

## Environmental

Direct and Indirect GHG Emissions (E1   UNGC-P7   GRI: 305-1, GRI: 305-2, GRI: 305-3)	Unit	2015	2018	2019	2020	2021
Scope 1	tCO2e	86.3	78.3	65	37.5	30.4
Scope 2 (location-based)	tCO2e	94.7	92.4	91.3	100.5	82.6
Scope 3	tCO2e	271.85	303.87	320.55	350.63	251.56
Total emissions Scope 1, 2 (location-based) and 3	tCO2e	452.8	474.6	476.8	488.6	364.5
Total emissions offset	tCO2e	0	0	476	470	500
Total emissions Scope 1, 2 (location-based) & 3	tCO2e	452.8	474.6	0.8	18.6	-135.5
Scope 1 and 2 (location-based) Emissions						
Total emissions Scope 1 & 2 (location-based)	tCO2e	181	170.7	156.3	138	113
Total emissions neutralised by carbon offset projects	tCO2e	0	0	476	470	500
Net operational carbon emissions Scope 1 and 2	tCO2e	181	170.7	-319.7	-332	-387

  

Emissions intensity Scope 1 and 2 (location-based) (U2   UNGC-P7, P8   GRI: 305-4   SDG 13)	Unit	2015	2018	2019	2020	2021
Emission intensity	kgCO2e/MWst	17.3	16.15	15.35	12.65	12.5
Emission intensity per total assets	tCO2e/ISK bn.	0.18	0.15	0.14	0.12	0.09
Emission intensity per employee	tCO2e/no.	-	0.2	0.21	0.2	0.17

  

Emissions intensity Scope 1, 2 (location-based) & 3 (E2   UNGC-P7, P8   GRI: 305-4   SDG 13)	Unit	2015	2018	2019	2020	2021
Emission intensity	kgCO2e/MWst	43.3	44.9	46.9	44.8	40.3
Emission intensity per total assets	tCO2e/ISK bn.	0.45	0.41	0.44	0.42	0.28
Emission intensity per employee	tCO2e/no.	-	0.55	0.65	0.7	0.54

  

Direct & Indirect Energy Consumption (E3   UNGC-P7   GRI: 302-1   SDG 12)	Unit	2015	2018	2019	2020	2021
Total energy consumption	kWst	10,460,550	10,572,114	10,177,453	10,906,903	9,038,879
Of which energy from fossil fuel	kWst	335,087	303,504	251,333	150,995	124,408
Of which energy from electricity	kWst	4,032,727	4,312,377	3,640,703	3,213,556	2,243,572
Of which energy from hot water	kWst	6,092,736	5,956,233	6,285,417	7,542,351	6,668,899

  

Energy Intensity (E4   UNGC-P7, P8   GRI: 302-3   SDG 12)	Unit	2015	2018	2019	2020	2021
Energy per full-time equivalent (FTE) employee	kWst/FTEs	-	12,208	13,847	15,626	13,270
Energy intensity per total asset	kWst/ISK bn.	10,347	9,083	9,406	9,298	6,877

  

Energy Mix (E5   UNGC-P7   GRI: 302-1   SDG 7)	Unit	2015	2018	2019	2020	2021
Fossil Fuel	%	8.2%	2.9%	2.5%	1.4%	1.4%
Renewable Energy	%	85.4%	97%	97.5%	98.6%	98.6%
Nuclear Energy	%	3.5%	0%	0%	0%	0%

  

Water Management (E6   UNGC-P7   GRI: 303-5.a   SDG 6)	Unit	2015	2018	2019	2020	2021
Total water consumption	m³	168,717	168,666	173,907	177,904	170,214
Cold water	m³	63,670	65,972	65,538	47,863	55,233
Hot water	m³	105,047	102,694	108,369	130,041	114,981

  

Environmental Operations (E7   GRI: 103-2)	Unit	2015	2018	2019	2020	2021
Environmental Policy approved by the board	Yes/no	-	-	Yes	Yes	Yes

