

GRI content index	
Statement of use	Arion Bank has reported in accordance with the GRI Standards for the period from 1 January 2023 until 31 of December 2023.
GRI 1 used	GRI 1: Foundation 2021.
Applicable GRI Sector Standards(s)	No sector standard has been issued for banks.

GRI Standard	Disclosure	Location	Requirements fulfilled and if not, reason for omission
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	About Arion Bank Shares and shareholders	Yes
	2-2 Entities included in the organization's sustainability reporting	All material topics and their boundaries in Arion Bank's 2023 Annual and Sustainability Report concern Arion Bank. The Bank's subsidiaries are not included unless otherwise stated.	Yes
	2-3 Reporting period, frequency and contact point	<p>Arion Bank's 2023 Annual and Sustainability Report and the annual financial statements cover the period 1 January - 31 December 2023.</p> <p>The report is published on 14 February 2023 and is published annually.</p> <p>For further information on the report: samskiptasvid@arionbanki.is </p>	Yes

<p>2-4 Restatements of information</p>	<p>Environmental account is for the first time calculated with assistance from KPMG on behalf of Arion bank. Consequently, this leads to some discrepancies if the 2023 accounts are compared to the previous environmental accounts due to a partly new methodology.</p> <p>KPMG conducted a survey on employee commuting in 2023. Any comparison between years is subject to the proviso that the 2021-2022 surveys were conducted by another organization.</p>	<p>Yes</p>
<p>2-5 External assurance</p>	<p>Deloitte has for the fourth time provided an opinion with limited assurance on non-financial reporting by Arion Bank in 2023 which is presented in accordance with the Global Reporting Initiative (GRI) and Nasdaq ESG Reporting Guide.</p> <p>Data on human resources is obtained from the Bank's human resources system and data on corporate governance is based on the Bank's corporate governance statement. Financial information has been audited and affirmed by Deloitte.</p>	<p>Yes</p>
<p>2-6 Activities, value chain and other business relationships</p>	<p>Information on Arion Bank can be found here:</p> <p>About Arion Bank</p> <p>Responsible banking: Responsible buying</p> <p>Financial Statements 2023</p> <p>No fundamental changes have been made to reporting from the previous year</p>	<p>Yes</p>

2-7 Employees	Sustainability account: Social Human resources	Yes
2-8 Workers who are not employees	Responsible banking: Responsible buying	Yes
2-9 Governance structure and composition	Corporate Governance Statement of Arion Bank 2023 Responsible banking: Governance, sustainability and risk management Board of directors Senior management Sustainability accounts: Governance	Yes
2-10 Nomination and selection of the highest governance body	Rules of Procedure for the Nomination Committee Corporate Governance Statement of Arion Bank 2023	Yes
2-11 Chair of the highest governance body	Corporate Governance Statement of Arion Bank 2023	Yes
2-12 Role of the highest governance body in overseeing the management of impacts	Responsible banking: Governance, sustainability, and risk management	Yes
2-13 Delegation of responsibility for managing impacts	Responsible banking: Governance, sustainability, and risk management	Yes
2-14 Role of the highest governance body in sustainability reporting	Responsible banking: Governance, sustainability, and risk management The sustainability committee has examined and approved the material in connection with Arion Bank's 2023 Annual and Sustainability Report.	Yes

2-15 Conflicts of interest	<p>Information on measures to prevent conflicts of interest can be found in the board's rules of procedure.</p> <p>Information on board members serving on boards of other companies can be found in the section on the board of directors.</p> <p>A list of related parties exists at the Bank but has not been published.</p> <p>Information on the main shareholders can be seen here.</p>	Yes
2-16 Communication of critical concerns	<p>The Board's rules of procedure describe how items of business are submitted to the Board. The Bank publishes information on some of the matters submitted to the Board, e.g., the interim and annual financial statements, but in other respects such matters are confidential.</p>	Yes
2-17 Collective knowledge of the highest governance body		<p>No</p> <p>Reason for omission: Information unavailable/incomplete.</p>
2-18 Evaluation of the performance of the highest governance body	<p>Corporate Governance Statement of Arion Bank 2023</p> <p>Responsible banking: Governance, sustainability and risk management</p>	Yes
2-19 Remuneration policies	<p>Rules of Procedure for the Board Remuneration Committee</p>	Yes

