

Social

CEO Pay Ratio (S1 GRI: 102-38 UNGC-P6)	Unit	2017	2018	2019	2020	2021
CEO Salary & Bonus (X) to median FTE Salary	X:1	-	-	6.2	5.61	5.7
Does your company report this metric in regulatory filings?	Yes/no	-	-	-	No	No

Gender Pay Ratio (S2 UNGC-P6 GRI: 405-2)	Unit	2017	2018	2019	2020	2021
Median total compensation for men (X) to median total compensation for women	X:1	-	-	-	1.51	1.43
Outcome of equal pay certification	%	2.90%	2.40%	2.10%	1.02%	0.10%

Employee Turnover (S3.1, S3.2 GRI: 401-1.b UNGC-P6)	Unit	2017	2018	2019	2020	2021
Employee Turnover	%	11.8	13.9	23	10.5	15.5
Left voluntarily	%	7.7	8.3	6.8	6.5	7.8
Left due to dismissal	%	2.2	4.4	13.9	3.9	6.8
Retired	%	0.9	1.2	2.2	0.1	0.9
Employee Turnover by gender						
Women	%	-	71	59	68	62.1
Men	%	-	29	41	32	37.9
Employee Turnover by age						
Aged 20-29	%	-	23.4	14.1	28	13.6
Aged 30-39	%	-	17.7	21.6	32.5	28.2
Aged 40-49	%	-	22.6	31.9	21	34
Aged 50-59	%	-	22.6	19.5	13	17.5
Aged 60-69	%	-	13.7	13	5.5	6.8
Employee Turnover by region						
Greater Reykjavik Area	%	-	82.3	86	61.3	80.6
Outside Greater Reykjavik Area	%	-	17.7	14.1	39.7	19.4

Gender Diversity (S4.1 UNGC-P6 GRI: 102-8.a)	Unit	2017	2018	2019	2020	2021
Total number of employees	no.	930	866	735	698	681
Women	%	65	64.9	65	63.8	59.5
Full-time	%	-	52	55.2	56.3	50.8
Part-time	%	-	12.9	10.2	7.5	8.7
Men	%	35	35.1	35	36.3	40.5
Full-time	%	-	33.1	33.1	34.5	37.3
Part-time	%	-	2	1.5	1.7	3.2

Equality (S4.2, S4.3 UNGC-P6 GRI: 401-3.a,b, GRI: 405-1)	Unit	2017	2018	2019	2020	2021
Board of Directors						
Women	%	50	42.9	42.9	42.9	40
Men	%	50	57.1	57.1	57.1	60
Age of Board of Directors						
Aged 20-29	%	-	0	0	0	0
Aged 30-39	%	-	0	0	0	0
Aged 40-49	%	-	66.7	28.6	28.6	20
Aged 50-59	%	-	0	57.1	57.1	60
Aged 60-69	%	-	22.2	0	0	0
Aged 70-79	%	-	11.1	14.3	14.3	20

Age Group	%	2017	2018	2019	2020	2021
All Management						
Women	%	48	47	48	43	45.5
Men	%	52	53	52	57	54.5
Managing directors						
Women	%	50	50	33.3	42.9	44.4
Men	%	50	50	66.7	57.1	55.6
Heads of Departments						
Women	%	28	30	39.4	35.3	37.8
Men	%	72	70	60.6	64.7	62.2
Regional and Branch Managers						
Women	%	43	38.5	33.3	37.5	42.9
Men	%	57	61.5	66.7	62.5	57.1
Supervisors and Team Leaders						
Women	%	67	60	50	42.9	33.3
Men	%	33	40	50	57.1	66.7
Account managers and service managers						
Women	%	-	-	-	61.1	75
Men	%	-	-	-	38.9	25
Managers						
Women	%	-	50	66.7	66.7	66.7
Men	%	-	50	33.3	33.3	33.3
Age of Management						
Aged 20-29	%	-	0	0	0	0
Aged 30-39	%	-	14.6	18.1	16.7	13
Aged 40-49	%	-	55.2	59	60.3	63.6
Aged 50-59	%	-	28.1	20.5	16.7	15.6
Aged 60-69	%	-	2.1	2.4	6.4	7.8
Age of Employees						
Aged 18-19	%	-	-	-	-	0.3
Aged 20-29	%	-	17	16.9	14	17.3
Aged 30-39	%	-	25	25	24.1	21.7
Aged 40-49	%	-	31	31.3	33.4	32
Aged 50-59	%	-	21	21.2	22.1	22
Aged 60-69	%	-	6	5.6	6.3	6.6
Parental Leave						
Number of women entitled to maternity leave	no.	-	26	21	28	15
Number of women who took maternity leave	no.	-	26	21	28	24
Number of women that returned to work after maternity leave	no.	-	20	-	-	15
Number of men entitled to paternity leave	no.	-	25	19	31	13
Number of men who took paternity leave	no.	-	19	14	31	25
Number of men that returned to work after paternity leave	no.	-	19	-	-	25