Company follows specific waste, water, energy, and/or recycling policies	Yes/no	-	-	Yes	Yes	Yes
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Company uses a recognised energy management system	Yes/no	-	-	No	No	No
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Climate Oversight / Board (E8   GRI: 102-19)	Unit	2015	2018	2019	2020	2021
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Does your Board of Directors oversee and/or manage climate-related risk?	Yes/no	-	-	-	No	Yes
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Climate Oversight / Management (E9   GRI: 102-20)	Unit	2015	2018	2019	2020	2021
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Does your Senior Management Team oversee and/or manage climate-related risks?	Yes/no	-	-	Yes	Yes	Yes
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Climate Risk Mitigation (E10)	Unit	2015	2018	2019	2020	2021
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Total annual investment in climate-related infrastructure, resilience, and product development	ISK bn.	-	-	-	-	-
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Paper Management	Unit	2015	2018	2019	2020	2021
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Total amount of printed paper	pages	2,394,280	1,584,072	1,167,709	725,468	403,945
of which color print	pages	913,333	719,856	518,808	413,074	222,014
of which black/white print	pages	2,315,060	1,522,908	1,109,586	525,535	293,161
Duplex	pages	1,668,220	1,317,384	935,820	542,209	295,520

Waste Management (GRI: 306-2)	Unit	2015	2018	2019	2020	2021
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Total waste generated	kg	119,992	164,803	135,236	225,048	132,654
Of which sorted waste	kg	51,588	102,119	93,318.5	104,701	72,679.8
Of which unsorted waste	kg	68,404	62,684	41,917	120,347	59,974.5
Recycled/recovery	kg	48,558	97,419	64,664.5	100,347	71,794.4
Landfill/disposal	kg	71,434	67,384	70,571	124,701	60,859.9
Percentage of sorted waste	%	43%	62%	69%	46.5%	54.8%
Percentage of recycled waste	%	40.5%	59.1%	47.8%	44.6%	54.1%

Operations waste	Unit	2015	2018	2019	2020	2021
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Total operations waste	kg					86,790
Of which sorted waste	kg					67,026
Of which unsorted waste	kg					19,765
Percentage of sorted waste	%					77.2%
Percentage of recycled waste	%					76.5%

Construction waste	Unit	2015	2018	2019	2020	2021
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Total construction waste	kg					45,864
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Emission in Scope 3 (GRI: 305-3)	Unit	2015	2018	2019	2020	2021
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Emissions from business trips	tCO2e	238.6	269.7	293.5	91.5	35.5
Flights	tCO2e	238.6	258.5	284.6	88.6	32.1
Taxi	tCO2e	-	11.3	8.9	2.9	3.4
Emissions from waste	tCO2e	28	34	26	55.3	28
Emissions from employee commuting	tCO2e	-	-	-	198	187.9

Carbon Offset (GRI: 305-5)	Unit	2015	2018	2019	2020	2021
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Total emissions offset	tCO2e	0	0	476	470	500
Emissions offset by forestry	tCO2e	0	0	476	470	500
Does a third party verify carbon offset projects?	Yes/no	-	-	No	No	No

Carbon Taxes	Unit	2015	2018	2019	2020	2021
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Carbon tax, gas- and diesel oil	ISK/litre	5.84	9.45	10.4	11.45	11.75
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Carbon tax, gasoline	ISK/litre	5.1	8.25	9.1	10	10.25
Carbon tax, fuel oil	ISK/kg	7.23	11.65	12.8	14.1	14.45
Carbon tax, crude oil, etc	ISK/kg	6.44	10.35	11.4	12.55	12.85
<b>Total Carbon Tax (ESR)</b>	<b>ISK</b>	<b>193,232</b>	<b>283,493</b>	<b>258,677</b>	<b>169,666</b>	<b>141,680</b>

Total Fuel Consumption (UNGC-P7   GRI: 302-1)	Unit	2015	2018	2019	2020	2021
Total fuel consumption in litres	liters	33,457.2	30,216.2	24,939.6	15,339.8	13,048.8
Petrol	liters	2,916.1	1,708.4	534.1	4,120.5	7,762.6
Diesel oil	liters	30,541.1	28,507.8	24,405.5	11,219.3	5,286.2

## 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.

