Statement on the integration of sustainability risks in investment decisions

Purpose

This document describes how Íslandsbanki hf. integrates sustainability risk in investment decisions. The EU Sustainable Finance Disclosure Regulation (SFDR) defines sustainability risk as an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.

Sustainability risk integration in Íslandsbanki

Responsible investment aims at taking account of sustainability criteria in the Bank's investments in companies and other projects, to manage risk with sustainable development in mind. The Bank seeks to integrate sustainability risk with the decision-making process of the Bank's investments, asset management and investment advice to customers.

- The Bank will use the methodology it considers most suitable at any given time when assessing sustainability risk. The integration of sustainability risk with the investment decision making process can be different based on asset classes, investment type and the availability of information regarding the relevant financial instrument.
- Investment decision can impact sustainability, both positively and negatively. Íslandsbanki seeks to take Principal Adverse Impact of investments on the sustainability factors into account.

If it should happen that Íslandsbanki acquires assets that in some ways are inconsistent with its responsible investment policy, for instance, through financial restructuring or appropriation of collateral, the Bank will endeavour, insofar as it can, to wield its influence with accordance with the Sustainability Policy.

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