculations to understand the process around receiving data from the Bank, the use of carbon indexes and the calculation of the emission.
- Review of documentation underlying the statement that the CO<sub>2</sub> emissions of the Bank has been offset by purchase of offset certificates.
- We have performed analytical review of the reported data, as well as evaluated and given feedback on the reliability and validity of the underlying sources.
- Finally, we have evaluated the overall presentation of the sustainability section of the Annual and Sustainability Report 2021, including the consistency of information.

## Our independence and quality control

Ernst & Young ehf. applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Íslandsbanki in accordance with professional ethics for accountants and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

## Conclusion

Based on the limited assurance procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the *selected information* disclosed in the Bank's Annual and Sustainability Report have not been prepared, in all material respects, in accordance with the reporting criteria.

Reykjavik, 10 February 2022

Margrét Pétursdóttir  
Authorised Public Accountant