



Mr. António Guterres  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Reykjavik, 3 December, 2020

Dear Mr. Secretary-General,

**Subject: CEO statement of continued support for the UN Global Compact and its ten principles**

I am pleased to confirm that Arion Bank hf. will continue to support the ten principles of the Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Arion Bank hf. will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles and support any specialized UN Global Compact issue platform that our company may join at a later date. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy. This includes:

- A statement signed by the chief executive expressing continued support for the Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Yours sincerely,

Mr. Benedikt Gíslason  
CEO of Arion Bank



# Report on non-financial information at Arion Bank in 2019

The data and information published in this report are valid for 2019 and apply to Arion Bank's core activities.



## Responsible banking

Arion Bank is a strongly capitalized bank which provides universal banking services to companies and individuals with the aim of creating future value for the benefit of our customers, shareholders, partners and society as a whole. Arion Bank's sustainability policy bears the title *Together we make good things happen* and indicates that the Bank intends to act as a role model by promoting responsible and profitable business practices, which take into account the environment, the economy and the society in which we live and work.

Further information on sustainability at Arion Bank and the Bank's main focuses can be found in [Annual and sustainability report 2019](#).

## Sustainability at Arion Bank

At Arion Bank we aim to ensure that sustainability is part of the Bank's day-to-day activities, its decision-making and processes. At the beginning of 2020 the executive committee of Arion Bank approved six Sustainable Development Goals which the Bank intends to focus on. These goals are number 5 on gender equality; number 7 on affordable and clean energy; number 8 on decent work and economic growth; number 9 on industry, innovation and infrastructure; number 12 on responsible consumption and production; and number 13 on climate action.

The Bank's operations, including action on gender equality, our policy and targets on environment and climate issues, support for innovation and the business sector as a whole, state-of-the-art digital services and active participation in the development of the economy closely align with these sustainable development goals.

The diagram below shows the main stakeholders and our key sustainability focuses.



## Our commitments, certifications, qualifications and participation in sustainability

### UNEP FI and Principles for Responsible Banking – PRB



In July 2019 Arion Bank became a signatory to UNEP FI, United Nations Environment Programme Finance Initiative which is a partnership between United Nations Environment and more than 250 financial institutions across the world working to understand today's environmental, social and governance challenges.

In September Arion Bank became a signatory to the Principles for Responsible Banking (PRI) which were devised by UNEP FI and 30 international banks. These principles, presented during the autumn at the start of the UN General Assembly, align banking with international goals and commitments such as the UN Sustainable Development Goals and the Paris Climate Agreement. Arion Bank was one of the first banks to announce its support for the principles, with 130 banks from 49 countries signing up.

**FURTHER INFORMATION ON ARION BANK'S INVOLVEMENT WITH THE PRINCIPLES**

### Forum for climate action and green solutions – Green by Iceland



In September 2019 Arion Bank became one of the founding members of a joint business and government forum on climate action and green solutions called Green by Iceland. The role of Green by Iceland is to strengthen the partnership between the business sector and the government in order to reduce greenhouse gas emissions and to bring about carbon neutrality by 2040. The forum will also work with Icelandic companies to market green solutions internationally and to underpin Iceland's reputation as a global sustainability leader.

### United Nations Principles for Responsible Investment, UN PRI



In late 2017 the Bank became a signatory to the United Nations Principles for Responsible Investment (UN PRI). The principles are designed to help investors understand the effect of environmental, social and governance (ESG) issues on investment and thereby encourage signatories to the principles to take non-financial factors into account when making investment decisions. In 2019 the first progress report by the Bank's Asset Management division on responsible investment was published. For more information on responsible investment see the [Asset Management section](#).

## UN Global Compact, the UN's initiative on sustainability



anti-corruption.

Arion Bank has been a signatory to the UN Global Compact, the UN's initiative on sustainability, since the end of 2016 and we submit a progress report to the UN every year. The compact sets out 10 principles on human rights, the labour market, the environment and

## Ministry of Welfare's equal pay symbol



In the autumn of 2018 Arion Bank was awarded the Ministry of Welfare's equal pay symbol after having been certified by the standards agency BSI á Íslandi, the first Icelandic bank to gain this recognition. The Bank first gained equal pay certification in 2015 and has since undergone a pay assessment annually. The Bank has achieved a great deal in equality issues in recent years and this subject is covered in more detail in the section on [Human Resources](#) and [Non-financial Information](#).

