



Climate and environmental policy

Introduction

The value of aviation and tourism is undisputed, especially for an island nation like Iceland. We are dependent on efficient flight connections for tourism, trade, international relations and to maintain a good quality of life in the country.

However, as an airline, we recognize our climate and environmental impact as air travel demands substantial energy and resources. Therefore, we will:

- Prioritize climate action
- Optimize resource use and minimize waste
- Advance environmental performance

Recognizing this impact, Icelandair Group hf. and all its subsidiaries (hereinafter referred to as Icelandair) is committed to setting a high standard for environmental performance as part of its sustainability efforts, which align with the Company's strategy. We are committed to complying with all relevant legal requirements and fulfilling additional obligations related to climate and the environment.

Scope

This Policy applies to the entire Icelandair workforce at all levels and grades (whether permanent, fixed term or temporary), and all operations and subsidiaries. This policy is available on the Company's website and intranet.

Climate action

We are committed to reducing our greenhouse gas emissions intensity. This includes taking action to raise awareness about climate issues and being actively involved in industry-wide measures, technical developments and other activities that work towards mitigating aviation emissions. Our commitments are to:

- Minimize the carbon emissions produced for each ton kilometer from aviation by increasing energy efficiency and integrating alternative energy sources. This includes a transition to a more energy efficient fleet, operational improvements, and exploring the use of alternative fuels.
- Develop and implement strategies for decarbonization and alternative fuel.
- Optimize ground operations with the goal of reducing fuel consumption and emissions.
- Participate in industry-wide initiatives to combat climate change and promote sustainable practices across the aviation sector.
- Mitigate climate risks and ensure the resilience of our operations against the impacts of a changing climate by identifying vulnerabilities in our operations and investing in adaptive technologies and infrastructure.

Pollution

Icelandair acknowledges aviation's impact on the environment and public health through the burning of fossil fuels which also releases air pollutants. Additionally, aircraft noise has an impact on the communities and habitants around airports, as well as on employees working in and around airports. Our commitments are to:

- Mitigate negative impacts related to air and noise pollution, through our transition to more energy efficient fleet, operational improvements, and exploring the use of alternative fuels. We will work on avoiding incidents and emergency situations, such as fuel spills, and if they occur, we will work on controlling and limiting their impact on people and the environment, as well as managing our use of substances of concern.
- Report all incidents in our Safety Management System.
- Adhere to and promote noise abatement procedures to minimize our impact on surrounding communities.

Resource use and waste

Icelandair is aware of the resources required in its operations which generate waste. We collaborate with businesses and associations to promote the increase of environmentally friendly products and services, as well as work with business partners to improve circularity and waste management. Our commitments are to:

- Enforce circular economy principles and prioritize the waste hierarchy - reduce, reuse, recycle, recover, dispose.
- Promote responsible use of resources.
- Reduce the use of single-use plastics and optimize consumables within the cabin.
- Adopt responsible procurement practices to limit negative impacts through our supply chain and engage with suppliers to improve their sustainability performance.

Environmental Management System

Icelandair has a certified environmental management system, IEnvA, compatible with ISO 14001. This system allows us to continuously assess and manage our environmental impacts and we are committed to working on continuous improvements by setting measurable targets and benchmarking our performance. The scope of the environmental management system covers flight operations, corporate activities, ground operations, as well as maintenance, repair and overhaul.

Animal welfare

We recognize the vital role we play in the safe and humane transport of animals. Our commitment extends to combating illegal wildlife trafficking, a growing global concern that threatens biodiversity and animal welfare. Our commitments are to:

- Maintain a zero-tolerance approach towards illegal wildlife trade and trafficking, and we shall promote industry initiatives to combat these activities.
- Promote safe and respectful transportation of animals to and from Icelandair, with adherence to animal welfare standards.

Breach of Policy

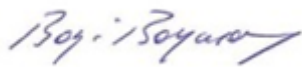
If you believe or suspect a violation of Icelandair's policy, please report it as soon as possible through one of the following channels:

- Our employees can report incidents at
 - Icelandair's Safety Management System
 - Icelandair.tilkynna.is
 - To the immediate manager
- Everyone can report incidents to
 - Compliance Officer (compliance@icelandairgroup.is)
 - Icelandairexternal.tilkynna.is

We do not retaliate against good faith reports of violation of policy or law, in accordance with Icelandic Whistleblowers Act No. 40/2020 and as outlined in our Rules on Procedure for Whistleblowing.

Related Policies

- Supplier Code of Conduct
- Rules on Procedure for Whistleblowing
- Safety Policy



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