

Reporting Period: 2023 Financial Year
 Submission Date: May 31st 2024

Report Name	Annual Report on Forced Labour and Child Labour Prevention		
Effective Date	23.05.2023	Revision Date	N/A
Administrator	General Counsel	Approved By	Board

Icelandair Group Report on Forced Labour and Child Labour Prevention

This report covers Icelandair Group hf. and its subsidiaries, including Icelandair ehf., Icelandair Cargo ehf., and Loftleiðir-Icelandic ehf. and is filed to comply with Canada’s modern slavery act.

1. Structure, Activities, and Supply Chains

1.1. Entity Structure

Icelandair Group hf. operates within the aviation industry, with subsidiaries including Icelandair ehf., Icelandair Cargo ehf., and Loftleiðir ehf. The company's headquarters are located in Reykjavik, Iceland, with multiple operational departments and a hierarchical organizational structure encompassing a board of directors and executive management.

1.2. Activities:

Icelandair ehf. focuses on commercial aviation, operating scheduled passenger flights. Icelandair Cargo ehf. specializes in cargo transportation services and Loftleiðir-Icelandic ehf. engages in charter operations, providing tailored aviation services.

1.3. Supply Chains:

The supply chains of Icelandair Group include a diverse range of goods and services such as aircraft parts, fuel, catering services, and uniforms. These supplies are sourced both locally and internationally, adhering to a procurement policy designed to reduce negative social and environmental impact and, wherever possible, promote positive impact.

2. Policies and Due Diligence Processes

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2.1.Policies: The primary policy related to forced labour and child labour prevention is encapsulated in the Supplier Code of Conduct, which will be integrated with all procurement contracts with suppliers and vendors. This code mandates compliance with international human rights standards and explicitly prohibits the use of forced or child labour. The Company's Code of Ethics is accessible to all employees via the internal website and is communicated by the HR department.

2.2.Due Diligence Processes: The due diligence processes will include:

- Supplier Audits when necessary: Audits are performed to ensure compliance with the Supplier Code of Conduct, focusing on labour practices and working conditions.
- Risk Assessments: Identifying and evaluating potential risks related to forced labour and child labour in the supply chain.
- Corrective Actions: Implementing corrective measures and follow-ups where non-compliance is detected.

3. Risk Assessment and Management

3.1.High-risk areas include suppliers in regions with weaker labour regulations and industries known for labour exploitation, such as textiles and electronics. When the company does conduct business directly with any entity established within an identified high-risk area, each case is dealt with on a case-by-case basis.

3.2.Risk Management Steps include but are not limited to:

- Supplier Code of Conduct: All suppliers must agree to and comply with Icelandair's Supplier Code of Conduct.
- Supplier Engagement: Regular engagement with suppliers to ensure they understand and adhere to Icelandair's ethical standards.
- Monitoring and Audits: Ongoing monitoring and periodic audits to verify compliance and identify potential issues.

4. Remediation Measures

Remediation Actions: Immediate cessation of business with suppliers identified as using forced labour or child labour. Collaboration with NGOs and local authorities to support affected workers and provide alternative employment opportunities.

5. Training

Employee Training: Training on the Supplier Code of Conduct, focusing on identifying and preventing forced labour and child labour. This training is provided for procurement and supplier management staff and available on the internal website. Topics covered include:

- Understanding Forced Labour and Child Labour: Definitions, legal frameworks, and real-world examples.
- Identifying Risks: Recognizing signs of forced labour and child labour in the supply chain.
- Reporting Procedures: Steps to take if forced labour or child labour is suspected.

6. Effectiveness Assessment

Assessment Methods:

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- Supplier Performance Reviews: Performance reviews of key suppliers, as required, to ensure ongoing compliance.
- Feedback Mechanisms: Channels for employees and suppliers to report concerns.
- Continuous Improvement: Regular updates to policies and procedures based on audit findings and feedback.

Attestation:

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Icelandair Group hf.



Bogi Nils Bogason
CEO
May 31st 2024