## IcelandSIF - Iceland Sustainable Investment Forum



Arion Bank has been an active participant in shaping and developing responsible investment in Iceland and has had representatives in the board and working groups in IcelandSIF, Iceland Sustainable Investment Forum. Arion Bank was one of the founding members of the organization in 2017.

## City of Reykjavík and Festa's Declaration on Climate Change

In November 2015 Arion Bank was one of 103 signatories to the City of Reykjavík and Festa's Declaration on Climate Change. One of the main tasks concerning climate change is to map the environmental impact of operations and to systematically reduce the negative effects. The Bank has published its environmental accounts since 2016. Further information on environment and climate issues at Arion Bank can be found [here](#) and the section on [Non-financial Information](#).

## Excellence in corporate governance



Arion Bank was recognized as a company which had achieved excellence in corporate governance following a formal assessment based on guidelines on corporate governance issued by the Icelandic Chamber of Commerce, the Confederation of Icelandic Employers, and Nasdaq Iceland, first in 2015 and again in 2019. This recognition is given following a comprehensive audit by an independent assessor of corporate governance at the Bank, such as governance by the Board of Directors, sub-committees and management. It applies for three years. For further information see the sections on [Corporate Governance](#) at Arion Bank and on [Non-financial Information](#).

## Festa – sustainability centre



For a number of years Arion Bank has been an active partner of Festa, a sustainability centre. Festa's role is to add to the expertise on sustainability at companies, institutions and organizations so that they can adopt sustainable business practices.

## UN Women/UN Global Compact Empowerment Principles



The Bank has supported the UN Women/UN Global Compact Empowerment Principles since 2014. These are international declarations and treaties under the auspices of the United Nations which companies and institutions can use as guidelines when implementing responsible working practices, irrespective of geographic location or sector and primarily concern advancing gender equality. For further information see the sections on [Equality](#) at Arion Bank and on [Non-financial Information](#).

## ESG reporting guide for Nasdaq



The ESG Reporting Guide for the Nasdaq Nordic and Baltic exchanges provides guidance on data disclosure and the environmental, social and governance impact of listed companies. Since 2016 Arion Bank has taken these criteria into account when reporting on sustainability. The criteria formally came into effect in 2017. For further information see the section on [Non-financial Information](#).





In 2019 Arion Bank and Kolviður reached an agreement on offsetting the carbon emissions produced by the Bank's activities. Kolviður will fix the carbon in plants and soil through soil reclamation and forestry to offset the carbon emissions resulting from the Bank's activities in 2019.

Kolviður is expected to plant up to 5,000 trees for the operating year.

This refers to emissions produced, for example, by vehicles used in the Bank's operations, its business premises, waste and business flights.

## GRI - Global Reporting Initiative

Global Reporting Initiative has developed a standard which helps companies and institutions report their progress in environmental, social and economic issues in such a way that it enables a direct comparison of data between companies. For the second time the Bank is presenting information on sustainability in the Bank's operations in accordance with the GRI Core standard. See Arion Bank's [GRI index here](#).

## UN Sustainable Development Goals

At the beginning of 2020 the executive committee of Arion Bank approved six Sustainable Development Goals which the Bank intends to focus on. These goals are number 5 on gender equality; number 7 on affordable and clean energy; number 8 on decent work and economic growth; number 9 on industry, innovation and infrastructure; number 12 on responsible consumption and production; and number 13 on climate action.



## Sustainability reporting

At Arion Bank we aim to ensure that sustainability is part of the Bank's day-to-day activities, its decision-making and processes. Information on sustainability has once again been prepared in accordance with the Global Reporting Initiative standard, GRI Core, which helps companies and institutions share information relating to sustainability transparently and in a way which enables comparisons. When sharing information on non-financial factors of the business the ESG reporting guide for the Nasdaq Nordic and Baltic exchanges and the 10 Principles of the UN Global Compact are also used as a reference. Furthermore, we look to the UN Sustainable Development Goals.

