



Ikano Bank AB (publ) Environmental, Social & Governance (ESG) Policy

Effective date 17.03.2022



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1. Executive summary

Sustainability is about long-term thinking; doing business in a way which is ethical as well as profitable and which makes a positive difference for people and the planet. Together we are building a long-term focused bank with sustainability as a natural part of everything we do.

The purpose of this Policy is to provide a governing platform for Ikano Bank's sustainability work for business decisions, investments decisions.

2. Scope

This Policy applies to Ikano Bank's all business units and global functions and shall be implemented in all parts of the Bank taking local regulations into account where relevant.

3. Sustainability statement

Ikano Bank is to be recognised as a trusted and sustainable bank, making us the natural choice for the many people and businesses. We offer financing on fair terms that is simple and affordable.

Ikano Bank believes people with a healthy economy contribute positively to the wider economy, help drive social progress and are more able to make better environmental choices. Our Business Idea; We create possibilities for better living by offering simple, fair and affordable services, enabling a healthy economy for the many people places sustainability at the heart of our business. The way we do business, the choices we make and the services we offer, ensure that our own impact on people and the planet is made responsibly.

A strong economy, a fair society, and a healthy natural environment are interdependent and necessary for people and businesses to thrive. Moreover, the world is changing quickly, and the expectations of people is being shaped by new technology, concern for personal and social well-being and the climate crisis.

Ikano Bank contributes to the stability of society's financial infrastructure by maintaining a well-governed, resilient, and profitable bank. Ikano Bank secures long-term growth and competitiveness, for the bank and its customers, by investing in new technology, offering products and services with real value for customers. And by applying its values and ethical culture in all aspects of the daily business it builds trust among co-workers, customers, partners, and other stakeholders.

Ikano Bank strives to contribute to a financially healthy society and enable a healthy economy for the many people. As part of the community, Ikano Bank has a responsibility in the way they do business to contribute to and be a good partner in society and recognise that trust in banks increasingly relies on how they make money. Trust plays a key role in customer choice and is an essential ingredient for our future growth.

Ikano Bank believes that sustainability is about long-term thinking; doing business in a way which is ethical as well as profitable and which makes a positive difference for people and the planet.

4. Sustainability management

Ikano Bank's ambition is to be a sustainable and trusted bank with a mission is to create possibilities for better and more sustainable living by enabling a healthy economy for the many people. Ikano Bank believes this position is achieved by including sustainability as a natural part of its commercial activities. Having the ability to support its customers and build trust from its stakeholders will be dependent on a continuous development of sustainability capabilities within all functions combined with established supportive functions, performance targets and incentives to develop in line with customers' and stakeholders' demands.

4.1. Code of Conduct

Ikano Bank is committed to build a strong ESG foundation, and the company Code of Conduct guides everyday decision-making in the company. The Ikano Code of Conduct is based on the company's strong values and promise to customers, to do business on fair terms. Applying company values and ethical culture in all aspects of daily business builds trust among customers, partners, suppliers and co-workers making Ikano Bank the preferred choice.

4.2. Objectives

Ikano Bank builds its ability to be recognised as a trusted and sustainable bank through continuous improvements and have 3 objectives to guide the work, and that is to:

- contribute to the stability of the financial services infrastructure with a well-governed resilient bank, promoting a Healthy & sustainable living for the many people.
- work to reduce the environmental impact caused by our own operations, as well as finance solutions for a Circular & climate positive economy.
- Being a Fair & inclusive company, Ikano Bank provides development, safety and equal treatment for all co-workers, at the same time we make positive contributions to the community around us.

Progress is measured through goals and KPI's set for each of the above listed objectives.

4.3. Exclusion list

Ikano Bank does not invest in companies or finance production in sectors or business areas that are assessed to present major sustainability risks, do not comply with our ethical standards or company values, and are

verified as not being in line with the Paris Agreement or non-compliant with the United Nations Global Compact Principles (UNGC) or the International Labour Organizations (ILO) Conventions. This includes violations on human rights, labour, environment and corruption issues.

Ikano Bank excludes investments or finance production in the following sectors and business areas:

- Alcohol
- Fossil fuel & nuclear power (including coal, oil, gas)
- Gambling
- Pornography
- Tobacco / Cannabis
- Weapons (all type of weapons including nuclear)

5. Stakeholder engagement

Ikano Bank's position in society combined with its stakeholders' views forms the foundation for Ikano Bank's sustainability commitments. To identify the most important sustainability areas for Ikano Bank to focus on regular stakeholder dialogues and materiality assessments are performed.

6. Governance

6.1. Board and board sustainability committee

The Board of directors has overall responsibility for strategy and policies. The Board will address and consider strategic and tactical issues related to the sustainability area.

6.2. CEO

The Chief Executive Officer is responsible for the execution of the sustainability direction and implementation of the governance structure set by the Board. The sustainability direction and implementation are to be a natural part of the Bank's management team responsibility since this is the way of working for Ikano Bank.

6.3. Transformation Office

The Transformation office has the coordination responsibility by mandate from the CEO to drive the sustainability agenda across the Bank. The Transformation Office coordinates the overall agenda, ensuring correlation between strategic initiatives for sustainability and reporting on the progress to the CEO and Bank's management team. It is also responsible for the overall prioritization of initiatives to ensure alignment with the business strategy.

7. Reporting

Ikano Bank is transparent in its efforts to support long-term sustainable development of its operations and customer offerings. The Transformation Office is responsible for reporting the sustainability agenda progress to the Board as well as to the wider organisation within Ikano Bank, as well as publicly through the Sustainability Report published in conjunction with the Annual Report.

8. Sustainability in the daily operations

Ikano Bank recognises the importance of integrating sustainability as a natural part of its business. Continuous development of sustainability capabilities within all functions combined with established supportive functions, performance targets and incentives to develop in line with customers' and stakeholders' demands.

9. Commitments

Ikano Bank recognises the importance of participating in and supporting international commitments that enable businesses to operate in a more sustainable way. These include UN Sustainable Development Goals, The Paris Climate Agreement, UN Principles for Responsible Investments (UNPRI) and UN Global Compact (UNGC). The global development goals defined in the UN 2030 Agenda and the principles of UN Global Compact provide a framework to guide our long-term goals.

We are committed to and continue our work to continuously strengthen our initiatives and actions contributing to the 10 principles of United Nations Global Compact. We have incorporated the principles of Human Rights and Labour in our Code of Conduct, Ikano Group Partnership Policy and the Modern Slavery Act. Anti-corruption is well secured through our values, business ethics and how we conduct business.

Ikano Bank's ambition, focus areas and targets are stated in the Ikano Bank Sustainability Ambition 2025/2030.