

Responsible Business Policy (Sustainability)

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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 based on 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. Social engagement represents a natural and integral part of our business model and strategy. The purpose of the strategy is to contribute to sustainable development by improving opportunities for saving, contributing to a better financial situation for everyone and inspiring sustainable investing. Environmental aspects and a social focus have become an increasingly important part of Avanza’s business in recent years. Avanza’s sustainability work entails taking controlled risks, identifying new business opportunities, creating customer value and building solidarity at Avanza.

Approach

Sustainability is an integral part of our business model and strategy. Avanza’s development is based on our stakeholder dialogue and demand from our customers, employees and owners, and on those areas where we have the greatest opportunity to make a difference. At Avanza, our focus is always on doing what is best for customers and savers, both in the short and long term. We measure success by customer satisfaction, employee engagement, growth and scalability. We think long-term and do not focus on what creates 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

To achieve our sustainability vision, the work involves social conditions and human resources, anti-corruption and environmental sustainability. Avanza has three focus areas to promote sustainable development:

- 1) Avanza wants to offer sustainable investments and to support and inspire sustainable choices.
- 2) Avanza wants to educate and challenge by spreading knowledge about sustainable savings and finance, as well as by shaping public opinion and encouraging sustainable choices.
- 3) Avanza wants to be a sustainable organisation. We want to ensure good governance and control, stand for gender equality and diversity, and engage employees. We also try to create a good work environment and to reduce our resource and energy consumption.

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

Sustainable investments & Educate and challenge

Avanza offers a wide range of savings products and services to Swedish consumers, who themselves decide what they want to invest in. We do not offer individual advice. Avanza tries to help more people to learn about personal finance, so that they can make well-informed investment decisions, which also has a sustainability impact. Avanza strives to be the obvious choice for those looking to save sustainably. Avanza's contributions to society include education, information and inspiration as well as various types of decision-making tools to teach people about saving from a personal finance and sustainability perspective.

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

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. We also strive to increase gender equality in the savings market by highlighting the importance of personal finance for women.

In Avanza's fund management, sustainability criteria are taken into account in the form of environmental, social and governance aspects (ESG).

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 deal. 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 electricity consumption, 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 annually.

Avanza's corporate culture is influenced by its position as a challenger and the willingness of its employees to create change. The corporate culture is characterised by collaboration, humility and constantly challenging ourselves to think differently. Avanza is protective of groups with different experiences and perspectives and feels that diversity makes the organisation more dynamic while contributing to increased effectiveness and a better 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 policy 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.