## GRI Index

### Organizational profile

GRI: 102-1	Name of the organization	Arion Bank
GRI: 102-2	Activities, brands, products, and services	<a href="#">About Arion Bank</a> -
GRI: 102-3	Location of headquarters	Borgartún 19, 105 Reykjavík
GRI: 102-4	Location of operations	<a href="#">Branches</a>
GRI: 102-5	Ownership and legal form	<a href="#">Shares and shareholders</a> <a href="#">Shareholders' list - updated daily</a>
GRI: 102-6	Markets served	<a href="#">About Arion Bank</a>
GRI: 102-7	Scale of the organization	<a href="#">Non-financial information: Society</a> <a href="#">Human resources</a> <a href="#">Financial statements 2019</a>
GRI: 102-8	Information on employees and other workers	<a href="#">Non-financial information: Society</a> <a href="#">Human resources</a>
GRI: 102-9	Supply chain	<a href="#">Suppliers</a>
GRI: 102-10	Significant changes to the organization and its supply chain	<a href="#">Highlights of the year</a> -
GRI: 102-11	Precautionary Principle or approach	<a href="#">Pillar 3 Risk Disclosures</a>



GRI: 102-12	External initiatives	<a href="#">Responsible banking: Commitments and certifications</a>
GRI: 102-13	Membership of associations	<a href="#">Responsible banking: Commitments and certifications</a>  The Bank is also a member of SA Confederation of Icelandic Enterprise, the Icelandic Financial Services Association, and the Iceland Chamber of Commerce.
<b>Strategy</b>		
GRI: 102-14	Statement from senior decision-maker	<a href="#">Chairman's address</a>  <a href="#">CEO's address</a>
<b>Ethics and integrity</b>		
GRI: 102-16	Values, principles, standards, and norms of behavior	<a href="#">Strategy and vision</a>  <a href="#">Code of ethics</a>
<b>Strategy</b>		
GRI: 102-18	Governance structure	<a href="#">Governance: Board of Directors and committees</a>  <a href="#">Responsible banking: Steering committee</a>
GRI: 102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">Responsible banking: Steering committee</a>  -
GRI: 102-22	Composition of the highest governance body and its committees	<a href="#">Governance: Board of Directors and committees</a>  -
GRI: 102-23	Chair of the highest governance body	The chairman is not a member of the executive management
GRI: 102-24	Nominating and selecting the highest governance body	<a href="#">Rules of Procedures for the Nomination Committee</a>  -
GRI: 102-25	Conflicts of interest	<a href="#">Information on measures to prevent conflicts of interest can be found in the board's rules of procedure.</a>

A list of related parties exists at the Bank but has not been published.

[Information on the main shareholders can be seen here.](#)

GRI: 102-26	Role of highest governance body in setting purpose, values, and strategy	<a href="#">Rules of Procedures for the Board of Directors</a>
		-
GRI: 102-32	Highest governance body's role in sustainability reporting	CEO
GRI: 102-33	Communicating critical concerns	<a href="#">Rules of Procedures for the Board of Directors</a>
<b>Stakeholders and freedom of association</b>		
GRI: 102-40	List of stakeholder groups	<a href="#">Responsible banking: Sustainability policy</a>
GRI: 102-41	Collective bargaining agreements	
GRI: 102-42	Identifying and selecting stakeholders	<a href="#">Our stakeholders</a>
GRI: 102-43	Approach to stakeholder engagement	<a href="#">Our stakeholders</a>
GRI: 102-44	Key topics and concerns raised	<a href="#">Our stakeholders</a>
		-
<b>Subject of report</b>		
GRI: 102-45	Entities included in the consolidated financial statements	<a href="#">Financial Statements 2019</a>
		-
GRI: 102-46	Defining report content and topic boundaries	<a href="#">GRI Index</a>
		-
GRI: 102-47	List of material topics	<a href="#">GRI Index</a>
GRI: 102-48	Restatements of information	Not applicable
GRI: 102-49	Changes in reporting	Not applicable
GRI: 102-50	Reporting period	2019 unless otherwise specified
GRI: 102-51	Date of most recent report	
GRI: 102-52	Reporting cycle	Annually
GRI: 102-53		

	Contact point for questions regarding the report	<a href="#">Arion Bank - Corporate Communications, samskiptasvid@arionbanki.is</a>
GRI: 102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI  Standards: Core option
GRI: 102-55	GRI content index	The reference table contains text and links to the applicable material.
GRI: 102-56	External assurance	Klappir Green Solutions examine and confirm data on the Bank's environmental impact. 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.

