

Icelandair Group's Supplier Code of Conduct

Icelandair Group's Procurement Policy

Icelandair Group (Icelandair) emphasizes that all procurement should be guided by the interests of Icelandair as a whole. Icelandair's goal is to ensure that all purchases are centralized and economical while at the same time fair, transparent and responsible. Icelandair's objective is to be a role model with regards to procurement with a clear focus on integrating sustainability in its supply chain. This is achieved, among other, by sourcing goods and services that reduce negative social and environmental impact and, wherever possible, promote positive impact.

Supplier Code of Conduct

Icelandair expects its suppliers, vendors and contractors to conform to Icelandair's Supplier Code of Conduct (the Code) when providing goods and services, as well as in dealings with their employees, supply chain and other third parties. Icelandair recognizes that many of its suppliers operate in different legal and cultural environments throughout the world, and that reaching the standards established in this Code is a dynamic process. Suppliers are therefore encouraged to continuously improve their operations.

Suppliers shall act in compliance with applicable local, national and international laws and regulations in all jurisdictions where the supplier and third parties conduct their business. Icelandair may request information from suppliers regarding topics covered by this Code and reserves the right to audit the supplier's activities relevant for this Code, either by itself or by an accredited third-party auditor, as well as review and verify the implementation of corrective action throughout the supply chain. Should the supplier have, in the reasonable opinion of Icelandair, materially breached this Code, Icelandair may terminate the agreement with the supplier with immediate effect without incurring any liability towards the Supplier.

Human rights and labor rights

Suppliers must respect internationally accepted human rights and ensure that they are not complicit in human rights abuses. Suppliers must respect the Universal Declaration of Human Rights and internationally accepted labor rights (the 8 ILO Core Conventions).

Suppliers are to respect the minimum legal age of employment in the jurisdiction where their work is performed. If no laws specify a minimum working age, the minimum age of employment should be regarded as 15 years or the age of completion of compulsory education, whichever is higher. However, no person under the age of 18 shall undertake hazardous work that would likely jeopardize physical, mental or moral health, safety and development of the person. In case child labor is identified, the supplier must take appropriate action to responsibly manage the removal of child labor from its business in a way that is in the best interest of the child.

Suppliers shall treat their employees with respect and dignity. They shall not accept any form of harassment, violence or verbal abuse of their employees. Suppliers must not discriminate against employees in hiring, promotion or salary based on color, gender, religion, national or ethnic origin, age,

physical ability, sexual orientation, political affiliation, union membership, parental or marital status etc. Suppliers are expected to support diversity and equal opportunity in their workplaces.

Suppliers must comply with all applicable legal and regulatory requirements relating to working hours and shall compensate their employees for overtime work. The supplier shall also provide its employees with the minimum wages and benefits, and other premium arrangements, as defined by applicable law and industry standards. In any event, wages should always meet the minimum income necessary for a worker to meet their basic needs. The employees shall be granted their annual leave, and sick leave, without any form of repercussion, and female employees shall be granted their stipulated maternity leave rights in case of pregnancy. The supplier shall ensure that managers and employees have a transparent, fair and confidential complaints mechanism in place enabling them to report workplace grievances.

Safety and health

Suppliers shall provide to their people a safe and healthy working environment in compliance with all applicable laws and regulations. Suppliers shall ensure that appropriate health and safety information is provided to their employees, third parties and vendors, and that relevant training and protective equipment is provided. Suppliers shall, where appropriate, also have safety policies in place to support accident prevention, emergency response plans and minimizing of health risk exposures. The supplier shall provide its employees with a safe and healthy workplace to prevent accidents and injury to health. The supplier shall therefore take a proactive approach to health and safety by implementing policies, systems and training designed to prevent accidents, injuries and protect worker health. The supplier shall identify risks and be prepared for emergencies.

Environmental responsibility

Icelandair expects suppliers to have a systematic approach to their environmental work, preferably in the form of an environmental management system (ISO 14000 or equivalent). Suppliers should undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies. Suppliers should seek to minimize their impact on the environment by conserving energy, recycling and ensuring appropriate disposal of waste. Suppliers shall strive to reduce waste to the extent possible and are encouraged to determine the carbon footprint of their products.

Anticorruption

Icelandair expects suppliers to have zero tolerance towards bribery and corruption. Employees, staff and persons working on Icelandair's behalf must under no circumstances promise, offer, solicit or accept any kind of improper payment, compensation, loans or other financial benefit through or from stakeholders in contravention of applicable law and Icelandair policies. Icelandair will not accept inappropriate donations, sponsorships or contributions to try to obtain or retain undue personal or business advantage. All legitimately required donations and community investment must be made in accordance with company policy.

Suppliers are requested to pass on requirements in accordance with this Code to their suppliers and ensure that their suppliers live up to the requirements.

I, the undersigned, on behalf of (*Company's name*), have read and understood this policy. I agree to comply with the standards laid out in this Code and to commit to the continuous progress of my company.

Company name:

Date:

Signed by:

Title: