

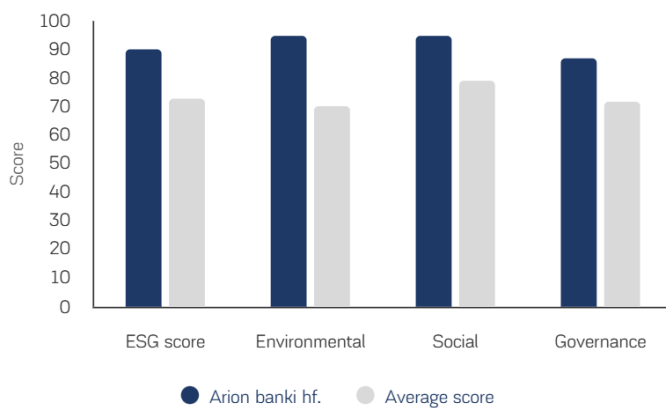
ARION BANKI HF.

ESG SCORE 90 / A3

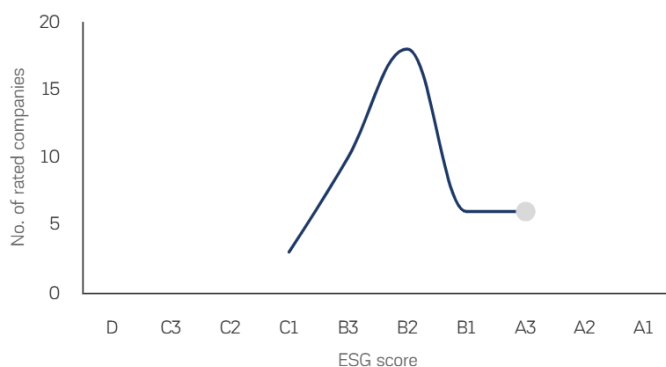
ESG RATING RESULTS

RESULTS	Weight	Score	Rating
Total Score	100%	90	A3
Environmental	10.5%	95	A2
E.1 Environmental Management and Eco-Efficiency	7.5%	95	A2
E.2 Oversight of Environmental Management	3%	95	A2
Social	25.5%	95	A2
S.1 Own Workforce	20.5%	98	A1
S.2 Customer Satisfaction and Community Relations	5%	80	B1
Governance	64%	87	A3
G.1 Corporate Governance	10%	99	A1
G.2 Corporate Practices and Value Chain	22.5%	86	A3
G.3 Products & services	31.5%	83	B1

COMPARISON



ESG RATING DISTRIBUTION



SHORT SUMMARY OF RESULTS

Arion banki hf. continues to receive an outstanding rating in Reitun's ESG assessment, achieving 90 out of 100 points, placing in category A3. The bank operates in accordance with the UN Principles for Responsible Banking (UN PRB), and sustainability matters are formally integrated into Arion's governance structure. The bank has already achieved good results in reducing environmental impacts from its own operations, but opportunities lie in reducing emissions from its investment portfolio and lending. Arion has committed to align with the SBTi methodology in formulating science-based targets for reducing greenhouse gas emissions, and in October 2025, the bank published updated climate targets that include financed emissions. Arion has published calculations for financed emissions in accordance with the PCAF methodology and has set targets for reducing carbon intensity across nine industries. In 2024, Arion updated its Green Finance Framework into a broader Sustainable Finance Framework, and its disclosures on sustainable finance are considered good. The bank has increased the weight on sustainability factors in its lending practices and implemented a formal ESG assessment as a part of their loan process, which all loans above a defined amount must undergo. Arion offers products and services that support sustainability and incorporate ESG considerations into its product development. Arion has conducted a double materiality assessment, as well as a sustainability- and climate-related risk assessment in accordance with recognized standards.

Stefnir, a subsidiary of Arion banki, and Arion bank's asset management division continue to place strong emphasis on responsible investments and are signatories to the UN Principles for Responsible Investments (UN PRI). Stefnir has done well in integrating sustainability priorities into fund management and is working on establishing its sixth fund classified under Article 8 of the SFDR regulation. The insurance company Vörður, a subsidiary of Arion banki, is well positioned to support the bank in offering a more sustainable product and service portfolio. Vörður makes use of various support services from the bank, and the collaboration between Vörður and Arion banki has increased over the past year, with both companies working to develop joint banking and insurance services. Financial institutions in Iceland operate under extensive regulation and the supervision of the Financial Supervisory Authority of the Central Bank of Iceland. Following a settlement reached between Arion banki and the Central Bank in 2024, the bank has strengthened its anti-money laundering framework. According to Arion, all corrective measures related to the matter have been implemented. Arion maintains its certification under the ISO 27001 standard for information security management, which also covers Stefnir and Vörður. The bank continues to perform well in supplier chain responsibility and has for a long time actively worked on integrating sustainability into its supply chain. In 2024, 91% of new suppliers went through a supplier assessment that included sustainability elements, and all new contracts handled by the procurement department include supplier codes of conduct. Customer satisfaction and community relations are considered good. Arion continues to place strong emphasis on human resources and employee satisfaction is high according to workplace surveys. Sustainability continues to be a high priority for the bank, which aims to achieve further progress.

COMPARISON WITH DOMESTIC ISSUERS

Arion banki is well above average in all categories compared to other domestic issuers that have undergone an ESG analysis by Reitun, which are around 45 in total. The market average currently stands at a total score of 73 out of 100, category B2.

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