## Economic

### Economic performance

GRI: 201-1	Direct economic value generated and distributed	<a href="#">Financial statements 2019</a>  -
GRI: 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 2% of an employee's total salary into a private pension fund for the first three years of employment and 7% after that.
GRI: 201-4	Financial aid received from government	Arion Bank received no financial aid from the authorities in 2019

### Indirect economic impacts

GRI: 203-1	Infrastructure investments and services supported	<a href="#">Creative economy and innovation</a> <a href="#">Corporate and Investment Banking</a> <a href="#">Retail Banking</a>
GRI: 203-2	Significant indirect economic impacts	<a href="#">Creative economy and innovation</a> <a href="#">Corporate and Investment Banking</a>

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**Procurement practices**

GRI: 204-1	Proportion of spending on local suppliers	<a href="#">Suppliers</a>
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**Environment**

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**Energy**

GRI: 302-1	Energy consumption within the organization	<a href="#">Non-financial information: Environment</a> <a href="#">Non-financial information: Methodology for environmental accounting</a>
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[Respecting the environment](#)

GRI: 302-3	Energy intensity	<a href="#">Non-financial information: Environment</a>
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**Emissions**

GRI: 305-1	Direct (Scope 1) GHG emissions	<a href="#">Non-financial information: Environment</a> <a href="#">Non-financial information: Methodology for environmental accounting</a>
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[Respecting the environment](#)

GRI: 305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Non-financial information: Environment</a> <a href="#">Non-financial information: Methodology for environmental accounting</a>
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[Respecting the environment](#)

GRI: 305-3	Other indirect (Scope 3) GHG emissions	<a href="#">Non-financial information: Environment</a> <a href="#">Non-financial information: Methodology for environmental accounting</a>
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[Respecting the environment](#)

GRI: 305-4	GHG emissions intensity	<a href="#">Non-financial information: Environment</a>
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**Effluents and waste**

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GRI: 306-2	Waste by type and disposal method	<a href="#">Non-financial information: Environment</a>
		-
<b>Environmental compliance</b>		
GRI: 307-1	Non-compliance with environmental laws and regulations	No violations or fines
<b>Society</b>		
<b>Employment</b>		
GRI: 401-1	New employee hires and employee turnover	<a href="#">Non-financial information: Society</a>
		-
GRI: 401-3	Parental leave	<a href="#">Information on the total number of employees entitled to parental leave and who took leave, specified by gender, can be seen here.</a>  Information on the total number of people who returned to work and were still at the Bank 12 months later is not available.
<b>Occupational health and safety</b>		
GRI: 403-3	Occupational health services	<a href="#">Human resources</a>
GRI: 403-6	Promotion of worker health	<a href="#">Human resources</a>
<b>Training and education</b>		
GRI: 404-1	Average hours of training per year per employee	<a href="#">Non-financial information: Society</a>  <a href="#">Human resources</a>
		-
GRI: 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 they leave.  <a href="#">Human resources</a>
GRI: 404-3		

	Percentage of employees receiving regular performance and career development reviews	All employees of Arion Bank receive regular feedback.  <a href="#">See section on our stakeholders.</a>
<b>Diversity and equal opportunity</b>		
GRI: 405-1	Diversity of governance bodies and employees	<a href="#">Non-financial information: Society</a> <a href="#">Human resources</a> -
GRI: 405-2	Ratio of basic salary and remuneration of women to men	<a href="#">Information on equal pay certification of Arion Bank can be seen here.</a> <a href="#">Human resources</a> -
<b>Non-discrimination</b>		
GRI: 406-1	Incidents of discrimination and corrective actions taken	<a href="#">Non-financial information: Society</a> -
<b>Local community</b>		
GRI: 413-2	Operations with significant actual and potential negative impacts on local communities	<a href="#">Stakksberg</a> -
<b>Public policy</b>		
GRI: 415-1	Political contributions	No contributions were made to political activities in 2019
<b>Marketing and labeling</b>		
GRI: 417-2	Incidents of non-compliance concerning product and service	<a href="#">Compliance</a> -
	information and labeling	-
GRI: 417-3	Incidents of non-compliance concerning marketing communications	<a href="#">Compliance</a> -

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## Customer privacy

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GRI: 418-1	Substantiated complaints concerning breaches of customer	<a href="#">Data protection</a>
		-
	privacy and losses of customer data	-

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## Socioeconomic compliance 2016 GRI

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GRI: 419-1	Non-compliance with laws and regulations in the social and economic area	<a href="#">Compliance</a>
		-

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## Non-financial information

Information published in the section on non-financial information is valid for 2019 and relates to the main operations of Arion Bank. The subsidiaries are not included. Data from 2015-2018 is included for comparison.

