

Environmental

Direct and Indirect GHG Emissions (E1 UNGC-P7 GRI: 305-1, GRI: 305-2, GRI: 305-3)	Unit	2015	2016	2017	2018	2019	2020
Scope 1	tCO2e	86.3	87.5	85.1	78.3	65	38.5
Scope 2 (location-based)	tCO2e	94.6	103.9	86.3	91.7	86.5	79.7
Scope 2 (market-based)	tCO2e	-	-	-	-	-	-
Scope 3	tCO2e	263.38	186.97	173.22	303.87	320.54	349.15
Total Emissions Scope 1, 2 (location-based) and 3	tCO2e	444.3	378.4	344.6	473.9	472	467.3
Total emissions offset	tCO2e	0	0	19	0	476	470
Total Emissions Scope 1, 2 (location-based) & 3	tCO2e	444.3	378.4	325.6	473.9	-4	-2.7
Scope 1 and 2 (location-based) Emissions							
Total Emissions Scope 1 & 2 (location-based)	tCO2e	181	191.5	171.3	170	151.5	118.2
Total emissions neutralised by carbon offset projects	tCO2e	-	-	19	-	476	470
Net operational carbon emissions Scope 1 and 2	tCO2e	181	191.5	152.3	170	-324.5	-351.8

Emissions Intensity Scope 1 and 2 (location-based) (U2 UNGC-P7, P8 GRI: 305-4 SDG 13)	Unit	2015	2016	2017	2018	2019	2020
Emission Intensity	kgCO2e/MWst	17.3	16.13	16.97	16.19	15.71	13.38
Emission Intensity per total assets	tCO2e/ISK bn.	0.18	0.18	0.15	0.15	0.14	0.1
Emission intensity per employee	tCO2e/no.	-	-	-	0.2	0.21	0.17

Emissions Intensity Scope 1, 2 (location-based) & 3 (E2 UNGC-P7, P8 GRI: 305-4 SDG 13)	Unit	2015	2016	2017	2018	2019	2020
Emission Intensity	kgCO2e/MWst	42.5	31.9	34.1	45.1	49	52.9
Emission Intensity per total assets	tCO2e/ISK bn.	0.44	0.37	0.3	0.41	0.44	0.4
Emission intensity per employee	tCO2e/no.	-	-	-	0.55	0.64	0.67

Direct & Indirect Energy Consumption (E3 UNGC-P7 GRI: 302-1 SDG 12)	Unit	2015	2016	2017	2018	2019	2020
Total energy consumption	kWst	10,458,849	11,867,715	10,098,854	10,500,943	9,641,604	8,833,949
Of which energy from fossil fuel	kWst	335,087	339,013	329,458	303,504	251,333	150,995
Of which energy from electricity	kWst	4,032,727	4,206,952	3,736,673	4,255,984	3,575,403	2,956,243
Of which energy from hot water	kWst	6,091,035	7,321,750	6,032,723	5,941,455	5,814,868	5,726,711

Energy Intensity (E4 UNGC-P7, P8 GRI: 302-3 SDG 12)	Unit	2015	2016	2017	2018	2019	2020
Energy per full-time equivalent (FTEs) employee	kWst/FTEs	-	-	-	12,126	13,118	12,656
Energy intensity per total asset	kWst/ISK bn.	10,345	11,455	8,797	9,019	8,911	7,531

Energy Mix (E5 UNGC-P7 GRI: 302-1 SDG 7)	Unit	2015	2016	2017	2018	2019	2020
Fossil Fuel	%	8.2%	17.6%	3.5%	2.9%	2.6%	1.7%
Renewable Energy	%	85.4%	73.6%	94.2%	97%	97.4%	98.3%
Nuclear Energy	%	3.5%	5%	0.1%	-	-	-

Water Management (E6 UNGC-P7 GRI: 303-5.a SDG 6)	Unit	2015	2016	2017	2018	2019	2020
Total water consumption	m³	168,687	197,826	179,956	168,411	165,794	142,125
Cold water	m³	63,670	71,589	75,943	65,972	65,538	43,388
Hot water	m³	105,018	126,237	104,012	102,439	100,256	98,736

Environmental Operations (E7 GRI: 103-2)	Unit	2015	2016	2017	2018	2019	2020
Environmental Polioy approved by the board	Yes/no	-	-	-	-	Yes	Yes
Company follows specific waste, water, energy, and/or recycling policies	Yes/no	-	-	-	-	Yes	Yes
Company uses a recognised energy management system	Yes/no	-	-	-	-	No	No

Climate Oversight / Board (E8 GRI: 102-19)	Unit	2015	2016	2017	2018	2019	2020
Does your Board of Directors oversee and/or manage climate-related risk?	Yes/no	-	-	-	-	-	No