2-20 Process to determine remuneration	Rules of Procedure for the Board Remuneration Committee Remuneration policy Annual General Meeting 2023	Yes
2-21 Annual total compensation ratio	Sustainability account: Social	<p>Yes, this requirement is fulfilled except for section b.</p> <p>Reason for omission: Information unavailable/incomplete</p>
2-22 Statement on sustainable development strategy	Chairman's address	Yes
2-23 Policy commitments	<p>The Board of Directors of the Bank approves the risk policy on sustainability.</p> <p>Environmental and climate issues</p> <p>Arion Bank's equality and human rights policy</p> <p>Human resources</p> <p>Responsible banking: Our commitment to sustainability</p>	<p>Yes, this requirement is partially fulfilled.</p> <p>Reason for omission: Information unavailable/incomplete</p>
2-24 Embedding policy commitments	<p>Arion Bank has a sustainability committee and the management of risk in connection with ESG factors was defined as part of the Bank's risk management system. Further information on governance, sustainability and risk management can be seen here.</p>	<p>Yes, this requirement is partially fulfilled.</p> <p>Reason for omission: Information unavailable/incomplete</p>
2-25 Processes to remediate negative impacts	<p>Stakeholders - customers</p> <p>Financed emissions and emission reduction targets</p> <p>Rules on the Handling of Complaints</p>	<p>Yes, this requirement is partially fulfilled.</p> <p>Reason for omission: Information unavailable/incomplete</p>

2-26 Mechanisms for seeking advice and raising concerns	Pillar 3 Risk Disclosures	Yes
2-27 Compliance with laws and regulations	One notification from the Financial Supervisory Authority of the Central Bank of Iceland (FSA Iceland) concerning compliance with the Measures against Money Laundering and Terrorist Financing Act No. 140/2018. The Bank has asked to bring the matter to a conclusion through a settlement and the matter is being taken care of by FSA Iceland.	Yes
2-28 Membership associations	Responsible banking: Our commitment to sustainability The Bank is also member of SA Confederation of Icelandic Enterprise, the Icelandic Financial Services Association, and the Iceland Chamber of Commerce.	Yes
2-29 Approach to stakeholder engagement	Stakeholders	Yes
2-30 Collective bargaining agreements	100% of the Bank's employees work in accordance with labour market laws and 95.7% of employees are union members. Rights provided by collective pay agreements also broadly apply to the 4.3% who are not union members.	Yes

Material topics

GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material topics – Process for selection and management	Yes
	3-2 List of material topics	Material topics – Process for selection and management	Yes

Economic performance

GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
	201-1 Direct economic value generated and distributed	Financial Statements 2023	Yes
	201-2 Financial implications and other risks and opportunities due to climate change	Pillar 3 Risk Disclosures	Yes
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	Under collective wage agreements, employees pay 4% of salaries into a co-insurance pension fund and Arion Bank pays an additional 6%. The Bank pays 5.5% of an employee's total salary into a private pension fund for the first three years of employment and 7% after that. Where an employee makes a supplementary contribution into a private fund, the financial institution makes a contribution, up to 2% against the employee's 2% contribution.	Yes
	201-4 Financial assistance received from government	Arion Bank received no financial aid from the authorities in 2023.	Yes

Indirect economic impacts

GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
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GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Retail customers Corporate customers Responsible banking Impact and Allocation Report 2022 Green finance	Yes
	203-2 Significant indirect economic impacts		No Reason for omission: Information unavailable/incomplete.
Procurement practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Responsible banking: Responsible buying	Yes
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Pillar 3 Risk Disclosures	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete

	205-2 Communication and training about anti-corruption policies and procedures	Pillar 3 Risk Disclosures	Yes
	205-3 Confirmed incidents of corruption and actions taken	Pillar 3 Risk Disclosures	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	The Bank entered into a settlement with the Icelandic Competition Authority during the year and consequently paid a fine of ISK 80 million. It concerned a violation by the Bank of a ban on prepayment fees on loans to small enterprises bearing variable interest rates. The ban was stipulated in a settlement entered into by Arion Bank in 2017. A total of nine loan agreements entered into from 2017 to 2023 with small enterprises as defined in the settlement bore variable interest and contained provisions on prepayment fees or their equivalent. In these nine cases the prepayment fee had been charged once. The settlement from 4 April 2023 can be read here . The Bank has taken appropriate measures to minimize the impact of this conduct and to ensure closer compliance with the provision in the future. The Bank also recognizes that it could have performed better according to the provisions of Article 2 of the Settlement with respect to disclosure of information to customers who had interests at stake.	Yes

Energy

GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
	302-1 Energy consumption within the organization	Sustainability accounts: Environment Methodology for environmental accounting Environmental and climate issues	Yes, this requirement is fulfilled, except for sections c. (iii, iv) and d. (i,ii,iii,iv). Reason for omission: Not applicable
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization		No Reason for omission: Not applicable
	302-3 Energy intensity	Sustainability accounts: Environment	No Reason for omission: Information unavailable/incomplete
	302-4 Reduction of energy consumption		No Reason for omission: Information unavailable/incomplete