## Environment (E)

### Operational Parameters

### Fiscal Year

Key Figures	Unit	2015	2016	2017	2018	2019
Total assets	ISK billion	1,011	1,036	1,148	1,164	1,082
Number of employees	E	930	936	882	-	-
Number of employees at the end of year	E	-	-	-	866	735
Total Carbon Tax (ESR)	ISK	-	-	-	283,492	252,463

### Non-financial information 2018

### Fiscal Year

Key Figures	Unit	2015	2016	2017	2018	2019
Direct and Indirect GHG Emissions (E1   UNGC-P7   GRI: 305-1, GRI: 305-2, GRI: 305-3)						



Scope 1	tCO2e	86.3	87.5	85.1	78.3	63.4
Scope 2 (market-based)	-	592.4	1653.9	213.6	94.8	70.8
<b>Scope 2 (location-based)</b>	<b>-</b>	<b>102.6</b>	<b>110.0</b>	<b>89.9</b>	<b>94.8</b>	<b>70.8</b>
Scope 3	-	263.4	187.0	173.2	303.9	315.4
<b>Total Emissions Scope 1 &amp; 2 (location-based)</b>	<b>-</b>	<b>188.9</b>	<b>197.6</b>	<b>174.9</b>	<b>173.1</b>	<b>134.2</b>
Emissions neutralized by carbon offset projects	-	-	-	19	-	476
Net operational carbon emissions Scope 1 and 2	-	188.9	197.6	155.9	173.1	-341.8
<b>Total Emissions Scope 1, 2 (location-based) &amp; 3</b>	<b>-</b>	<b>452.2</b>	<b>384.5</b>	<b>348.2</b>	<b>477.0</b>	<b>449.6</b>
Emissions neutralized by carbon offset projects	-	-	-	19.0	-	476.0
Net operational carbon emissions	-	452.2	384.5	329.2	477.0	-26.4
<b>Emissions Intensity Scope 1 &amp; 2 (location-based) (E2   UNGC-P7, P8   GRI: 305-4   SDG 13)</b>						
Emission Intensity per megawatt-hour consumed	kgCO2e/MWh	16.64	15.73	16.65	15.68	16.23
Emission Intensity per employee	tCO2e/E	0.20	0.21	0.20	0.20	0.18
Emission Intensity per total assets	tCO2e/ISK billion	0.19	0.19	0.15	0.15	0.12
<b>Emissions Intensity Scope 1, 2 (location-based) &amp; 3 (E2   UNGC-P7, P8   GRI: 305-4   SDG 13)</b>						
Emission Intensity per megawatt-hour consumed	kgCO2e/MWh	39.84	30.63	33.14	43.19	54.39
Emission Intensity per employee	tCO2e/E	0.49	0.41	0.39	0.55	0.61
Emission Intensity per total assets	tCO2e/ISK billion	0.45	0.37	0.30	0.41	0.42
<b>Direct &amp; Indirect Energy Consumption (E3   UNGC-P7   GRI: 302-1   SDG 12 )</b>						
Total energy consumption	kWh	11,352,626	12,554,996	10,505,938	11,043,419	8,266,736
Of which energy from fossil fuel	-	335,087	339,013	329,458	303,504	245,305
Of which energy from electricity	-	4,034,329	4,208,538	3,737,357	4,256,114	3,399,518
Of which energy from hot water	-	6,983,210	8,007,445	6,439,123	6,483,801	4,621,913
<b>Energy Intensity (E4   UNGC-P7, P8   GRI: 302-3   SDG 12)</b>						
Energy Intensity per employee	kWh/E	12,207	13,413	11,911	12,752	11,247
Energy intensity per total asset	kWh/ISK billion	11,229	12,119	9,152	9,487	7,641
<b>Energy Mix (E5   UNGC-P7   GRI: 302-1   SDG 7)</b>						
Fossil Fuel	%	8.0%	18.8%	4.6%	2.7%	3.0%
Nuclear Energy	-	3.5%	5.5%	0.7%	0.0%	0.0%
Renewable Energy	-	88.5%	75.8%	94.7%	97.3%	97.0%
<b>Water Management (E6   UNGC-P7   GRI: 303-5   SDG 6)</b>						
Total water consumption	m3	334,072	273,786	255,985	267,656	136,990
Cold water	-	113,672	135,727	144,965	155,867	57,302
Hot water	-	220,400	138,059	111,019	111,790	79,688

