

Addiko Bank

The background features three overlapping, red-tinted images. The top-left image shows a large stadium at night with bright lights. The middle image is a high-angle view of a city skyline with a prominent skyscraper. The bottom-right image shows a person sitting on a modern chair, looking down.

ESG Strategy



VISION

Environment



- ✓ Support transition to **carbon-neutral economy**, further reduce of Scope 1 and Scope 2 emissions.
- ✓ Support **lower carbon footprint indirectly** through our lending activities.
- ✓ C&E **risk factors** are the integral part of existing risk types.

Social



- ✓ Acts as a **responsible organization** in the society.
- ✓ Fosters a **positive workplace culture** and employee conduct, that reflect the Addiko values.
- ✓ **Supports social equality and diversity** at all levels.

Governance



- ✓ **Facilitates sustainable behavior** and addressing climate change and other sustainability issues.
- ✓ Ensures that **Sustainable Development Goals** are holistically promoted through the bank.
- ✓ Ensures that **target-setting on Sustainable Development Goals**, are part of remuneration components.
- ✓ Promoting **Codes of Business Conduct and Ethics** and sets the **robust risk and compliance framework**.

STRATEGY

- **Addiko** presents a comprehensive ESG strategy which serves as a governance roadmap for managing ESG agenda.
- In order to have a targeted, specific and measurable approach to the ESG agenda, Addiko identified the most relevant **Sustainable Development Goals**.



Addiko's ESG Framework

Consists of 4 strategic pillars

ESG
Governance

ESG Assessment &
Reporting

ESG Strategy

ESG Risk Management &
Compliance

CORPORATE SUSTAINABILITY

Strategic Objectives

Environment



- Electromobility
- Green products
- No-go zones for financing
- Paperless branches

Social



- Personal progress
- Well-being
- Diversity and inclusion
- Supporting communities

Governance



- Disclosure and reporting
- Membership in associations
- Financial literacy
- Digital governance

➤ Addiko environmental, social and governance (“ESG”) strategy is **interconnected** with Addiko **business strategy** and **risk strategy**.

Addiko's sustainable development goals



Environment

Social

Governance

Vision	<u>Carbon footprint reduction</u>	<u>Committed to the good</u>	<u>Making ESG work through good governance</u>
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Mission	Addiko helps its employees and customers to become more climate neutral	Addiko supports social equality on all level	Sound principles of governance in Addiko's DNA
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15 Initiatives	Electromobility	Diversity and inclusion	Corporate bodies & Code of conduct
	Office space optimization	Future of work	Financial literacy
	Environmentally Friendly Banking Services	Personal progress & Well-being	Education
	Purchased electricity from renewable resources	Supporting communities	Membership in associations
	Green products enabling partnership & No-go zones for financing	Feedback culture	Supply chain management



Environmental



Carbon footprint reduction

Reduce more than 33% already in direct CO₂ emissions

5 initiatives

Addiko helps its employees and customers to become more climate neutral

1. Electromobility

- ✓ Replacing the car-fleet with the electric cars
- ✓ Car's usage optimization through car sharing

2. Office space optimization

- ✓ Reducing office spaces and number of branches
- ✓ Supporting hybrid working model

3. Environmentally Friendly Banking Services

- ✓ Reduce paper consumption through digitalization
- ✓ Striving to operate paperless branches and introduce digital-first banking to the extend permitted by legislation

4. Purchased electricity from renewable resources

- ✓ Buying clean electricity

5. Green products enabling partnership & No-go zones for financing

- ✓ Addiko will enrol commercial partners focused on green products & services
- ✓ Addiko will lower carbon footprint indirectly, through lending activities



Social



Committed
to the good

Addiko is recognized
as amongst
Top Employers

5
initiatives

Addiko supports social equality on all levels

1. Diversity and inclusion

- ✓ Further strengthen diversity and inclusion (gender, age and national equality)

2. Future of work

- ✓ Hybrid work, celebrating kids' days at workplace
- ✓ Supporting the work-life balance of our employees
- ✓ Eco-friendly offices

3. Personal progress & Well-being

- ✓ Employees health checks
- ✓ Supporting employee's professional development and advancement through comprehensive education
- ✓ Talent development and retention

4. Supporting communities

- ✓ Employee volunteering programs and charity work

5. Feedback culture

- ✓ Conducting frequent surveys to measure employee satisfaction



Employer Recognition awards across Addiko Group 2017 - 2022



Governance



Make ESG
work through
good governance

Design and
implement ESG
related targets
and KPIs

5
initiatives

Sound principles of governance in Addiko's DNA

1. Corporate bodies & Code of conduct

- ✓ ESG agenda is regularly discussed at the management board level
- ✓ To update guidelines (the rules of conduct and declaration of the commitments and responsibilities) to contain ESG-related matters
- ✓ Whistleblowing & complaints, the goal is to address and implement feedback directly

2. Financial literacy

- ✓ Promote financial literacy and education for sustainable growth

3. Education

- ✓ Addiko Academy, ESG internal and external courses for clients how to reduce negative impacts on environment

4. Membership in associations

- ✓ Commit to initiatives that support development ESG and enable to constantly learn and follow to latest trends

5. Supply chain management

- ✓ Regular update of ESG rules for external partners