Water and effluents

GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
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GRI 303: Water and Effluents 2018	303-5 Water consumption	Sustainability accounts: Environment Methodology for environmental accounting	Yes, this requirement is fulfilled, except for section b. Reason for omission: Not applicable
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Biodiversity

GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	No Reason for omission: Information unavailable/incomplete
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity		No Reason for omission: Information unavailable/incomplete
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		No Reason for omission: Information unavailable/incomplete

Emissions

GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability accounts: Environment Methodology for environmental accounting Environmental and climate issues	Yes, this requirement is fulfilled, except for sections c. and e. Reason for omission: Information unavailable/incomplete Not applicable

	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability accounts: Environment Methodology for environmental accounting Environmental and climate issues	<p>Yes, this requirement is fulfilled, except for section e.</p> <p>Reason for omission: Information unavailable/incomplete</p>
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability accounts: Environment Methodology for environmental accounting Environmental and climate issues	<p>Yes, this requirement is fulfilled, except for sections c. and f.</p> <p>Reason for omission: Information unavailable/incomplete</p>
	305-4 GHG emissions intensity	Sustainability accounts: Environment	Yes
	305-5 Reduction of GHG emissions	Sustainability accounts: Environment Methodology for environmental accounting	Yes
	305-6 Emissions of ozone-depleting substances (ODS)		<p>No</p> <p>Reason for omission: Information unavailable/incomplete</p>
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	<p>Yes, this requirement is partially fulfilled.</p> <p>Reason for omission: Information unavailable/incomplete</p>
GRI 306: Waste 2020	306-3 Waste generated	Sustainability accounts: Environment Methodology for environmental accounting	Yes

	306-4 Waste diverted from disposal	Sustainability accounts: Environment	Yes, this requirement is fulfilled, except for sections b., c., and d. Reason for omission: Information unavailable/incomplete
	306-5 Waste directed to disposal	Sustainability accounts: Environment	Yes, this requirement is fulfilled, except for sections b., c., and d. Reason for omission: Information unavailable/incomplete
Supplier environment assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible banking: Responsible buying	Yes
	308-2 Negative environmental impacts in the supply chain and actions taken		No Reason for omission: Information unavailable/incomplete
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability accounts: Social	Yes

		See section covering remuneration policy, including the incentive scheme and share options here .	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	See section covering additional benefits to employees on parental leave here . Permanent employees are regularly invited to undergo health checks and preventive health measures are also recommended.	Yes
	401-3 Parental leave	Information on the total number of employees entitled to parental leave and who took leave, specified by gender, can be seen here .	Yes, this requirement is fulfilled, except for sections d. and e. Reason for omission: Information unavailable/incomplete
Labor/management relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	The period of notice for temporary employees is two months. The period of notice for permanent employees is three months. Permanent employees with more than 10 years' experience at a financial institution or who are at least 45 years old have a period of notice of six months.	Yes
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Human resources Health and safety policy	Yes

	403-6 Promotion of worker health	Human resources Health and safety policy	Yes
	403-9 Work-related injuries	Sustainability accounts: Social Human resources	Yes, this requirement is fulfilled, except for sections b.- g. Reason for omission: Information unavailable/incomplete

Training and education

GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
	404-1 Average hours of training per year per employee	Sustainability accounts: Social Human Resources	Yes
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Arion Bank seeks to ensure people leave the Bank on the best possible terms and the Bank's procedures aim to provide various levels of support to employees when the leave. Retirement	Yes
	404-3 Percentage of employees receiving regular performance and career development reviews	All employees of Arion Bank receive regular feedback.	Yes

Diversity and equal opportunity

GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability accounts: Social Human Resources	Yes
	405-2 Ratio of basic salary and remuneration of women to men	Sustainability accounts: Social Human Resources	Yes
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability accounts: Social	Yes, this requirement is fulfilled, except for section b. Reason for omission: Confidentiality constraints
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics		No Reason for omission: Information unavailable/incomplete
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		No Reason for omission: Information unavailable/incomplete
	413-2 Operations with significant actual and potential negative impacts on local communities		No Reason for omission: Information unavailable/incomplete

Supplier social assessment

GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible banking: Responsible buying	Yes
	414-2 Negative social impacts in the supply chain and actions taken		No Reason for omission: Information unavailable/incomplete

Public policy

GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
GRI 415: Public Policy 2016	415-1 Political contributions	Arion Bank's policy on donations to political activities Responsible banking: Donations to political activities	Yes

Marketing and labeling

GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	No incidents in 2023	Yes

	417-3 Incidents of non-compliance concerning marketing communications	No incidents in 2023	Yes
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topics – Process for selection and management	Yes, this requirement is partially fulfilled. Reason for omission: Information unavailable/incomplete
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pillar 3 Risk Disclosures	Yes