Environmental Operations (E7   GRI: 103-2)						
Environmental Policy approved by the board	yes/no	-	-	-	-	Yes
Company follows specific waste, water, energy, and/or recycling policies	-	-	-	-	-	Yes
Company uses a recognized energy management system	-	-	-	-	-	No
Climate Oversight / Management (E9)						
Does your Senior Management Team oversee and/or manage climate-related risks?	yes/no	-	-	-	-	Yes
Environmental Policy (UNGC-P7, P8, P9)						
Company has implemented an environmental management system	yes/no	No	Klappir EnviroMaster	Klappir EnviroMaster	Klappir EnviroMaster	Klappir EnviroMaster
Company has published and follows an Environmental Policy	-	Yes	Yes	Yes	Yes	Yes
Company bears any legal/regulatory responsibility for an environmental impact	-	No	No	No	No	No
Paper Management						
Total amount of printed paper	pages	2,394,280	2,354,930	2,133,770	1,584,070	1,036,835
Duplex	-	1,668,220	1,637,320	1,569,300	1,317,380	833,672
Color print	-	913,333	830,151	708,725	719,854	460,949
Black & white print	-	2,315,061	2,343,435	2,209,697	1,522,904	992,722
Waste Management (UNGC-P7   GRI: 306-2)						
Total amount of waste generated	kg	119,992	120,728	125,519	164,803	132,796
Sorted	-	51,588	60,958	59,342	102,119	90,919
Unsorted	-	68,404	59,770	66,177	62,684	41,877
Percentage of sorted waste	%	43.0%	50.5%	47.3%	62.0%	68.5%
Recycled waste	kg	-	-	-	97,419	63,279
Landfilled waste	-	-	-	-	67,384	69,517
Percentage of recycled waste	%	-	-	-	59.1%	47.7%
Emission in Scope 3 (UNGC-P7   GRI: 305-3)						
Emissions from waste	tCO2e	28.4	24.8	22.6	34.1	26.4
Emissions from business travel (taxis and flight)	-	238.64	162.84	151.19	269.75	289.01
Carbon Offset						
Does a third party verify carbon offset projects?	yes/no	-	-	No	-	No
Total Fuel Consumption (UNGC-P7   GRI: 302-1)						
Total fuel consumption	liters	33,457	33,694	32,754	30,216	24,342
Gasoline	-	2,916	1,304	1,360	1,708	534
Diesel	-	30,541	32,390	31,394	28,508	23,808

## Social (S)

		Fiscal Year				
	Unit	2015	2016	2017	2018	2019
CEO Pay Ratio (S1.1   GRI: 102-38   UNGC-P6)						
CEO Salary & Bonus (X) to median FTE Salary	X:1	-	-	-	-	6,2:1
Gender Pay Ratio (S2   UNGC-P6   GRI: 405-2)						
Outcome of equal pay certification	%	4.8%	3.7%	2.9%	2.4%	2.1%
Employee Turnover (S3.1, S3.2   GRI: 401-1   SDG 12)						
Total annual turnover	%	10.8%	13.8%	11.8%	13.9%	23.0%
Left voluntarily	-	7.7%	5.4%	7.7%	8.3%	6.8%
Left due to dismissal	-	2.2%	7.8%	2.2%	4.4%	13.9%
Retired	-	9.0%	7.0%	9.0%	1.2%	2.2%
Employee Turnover by gender						
Women	%	-	-	-	71.0%	59.0%
Men	%	-	-	-	29.0%	41.0%
Employee Turnover by age						
Aged 20-29	%	-	-	-	23.4%	14.1%
Aged 30-39	-	-	-	-	17.7%	21.6%
Aged 40-49	-	-	-	-	22.6%	31.9%
Aged 50-59	-	-	-	-	22.6%	19.5%
Aged 60-69	-	-	-	-	13.7%	13.0%
Employee Turnover by region						
Greater Reykjavík Area		-	-	-	82.3%	86.0%
Outside Greater Reykjavík Area		-	-	-	17.7%	14.1%
Gender Diversity (S4.1   UNGC-P6   GRI: 102-8)						
Total number of employees*	no.	882	936	930	866	735
Women	%	66.0%	65.0%	65.0%	64.9%	65.0%
Full-time	-	-	-	-	52.0%	55.2%
Part-time	-	-	-	-	12.9%	10.2%
Men	-	34.0%	35.0%	35.0%	35.1%	35.0%
Full-time	-	-	-	-	33.1%	33.1%
Part-time	-	-	-	-	2.0%	1.5%
Equality (S4.2, S4.3   UNGC-P6   GRI: 401-3, GRI: 405-1)						
Board of Directors						
Women	%	55.0%	50.0%	50.0%	43.0%	43.0%
Men	%	45.0%	50.0%	50.0%	57.0%	57.0%
Age of board directors						

