



Arion Bank's Sustainability Policy on Seafood

February 2023



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Arion Bank endeavours to work with ambitious seafood companies which contribute to the growth of our society, yet at the same time safeguard natural resources for the future.

We want to partner companies which are committed to protecting the ocean and its biodiversity and which strive to reduce greenhouse gas emissions with the aim of making Iceland carbon neutral by 2040.

We want to work with companies which respect human rights, support equality and place importance on sound and meticulous corporate governance.

We encourage all of our customers to act with transparency in terms of their performance in environmental, social and governance issues.



Arion Bank and sustainability in the seafood sector

At Arion Bank we want to do things right and make a real contribution to sustainable development. We seek to do business with companies who share this vision with us. We place great importance on environmental and social issues and good corporate governance in our operations. We are engaged in extensive partnerships in the field of sustainability and social responsibility, both in Iceland and abroad, and are a signatory to numerous treaties and declarations.

Arion Bank supports the UN Sustainable Development Goals and has selected six goals which it intends to focus on. These goals are number 5 on gender equality; number 7 on affordable and clean energy; number 8 on decent work and economic growth; number 9 on industry, innovation and infrastructure; number 12 on responsible consumption and production; and number 13 on climate action.

Arion Bank's sustainability policy on seafood aligns with the Bank's focuses and obligations in the field of sustainability.





Incentive for seafood companies

The seafood industry has achieved good results reducing greenhouse gas emissions by using less oil and more efficient fishing methods. Arion Bank encourages companies in this vital sector to continue in this direction and to be guided by the interests of the environment and society, while continuing to develop sound and meticulous corporate governance characterized by a culture of equality and respect of human rights.

Positive action:

- Further reduce greenhouse gas emissions so that Iceland can meet its obligations under the Paris Climate Agreement and become carbon neutral by 2040.
- Set quantifiable targets and action plans on the reduction of greenhouse gas emissions and publish environmental accounts.
- Increase proportion of renewable energy throughout operations.
- Phase out polluting coolants.
- Reduce indirect greenhouse gas emissions in areas such as transportation, packaging and waste treatment.
- Seek to obtain or maintain environmental certification in operations, such as fishing, fishing equipment and processing.
- The renewal of the fishing fleet will incorporate the latest technology with the aim of reducing oil consumption.
- Focus on the health and safety of employees.
- Invest in eco-friendly technology and equipment where possible.
- Commitment to maintaining fishing stocks and seek all possible means to avoid overfishing.
- Utilize marine products as efficiently as possible.
- Carbon offset activities.
- Work on and support innovation in the sector.
- Adhere to equality policy and work towards better equality.
- Combat corruption and bribery.
- Respect employees' contractual rights and their right to union membership.
- Respect human rights.
- Demonstrate responsibility throughout the value chain.