Climate Oversight / Management (E9 GRI: 102-20)	Unit	2015	2016	2017	2018	2019	2020
Does your Senior Management Team oversee and/or manage climate-related risks?	Yes/no	-	-	-	-	Yes	Yes

Climate Risk Mitigation (E10)	Unit	2015	2016	2017	2018	2019	2020
Total annual investment in climate-related infrastructure, resilience, and product development	ISK bn.	-	-	-	-	-	-

Paper Management	Unit	2015	2016	2017	2018	2019	2020
Total amount of printed paper	pages	2,394,280	2,354,928	2,133,768	1,584,072	1,036,835	637,858
of which color print	pages	913,333	830,148	708,720	719,856	460,949	390,730
of which black/white print	pages	2,315,060	2,343,432	2,209,692	1,522,908	992,722	487,088
Duplex	pages	1,668,220	1,637,316	1,569,300	1,317,384	833,672	479,920

Waste Management (GRI: 306-2)	Unit	2015	2016	2017	2018	2019	2020
Total waste generated	kg	119,992	120,728	125,519	164,803	135,235.5	223,982.6
Of which sorted waste	kg	51,588	60,958	59,342	102,119	93,318.5	103,675.6
Of which unsorted waste	kg	68,404	59,770	66,177	62,684	41,917	120,307
Recycled/recovery	kg	-	-	-	97,419	64,664.5	99,632.6
Landfill/disposal	kg	1,440	3,790	27,130	67,384	70,571	124,350
Percentage of sorted waste	%	43%	50.5%	47.3%	62%	69%	46.3%
Percentage of recycled waste	%	0%	0%	0%	59.1%	47.8%	44.5%

Emission in Scope 3 (GRI: 305-3)	Unit	2015	2016	2017	2018	2019	2020
Emissions from business trips	tCO2e	238.6	162.8	151.2	269.7	293.5	90.1
Flights	tCO2e	238.6	162.8	151.2	258.5	284.6	87.2
Taxi	tCO2e	-	-	-	11.3	8.9	2.9
Emissions from waste	tCO2e	28	25	23	34	26	55.3
Emissions from employee commuting	tCO2e	-	-	-	-	-	198

Carbon Offset (GRI: 305-5)	Unit	2015	2016	2017	2018	2019	2020
Total emissions offset	tCO2e	0	0	19	0	476	470
Emissions offset by forestry	tCO2e	0	0	19	0	476	470
Does a third party verify carbon offset projects?	Yes/no	-	-	No	-	No	No

Carbon Taxes	Unit	2015	2016	2017	2018	2019	2020
Carbon tax, gas- and diesel oil	ISK/litre	5.84	6	6.3	9.45	10.4	11.45
Carbon tax, gasoline	ISK/litre	5.1	5.25	5.5	8.25	9.1	10
Carbon tax, fuel oil	ISK/kg	7.23	7.4	7.75	11.65	12.8	14.1
Carbon tax, crude oil, etc	ISK/kg	6.44	6.8	6.9	10.35	11.4	12.55
Total Carbon Tax (ESR)	ISK	193,231	201,186	205,262	283,491	258,671	169,657

Total Fuel Consumption (UNGC-P7 GRI: 302-1)	Unit	2015	2016	2017	2018	2019	2020
Total fuel consumption in litres	liters	33,457	33,694	32,754	30,216	24,939	15,339
Petrol	liters	2,916	1,304	1,360	1,708	534	4,120
Diesel oil	liters	30,541	32,390	31,394	28,508	24,405	11,219

Key to terms used

The letters **E**, **S** and **G** refer to factors relating to the Environment, Social and Governance as set out in the ESG reporting guide for the **Nasdaq** Nordic and Baltic exchanges.

GRI stands for **Global Reporting Initiative**. GRI helps companies and institutions analyze, collect and publish information on the economic, environmental and social impact of their activities.

UNGC stands for **United Nations Global Compact**. By participating in the Global Compact companies or institutions commit to work towards the UN's Ten Principles on Sustainability.

SDG refers to the **UN Sustainable Development Goals**. The Sustainable Development Goals were adopted by all member states of the United Nations in September 2015. There are 17 Sustainable Development Goals and 169 targets. This table refers to the 17 goals.

Methodology for financial accounting

When calculating Arion Bank's environmental accounts, we use The Greenhouse Gas Protocol which is a standardized methodology which has been implemented at a number of companies with good results. Arion Bank has underlined the importance of implementing its climate project within the framework of Icelandic and international legislation and regulations on the environment.

The diagram below describes the methodology according to which greenhouse gas emissions are divided into three categories, Scopes 1, 2 and 3. Broadly speaking emissions originate from the transportation of supplies to the company, from the company's operations and from the transportation of goods and services from the company. Scopes 1, 2 and 3 are divided into direct and indirect greenhouse gases.

