

Luxembourg, 17 December 2025

Environmental and Social Data Sheet

Overview

Project Name: Arion Bank Blue Economy Loan
 Project Number: 2025 - 0375
 Country: Iceland, Greenland, Faroe Islands
 Project Description: This is an intermediated framework loan supporting the development of the sustainable blue economy, promoting innovation for resource efficiency across several blue economy sectors.

E&S Risk categorisation Low

Project included in Carbon Footprint Exercise¹: no

Environmental and Social Assessment

Environmental Assessment

This operation is an Intermediated Framework Loan to a commercial bank (“Arion Bank” or “the Financial Intermediary”) to finance schemes in the sustainable blue economy. The schemes may include investments in land-based aquaculture (fish farming and/or production of microalgae), seafood services, fisheries, vessels and port infrastructure.

All schemes will commit to align with the EIB’s criteria for sustainable Blue Economy lending and will contribute (100%) to the Bank’s Climate Action and Environmental Sustainability target.

The Financial Intermediary (FI) has adequate capacity to identify, assess, manage and monitor Environmental, Climate and Social (ECS) risks, impacts and opportunities of the schemes benefiting from EIB support, in line with national legislation and the requirements of the relevant EIB’s E&S standards. The FI has systems, processes and procedures in place and adequate resources to implement its E&S policy, which are deemed to be acceptable to manage the ECS risks related to this operation. As the blue economy is a key pillar of Iceland’s economy, the FI has a long history and experience in financing these segments of the economy and corresponding activities.

Most allocations under this operation are expected to be land-based aquaculture investments. Depending on the size and scope, these schemes may fall under the scope of Annex II of the EIA Directive 2011/92/20, amended by Directive 2014/52/50, therefore potentially requiring an EIA report. For any investment subject to an EIA report, either in accordance with national or EU legislation, the Promoter shall deliver to the Bank the EIA report and other environmental documents before allocating any EIB funding. The FI will need to ensure that the project is

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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implemented in accordance with the applicable national legislation and regulations, including the necessary permits and authorisations, as well as in line with the relevant EIB E&S standards, including proper public consultation.

Schemes located in the Faroe Islands will comply with the principles of the EU Directive 2014/52/EU amending the EIA Directive 2011/92/20, relevant national legislation and the principles of the SEA process applicable to each scheme.

All allocations to land-based aquaculture schemes will be required to apply best available techniques (BATs) and to getting certified under the Aquaculture Stewardship Certification (ASC)² or the AquaGAP Standard³. All schemes will also be required to implement best international practices, including for animal welfare, minimising the need for antibiotic, fish disease, and reducing mortality.

The operation may also comprise (micro-) algae aquaculture which will, where applicable, be subject the same requirements as the fish farming aquaculture schemes.

A smaller share of schemes may be allocated to the fisheries sector. All fisheries and seafood operations will have to be certified by the Marine Stewardship Council (MSC) or the Iceland Sustainable Fisheries certificate.

The project is fully aligned with the goals and principles of the Paris Agreement as set out in the Bank's Climate Bank Roadmap

EIB Paris Alignment for Counterparties (PATH) Framework

Arion is in scope for the PATH procedure for financial intermediaries. It already publishes dedicated reporting in line with TCFD recommendations. It is hence considered to meet the PATH requirements.

Public Consultation and Stakeholder Engagement

Schemes subject to an EIA report, will be implemented in line with the requirements of the EIB's E&S standards, including public consultation.

Other Environmental and Social Aspects

All schemes will be aligned with the EIB's Sustainable Blue Economy criteria for intermediated lending. The operation will contribute 100% to the Bank's Climate and Environmental Sustainability target. The FI has established an external Communication System that allows clients and other stakeholders to raise concerns through a variety of accessible and secure channels. Additionally, the Communication System includes a whistleblower policy accessible through multiple channels, including a call centre, postal mail, and a dedicated email address available on the FI's website. It also ensures protections for internal staff and stakeholders who report environmental and social concerns.

Conclusions and Recommendations

The Bank has assessed the capacity of the Intermediary to on-lend and manage the associated risks of eligible blue economy schemes and found it adequate.

² Aquaculture Stewardship Council. [Link](#)

³ AquaGAP Standard. For Good Aquaculture Practices. [Link](#)



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The FI will fulfil the following undertakings:

- Maintain an adequate ESMS that integrates ECS considerations into the credit decision making processes in order to implement the Framework Loan in alignment with EIB's E&S requirements that include, inter alia: (i) compliance with applicable national E&S legislation; (ii) EIB ECS eligibility criteria, and the List of excluded activities; and, (iii) the applicable EIB E&S Standards.
- Not allocate any EIB funds against schemes that require either an EIA report or a Biodiversity (Appropriate) Assessment according to applicable laws or EIB's E&S standards prior to providing such information to EIB.
- Schemes with impacts on high biodiversity value, nature conservation areas, and those which may involve involuntary resettlement are excluded from EIB funding.
- The Financial Intermediary shall only allocate Bank funds to schemes or s scheme components that fully align with the criteria set out in in the *EIB Blue Economy criteria for intermediated lending* and *Arion Bank's Sustainability Financing Framework* (version. August 2024). This means in particular that:
 - Fishery projects need to be certified at least by one of the following two certification schemes: i) Marine Stewardship Council (MSC) or Icelandic Sustainable Fisheries (ISF).
 - Only land-based aquaculture will be supported and will need to be certified by at least one of the following certification schemes: i) Aquaculture Stewardship Council (ASC) or ii) AquaGAP Standard.

With these conditions in place, the operation is acceptable for EIB financing in ECS terms.