Aged 20-29	%	-	-	-	0.0%	0.0%
Aged 30-39	-	-	-	-	0.0%	0.0%
Aged 40-49	-	-	-	-	66.7%	29.0%
Aged 50-59	-	-	-	-	0.0%	57.0%
Aged 60-69	-	-	-	-	22.2%	0.0%
Aged 70-79	-	-	-	-	11.1%	14.0%
All management						
Women	%	41.0%	47.0%	48.0%	47.0%	48.0%
Men	%	59.0%	53.0%	52.0%	53.0%	52.0%
Managing directors						
Women	%	33.0%	44.0%	50.0%	50.0%	33.3%
Men	%	67.0%	56.0%	50.0%	50.0%	66.7%
Heads of department						
Women	%	39.0%	34.0%	28.0%	30.0%	39.4%
Men	%	61.0%	66.0%	72.0%	70.0%	60.6%
Regional and branch managers						
Women	%	39.0%	50.0%	43.0%	38.5%	33.3%
Men	%	61.0%	50.0%	57.0%	61.5%	66.7%
Service managers						
Women	%	-	93.0%	73.0%	82.0%	85.7%
Men	%	-	7.0%	27.0%	18.0%	14.3%
Supervisors and team leaders						
Women	%	50.0%	44.0%	67.0%	60.0%	50.0%
Men	%	50.0%	56.0%	33.0%	40.0%	50.0%
Managers						
Women	%	-	-	-	50.0%	66.7%
Men	%	-	-	-	50.0%	33.3%
Heads of corporate business/account managers						
Women	%	-	-	-	33.0%	33.0%
Men	%	-	-	-	67.0%	67.0%
Other managers						
Women	%	-	-	-	25.0%	50.0%
Men	%	-	-	-	75.0%	50.0%
Age of management						
Aged 20-29	%	-	-	-	0.0%	0.0%
Aged 30-39	-	-	-	-	14.6%	18.1%
Aged 40-49	-	-	-	-	55.2%	59.0%
Aged 50-59	-	-	-	-	28.1%	20.5%

Aged 60-69	-	-	-	-	2.1%	2.4%
Age of employees**						
Aged 20-29	%	-	-	-	17.0%	16.9%
Aged 30-39	-	-	-	-	25.0%	25.0%
Aged 40-49	-	-	-	-	31.0%	31.3%
Aged 50-59	-	-	-	-	21.0%	21.2%
Aged 60-69	-	-	-	-	6.0%	5.6%
Parental leave						
Number of women entitled to maternity leave	no.	-	-	-	26	21
Number of women who took maternity leave	-	-	-	-	26	21
Number of women that returned to work after maternity leave	-				20	-
Number of men entitled to paternity leave	-	-	-	-	25	19
Number of men who took paternity leave	-	-	-	-	19	14
Number of men that returned to work after paternity leave		-	-	-	19	-
Employment type (S5.1   UNGC-P6   GRI: 102-8, GRI: 401-1)						
Percentage of people employed on permanent basis	%	95%	93%	92%	94.6%	95.4%
Women	-	-	-	-	61.2%	62.4%
Men	-	-	-	-	33.4%	32.9%
Percentage of people employed on temporary basis	%	5.0%	7.0%	8.0%	5.4%	4.6%
Women	-	-	-	-	3.7%	3.0%
Men	-	-	-	-	1.7%	1.6%
Employees by residence						
Greater Reykjavík Area	%	-	-	-	83.7%	82.4%
Employed on permanent basis	-	-	-	-	80.0%	79.3%
Employed on temporary basis	-	-	-	-	3.7%	3.1%
Outside Greater Reykjavík Area	%	-	-	-	16.3%	17.6%
Employed on permanent basis	-	-	-	-	14.5%	16.1%
Employed on temporary basis	-	-	-	-	1.7%	1.5%
Number of new employees	no.	-	-	-	73	51
Percentage of new employees	%	-	-	-	8.2%	6.9%
Gender of new employees						
Women	%	-	-	-	56.0%	47.0%
Men	-	-	-	-	44.0%	53.0%
Age of new employees						

