



Arion Sustainability Policy

May 2026

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We 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 operate. We emphasize that Arion's operations and the financial services we provide should contribute to sustainable value creation and should not result in unacceptable impacts on people or the environment.

We support Iceland's ambition to achieve net zero and seek to be an active participant in that journey. We endeavour to work with parties in the Arctic who contribute to the development and growth of the region while preserving its natural resources for the future.

Arion seeks to:

- promote sustainable economic growth,
- reduce the negative impact of its operations on the environment and society,
- seize opportunities arising from sustainable finance,
- identify and manage sustainability risks,
- apply sound and robust corporate governance practices.

In our interactions with customers and other stakeholders, we encourage sustainable business practices where appropriate. If customers or suppliers are unwilling or unable to meet Arion's criteria regarding environmental and social factors or sound governance (ESG), this may lead us to reconsider or terminate the business relationship.

The objective of this policy is to ensure that Arion's operations and business strategy reflect its commitments and objectives in the field of sustainability.

About the policy

Arion's sustainability policy defines how sustainability is integrated into the business model, strategic planning, risk management, and day-to-day operations.

Impacts, risks, and opportunities related to sustainability are assessed, among other things, on the basis of a double materiality assessment in accordance with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD). The results of this assessment are also taken into account in Arion's strategic planning and decision-making.

Scope and application

This policy applies to all of Arion Bank's operations, including:

- lending, investments, advisory services, and other products and services,
- own operations,
- interactions with customers, suppliers, and other stakeholders.

The policy is further elaborated through internal procedures and specific policies, such as those relating to environmental and climate matters, lending, human rights, equality, and business ethics.

Integration of sustainability into risk management and decision-making

Arion identifies and manages sustainability risks as part of its overall risk management framework, as applicable. This includes, among other things, ensuring that:

- sustainability risks are identified, assessed, and monitored in connection with relevant risk categories, including credit risk, market risk, liquidity risk, and operational risk,
- environmental, social, and governance (ESG) factors are taken into account in lending activities, investments, and operations,
- risk appetite encompasses sustainability-related factors,
- Arion applies exclusion lists, ethical restrictions, and/or imposes specific requirements on customers where appropriate.

Governance, responsibilities and supervision

The Board of Directors of Arion Bank is responsible for Arion's sustainability policy. The Board receives regular updates on key sustainability-related risks.

The CEO of Arion Bank is responsible for implementing the policy and integrating it into the Bank's operations.

Reporting and follow-up

Arion discloses sustainability-related information in accordance with applicable laws and regulations and publishes annual information on sustainability progress on a consolidated basis.

The implementation of the sustainability policy is regularly reviewed, and the results are used to support continuous improvement.

Approval of the policy

Arion's sustainability policy is reviewed at least annually and submitted to the Board of Directors of Arion Bank for approval.

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