* Entitlement to parental leave due to children born in 2021

** Taking of parental leave irrespective of child's year of birth

Employment type (S5.1 UNGC-P6 GRI: 102-8.b,c, GRI: 401-1)	Unit	2017	2018	2019	2020	2021
Percentage of People Employed on Permanent Basis		92	94.6	95.4	95	92.7
Women	%	-	61.2	62.4	60.7	55.8
Men	%	-	33.4	32.9	34.2	36.9
Percentage of People Employed on Temporary Basis	%	8	5.4	4.6	5	7.3

Basis							
Women	%	-	3.7	3	3	3.7	
Men	%	-	1.7	1.6	2	3.7	
Employees by Residence							
Greater Reykjavik Area	%	-	83.7	82.4	84.8	82.4	
Employees on a Permanent Basis	%	-	80	79.3	81.1	77.1	
Employed on Temporary Basis	%	-	3.7	3.1	3.7	5.3	
Outside Greater Reykjavik Area	%	-	16.3	17.6	15.2	17.6	
Employees on a Permanent Basis	%	-	14.5	16.1	13.9	15.6	
Employed on Temporary Basis	%	-	1.7	1.5	1.3	2.1	
Number of New Employees	no.	-	73	51	31	43	
Percentage of new employees	%	-	8.2	6.9	4.4	6.3	
Gender of new employees							
Women	%	-	56	47	42	27.9	
Men	%	-	44	53	58	72.1	
Age of new employees							
Aged 20-29	%	-	38	45.1	29	53.5	
Aged 30-39	%	-	26	31.4	38.7	20.9	
Aged 40-49	%	-	30	21.6	32.3	14	
Aged 50-59	%	-	4	2	0	11.6	
Aged 60-69	%	-	1	0	0	0	
New employees by residence							
Greater Reykjavik Area	%	-	87.7	90.2	80.6	83.7	
Outside Greater Reykjavik Area	%	-	12.3	9.8	19.4	16.3	
Training for Employees (GRI: 404-1)							
	Unit		2017	2018	2019	2020	2021
Avg. hours of training in total	hours	-	7	20	6.4	7.1	
Women	hours	-	8	22	8	8.4	
Men	hours	-	6	17	3.7	5.2	
Management	hours	-	12	36	13.6	13	
Employees	hours	-	6	16	5.5	6.4	
Non-Discrimination Policy (S6 UNGC-P6 GRI: 406-1.a)							
Policy to ensure equal opportunities and terms for all genders	Yes/no	Yes	Yes	Yes	Yes	Yes	
Policy against bullying, sexual harassment, gender based harassment and violence	Yes/no	-	Yes	Yes	Yes	Yes	
Bullying, sexual harassment, gender-based harassment and violence*	no.	-	3	2	2	1	
* Number of cases examined and/or formal complaint made							
Health and safety of employees (S7, S8 SDG 3 GRI: 403-1)							
Accidents in workplace and to and from work	no.	0	2	7	6	3	
Health indicators	%	96.30%	96.30%	96%	96.80%	96.6%	
Child & Forced Labor (F9 GRI: 103-2 SDG: 8 UNGC: P7)							
Child and/or forced labor policy?	Yes/no	-	-	-	No	No	
Human Rights (S10 UNGC-P1, P2 SDG 4, 10, 16)							
Human rights as part of equal-rights policy	Yes/no	-	Yes	Yes	Yes	Yes	

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.