Aged 20-29	%	-	-	-	38.0%	45.1%
Aged 30-39	-	-	-	-	26.0%	31.4%
Aged 40-49	-	-	-	-	30.0%	21.6%
Aged 50-59	-	-	-	-	4.0%	2.0%
Aged 60-69	-	-	-	-	1.0%	0.0%
New employees by residence						
Greater Reykjavík Area	%	-	-	-	87.7%	90.2%
Outside Greater Reykjavík Area	-	-	-	-	12.3%	9.8%
<b>Training for employees (GRI: 404-1)</b>						
Avg. hours of training in total	hours	-	-	-	7	20
Avg. hours of training - women	-	-	-	-	8	22
Avg. hours of training - men	-	-	-	-	6	17
Avg. hours of training - management	-	-	-	-	12	36
Avg. hours of training - employees	-	-	-	-	6	16
<b>Non-Discrimination Policy (S6   UNGC-P6   GRI: 406-1 a.)</b>						
Policy to ensure equal opportunities and terms for all genders	yes/no	Yes	Yes	Yes	Yes	Yes
Policy against bullying, sexual harassment and violence	-	-	-	-	Yes	Yes
Number of cases that have been reported as a result of bullying, sexual harassment or gender-based violence	no.	-	-	-	3	2
<b>Health and safety of employees (S7   SDG 3)</b>						
Accidents in workplace and to and from work	no.	5	5	0	2	7
Health indicators	%		95.8%	96.3%	96.3%	96.0%
<b>Human Rights (S10.1   UNGC-P1, P2   SDG 4, 10, 16)</b>						
Human rights as part of equal-rights policy	yes/no	-	-	-	Yes	Yes

\*Total number of employees and percentages for 2018 and 2019 is based on total number of employees at the end of each year. Figures for 2015-2017 are based on average number of employees during the year.

\*\* Information on age distribution for the years 2015-2017 are available in 2017 Annual Report. GRI definitions are used for the years 2018 and 2019.

## Governance (G)

		Fiscal Year				
Key Figures	Unit	2015	2016	2017	2018	2019
Board - Separation of Powers (G1, G2   GRI: 102-23   SDG 10)						
Total number of board members	no.	7	8	8	7	7
Of which women	-	4	4	4	3	3
Of which men	-	3	4	4	4	4

Gender ratio in the committees chaired by the board%

Of which women	-	-	-	-	-	50%
Of which men	-	-	-	-	-	50%
Independent board members	no.	6	7	7	6	7

#### Board Independence (G2 | GRI: 102-23)

The CEO is the Chairman of the Board	yes/no	No	No	No	No	No
The CEO manages committees on behalf of the Board	-	No	No	No	No	No
The CEO is a board member	-	No	No	No	No	No

#### Incentivized Pay (G3 | GRI: 102-35.b)

Are company executives formally incentivized to act on ESG	yes/no	yes	yes	yes	yes	yes
In regards to finance and corporate governance	-	yes	yes	yes	yes	yes

#### Collective Bargaining (G4 | UNGC-P3 | GRI 102-41 | SDG 8)

Employees in labour unions	%	-	99.8%	99.8%	99.8%	99.6%
Employees outside labour unions	-	-	0.2%	0.2%	0.2%	0.4%
Percentage of people working in accordance with labour market laws	-	-	-	-	100.0%	100.0%

#### Suppliers (G5 | UNGC-P3, P4, P5, P6, P7, P8, P9 | GRI: 308, GRI: 414 | SDG 12)

Supplier Code of Conduct	yes/no	-	-	-	-	No
Environmental factors when evaluating suppliers	-	-	-	-	-	In progress
Equality factors when evaluating suppliers	-	-	-	-	-	In progress
Labor rights when evaluating suppliers	-	-	-	-	-	In progress

#### Ethics & Anti-Corruption (G6.1 | GRI: 102-16 | UNGC-P10 | SDG 16)

Does the company publish and follow an EC?	yes/no	Yes	Yes	Yes	Yes	Yes
That has been approved by the board of directors?	-	Yes	Yes	Yes	Yes	Yes
Anti-corruption and bribery policy	-	-	-	-	Yes	Yes

#### Data Privacy (G7 | GRI: 418-1)

Data privacy policy?	yes/no	-	-	-	Yes	Yes
Implementation of the EU Privacy Regulation (GDPR)	-	-	-	-	Yes	Yes

#### Sustainability Report (G8.1)

Does the company publish a sustainability report?	yes/no	Yes	Yes	Yes	Yes	Yes
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#### Disclosure Practices (G9.1, G9.2)

Sustainability data to sustainability reporting frameworks	yes/no	-	-	-	Yes	Yes
Focus on specific UN Sustainable Development Goals (SDGs)	-	-	-	-	Yes	Yes

#### External Validation & Assurance (G10)

ESG disclosures assured or validated by a third party	Yes/no	Information on the bank's environmental data is <u>reviewed</u> by the company Klappir Green Solutions. Human resource information is obtained from the Bank's information systems. Governance information is based on the Bank's Corporate Governance Statement.				
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