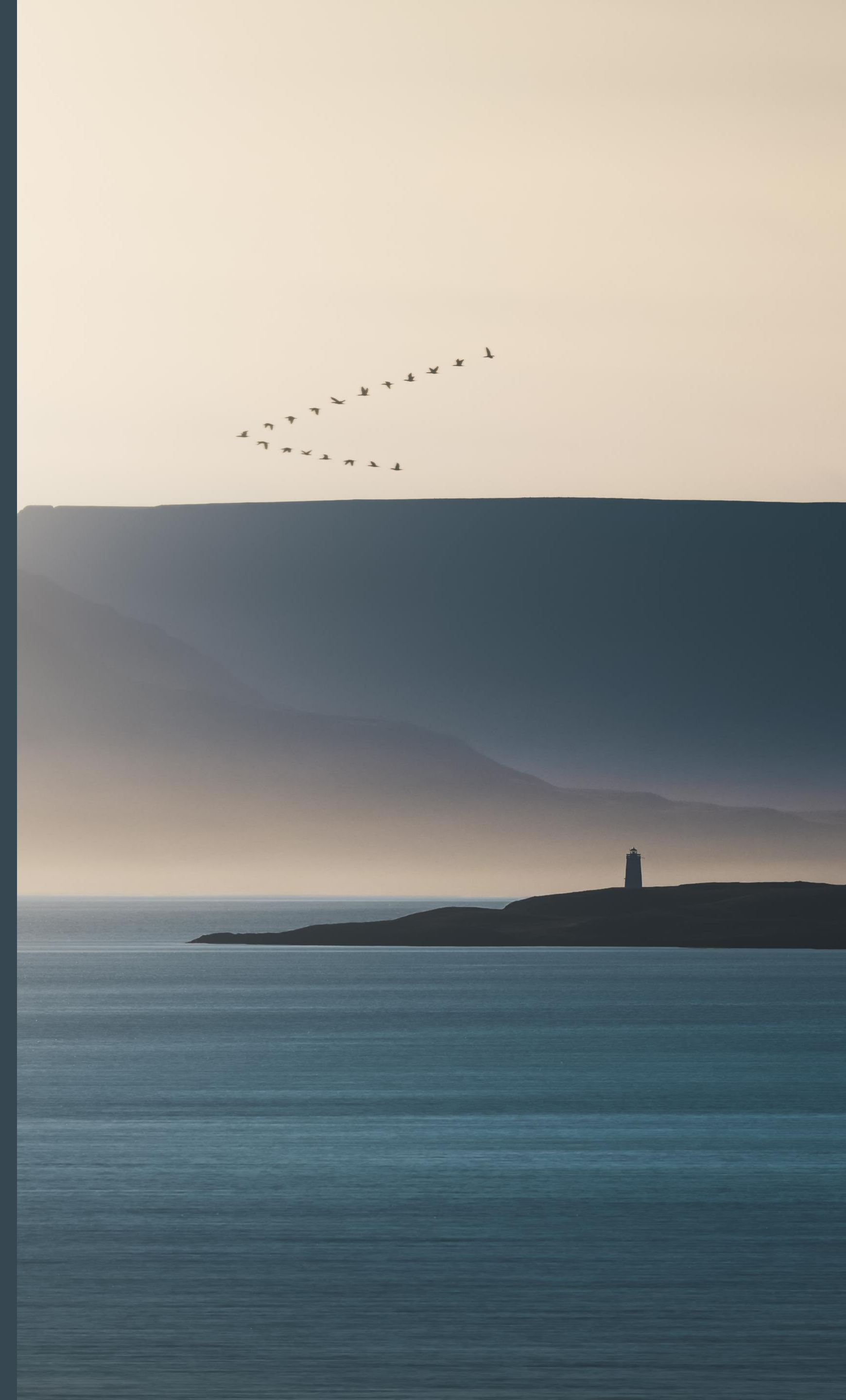


Strong business relationships

We aim to support our customers continue to make a difference and to develop strong and fruitful business relationships. In order to allow our business relationships to thrive, it is important to us that our corporate customers do not have a negative impact on people or the environment.

Issues in the seafood sector which could have a negative impact on the business relationship:

- Human rights violations
- Environmental accidents involving the company and/or in the supply chain due to negligence
- Use of heavy fuel oil in areas where it is banned
- Illegal discards or overfishing
- Corruption or bribes by the company
- Fishing/hunting of animals on the IUCN Red List and which are considered threatened with extinction



Dedicated team of specialists



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Financial framework for a green future

Arion Bank has published a Green Financing Framework which addresses the Bank's funding and lending activities. The Framework sets out clearly and transparently the conditions which the Bank's loans need to meet in order to be considered environmentally friendly.

Arion Bank offers green business loans under the Bank's Green Financing Framework. In order for loans to seafood companies to be classed as green, more than 90% of operating income needs to be generated by sales MSc certified marine products. Stricter requirements are also made concerning disclosure of non-financial indicators.

In addition to green business loans the Bank offers green car loans, loans for environmentally certified housing and green savings.

[Arion Bank's Green Financing Framework](#)
[Opinion from Cicero](#)
[Impact and Allocation Report for 2021](#)

Our specialists in the Seafood Team will give you a warm welcome

At Arion Bank we aspire to have strong relationships with our customers in the seafood sector and to help with reach their goals and achieve success.

