

Responsible Business Policy (Sustainability)

December 2022

This policy is published in Swedish and English. In the event of any differences between the English version and the Swedish original, the Swedish version shall prevail.

Background – Avanza’s definition of sustainability

Avanza Bank Holding AB (publ) (“Avanza Bank Holding”) with the subsidiaries Avanza Bank AB (publ) (“Avanza Bank”), Försäkringsaktiebolaget Avanza Pension (“Avanza Pension”), Avanza Fonder AB (“Avanza Fonder”), Placera Media Stockholm AB (“Placera Media”) and Avanza Förvaltning AB (“Avanza Förvaltning”) constitute a group (“Avanza”).

Sustainability for Avanza means creating long-term value for customers, employees, shareholders and society as a whole. It means taking responsibility and acting in accordance with our values. Avanza respects the equal value of all people, equality between genders, and the sustainable development of the environment. The values that serve as the basis of this work are internationally accepted norms on human rights, fair labour, the environment and anti-corruption.¹ Avanza also supports the generally accepted definition of sustainability, which states that sustainable development is development that meets our needs here and now without adversely affecting the ability of future generations to meet their needs.²

Avanza’s sustainability vision is to contribute to a better and more sustainable future for billions of people. To achieve this, Avanza depends on the trust of customers, employees, the general public, investors and authorities. Social engagement represents a natural and integral part of Avanza’s business model and strategy. Since the start, Avanza has worked to lower the thresholds to the financial market, to reduce prices and increase transparency, and to promote financial inclusion. Avanza’s sustainability work is continuously evolving in order to maintain low risks and to attract new customers and talented employees. These are the cornerstones of Avanza’s long-term competitiveness.

Avanza’s strategy is to contribute to sustainable development by improving opportunities for saving, contributing to a better financial situation for everyone, increasing equity in the savings market, inspiring sustainable investing, and taking responsibility for and reducing our own emissions.

Approach

Sustainability is an integral part of Avanza’s business model and strategy. Avanza’s development is based on our stakeholder dialogue and demand from our customers, employees and owners, and is focused on areas where Avanza has the greatest opportunity to make a difference. At Avanza, we always do what is best for customers and savers, both in the short and long term. Avanza measures success by customer satisfaction, employee engagement, growth and scalability. Avanza takes a long-term view and does not focus on short-term profitability. Everyone at Avanza should know how we contribute to sustainable development.

¹ See also Avanza’s Code of Conduct.

² “Bruntland” definition from “Our Common Future” (1987) and the UN’s Sustainable Development Goals.

Our sustainability work

Avanza's sustainability strategy is based on international frameworks and guidelines and is focused on three main areas: "Sustainable investments", "Educate and challenge" and "Sustainable organisation". Each of these areas has an overarching sustainability target.

- 1) Avanza wants to educate and challenge by spreading knowledge about savings and finance. Avanza wants to promote equality in the savings market and encourage sustainable choices.
- 2) Avanza wants to offer sustainable investments and to support and inspire sustainable choices.
- 3) Avanza wants to be a sustainable organisation and work actively to reduce its resource and energy consumption. Avanza wants to ensure good governance and control, stand up for gender equality and diversity, and engage employees. Avanza also tries to create a positive work environment.

Avanza's sustainability work stretches beyond what the law requires and complements the existing compliance work.

Educate and challenge

Avanza offers a wide range of savings products and services to Swedish consumers, who decide for themselves what they want to invest in. Avanza does not offer individual advice. Avanza strives to help more people to learn about personal finance, so that they can make well-informed investment decisions, which also includes sustainability aspects. Avanza's contribution to society includes education, information and inspiration as well as various types of decision support to teach people about saving from both a personal finance and sustainability perspective.

Avanza is committed to protecting the interests of private savers and to challenging the established structures of banks and pension companies that do not fully benefit savers or take social responsibility. Avanza also strives to increase gender equality in the savings market by highlighting the importance of personal finance for women.

Sustainable investments

Avanza strives to be the obvious choice for those who want to save sustainably. This requires Avanza to offer decision support that enables customers to incorporate sustainability preferences in their investment decisions.

Avanza offers both its own savings products and products that are owned and managed by others in the market. Avanza supports openness. Avanza maintains a wide range of products and is transparent about price, fees and ESG factors. Avanza's aim is also to offer a sustainable alternative in every product area. Products should be user-friendly, easily available and not too complex.

Sustainable organisation

Avanza is committed to good governance and control and works actively to increase gender equality and diversity. Avanza's operations are tightly regulated under the oversight and control of the Swedish Financial Supervisory Authority. Avanza's actions and how we work go beyond the scope of the rulebook. Avanza encourages employees to take responsibility and see the big picture as well as to act with high ethical standards in every relationship and business transaction. Avanza has a code of conduct that summarises internal rules. It applies to all employees and codifies the expectations they face in terms of personal judgment and responsibility.

Avanza is a digital platform and a service company with limited direct impact on the environment. The impact mainly consists of procurement of IT equipment, heating and business travel. Avanza's technological solutions and digital business reduce the need for paper and physical offices and contribute

to more efficient resource consumption in the financial sector. At Avanza, we want our business and the technological hardware we use to have as little environmental impact as possible. Avanza's carbon emissions are measured, reported and offset annually.

Avanza's corporate culture reflects its position as a challenger and the willingness of its employees to create change. The corporate culture is defined by collaboration, humility and constantly challenging ourselves to think differently. Avanza is protective of groups with different experiences and perspectives and believes that it makes the organisation more dynamic and contributes to greater efficiency and understanding of the world around us. For Avanza, there is no question that everyone should be treated equally and have the same opportunities for development regardless of gender, gender identity, ethnicity, religious belief, disability, sexual orientation and age. Avanza has zero tolerance of harassment and discrimination. Avanza prioritises a healthy work environment and opportunities for a work-life balance.

Lower sustainability risk in customers' investment decisions

The Sustainable Financial Disclosure Regulation (SFDR) defines sustainability risk as *"An environmental, social, or governance event, or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment"*.

For Avanza, it is the highest priority that our customers are provided the best possible opportunities to manage their assets sustainably and avoid, as far as possible, any unnecessary risk to their investment. Avanza does not offer advice, but tries to encourage and simplify sustainable investing. Avanza's goal is that the sustainability risk in its customers' portfolios will decrease over time, measured based on criteria from independent data providers.

To help reduce sustainability risk, Avanza will provide suitable tools and education and information on sustainable investing. Additionally, the basic solution for occupational pension insurance includes a fund/funds with sustainability profiles, and Avanza Fonder integrates sustainability risks in its investment decisions. Specific information on how Avanza Fonder integrates sustainability risks can be found in its *"Instruction on Responsible Investment"* (in Swedish only). More information on how Avanza Pension integrates sustainability risks can be found on Avanza Pension's pages at avanza.se/ir. Avanza monitors the sustainability risk in its customers' portfolios on a monthly basis.