



Arion Bank's Policy on Recalculating Greenhouse Gas Emissions

October 2025

Policy on recalculating greenhouse gas emissions for which Arion Bank is responsible

This policy applies to the calculation of green gas emissions published by Arion Bank. Arion Bank publishes in its Annual and Sustainability Report environmental accounts which show emissions from activities in Scopes 1, 2 and 3 (categories 1-14) relating to the Bank and its subsidiaries. Every year the Bank also publishes information on financed emissions (Scope 3, Category 15) relating to its own investments and lending.

The policy covers greenhouse gas emissions for which the Bank is responsible, and the data collected for its subsidiaries. When recalculating financed emissions, the procedure only applies to Arion Bank. The procedure is based on the Greenhouse Gas Protocol (GHG Protocol) and will be updated in accordance with changes to this standard and these criteria. Arion Bank is a signatory to the Partnership for Carbon Accounting Financials (PCAF) and is committed to setting science-based targets in accordance with the Science Based Targets Initiative (SBTi). This requires the Bank to adopt and publish a policy on the recalculation of emissions in accordance with the GHG Protocol.

The Recalculation Policy:

Arion Bank uses 2015 as a base year for its current targets on reducing greenhouse gas emissions in Scopes 1 and 2 up until 2030 from its own activities. Emissions in Scopes 1 and 2 are based on data which has been affirmed with limited assurance. For targets linked to financed emissions from the Bank's own financing and credit activities, the year 2023 is used as the base year.

To ensure follow-up on the progress of targets, emissions will be recalculated at the end of each year if a change in emissions is detected. The recalculation covers the base year and all years published in the sustainability accounts in the Annual and Sustainability Report, but only if significant changes have occurred. The benchmark is a 5% increase or decrease in emissions, in line with the GHG Protocol Corporate Standard.

Recalculations can be made under the following circumstances:

- **Changed methodology:** if changes to the methodology have a significant impact on emissions according to the above definition, e.g. due to updated emissions factors, changed access to data or updated calculation methods and procedures, emissions will be recalculated.
- **Changed data or errors:** if significant errors are discovered, or several minor errors which combined are considered significant, emissions for the year in question will be recalculated. Significant changes to the organization or activities of a company may also result in the recalculation of the base year.

- **Organizational changes:** if changes to the organization of Arion Bank have a significant impact on emissions, e.g. as a result of a takeover, divestment or merger, emissions will be recalculated to the best extent possible. If such changes occur mid-year, emissions will be recalculated for the whole year (both current year and base year). In the event of a merger and acquisition, the recalculation may take place up to one year after the change in order to ensure access to adequate and accurate data.

Arion Bank's sustainability committee has reviewed and approved the policy and the Bank's sustainability team is responsible for monitoring the implementation of the policy.