

1. Sustainability Policy

Ziklo Bank AB	Publisher Sustainability Manager	Approved by The Board of Directors	Updated 29/02/2024
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1.1 Introduction

1.1.1 Purpose

The purpose of the policy is to form the basis for sustainability efforts at Ziklo and to create a common approach in the organization concerning sustainability issues. The policy will form the basis for the sustainability report, in which compliance is assessed.

1.1.2 Goal

The goal with the bank's sustainability efforts is to conduct long-term endeavors to achieve a sustainable society and to conduct them in accordance with the Paris agreement. The bank will strive for a green transition with sustainable mobility within the society. In the future, Ziklo will work towards the UN's principles for responsible banking (UNEP FI PRB).

At the UN summit 2015, the world's head of state and government adopted 17 Global Goals. Those goals are the most ambitious goals for a sustainable transition. The 17 Global Goals seek to stop poverty, inequalities, justice, and climate change. In our work to make a positive impact on society, Ziklo has chosen 4 sustainable goals where the bank has the largest impact to achieve the sustainable goals:



For Ziklo, this means taking:

- responsibility for making sustainable mobility accessible
 - long-term strategic business decisions where the bank optimizes risks and ensure economic growth
 - urgent actions to reduce the bank's direct and indirect impact on society by actively working with sustainable development.
 - social responsibility and show respect to all employees, diversity, and equality.
- and acting transparently in all bullet points above

1.2 Sustainability Management

The sustainability policy is central to our work with sustainability and is integrated into the corporate strategy together with our sustainable goals, integrated into Ziklo with the following responsibilities.

1.2.1 Responsibility

The CEO has the overall responsibility for the sustainability work. The Sustainability Manager is responsible for coordinating, supporting, and following up on the bank's work with sustainability and reporting to the

management. The Sustainability Manager should be taking part in establishing both internal and external reports.

The Sustainability Manager is in charge to ensure that the bank's main areas, see 1.3, are considered in all of the bank's business areas.

1.3 Sustainability within Ziklo Bank AB

For Ziklo Bank, sustainability means taking responsibility towards customers, partners, employees, society, and the environment. *The bottom-line strategy is to combine our core business with being a reliable actor.* The bank is long-term actor and strives to be both profitable and contribute to sustainable mobility.

The bank's work is based on the four pillars of sustainability:

- Environmental
- Social
- Economic
- Governance

1.3.1 Environmental sustainability

Ziklo shall take a long-term environmentally sustainable responsibility to reduce our ecological footprint to the extent where it is technically possible and economically defensible. The work should characterize the whole organization. Ziklo should take responsibility for the transition to a fossil-free Sweden by enabling financing of vehicles powered by fossil-free fuels.

Ziklo Bank will:

- develop and provide products and services reducing environmental impact
- consider environmental consequences in the process of developing new products/services and when changes within the organization (NPAP).
- commit to reducing the direct environmental impact, such as paper consumption and electricity consumption.
- reward environmentally friendly products ahead of other products to the extent where it is economically feasible.
- strive for a higher customer awareness regarding environmental issues

1.3.2 Social sustainability

Ziklo should work to be a sound organization in a sound market. VBF should be seen as a modern and attractive employer taking responsibility both internally and externally. Furthermore, Ziklo should take responsibility for their acts and effects on society. That will be in favor of both society as a whole and the brand.

The bank will:

- continuously improve the way of working and physical working spaces.
- follow our ethical policy.
- support labor market by internships and include people outside of the labor market.
- acknowledge and follow human rights.
- avoid situations where Ziklo is dependent on customers or suppliers.
- work for consumer protection in line with disclosures from Finansinspektionen and Konsumentverket.

- work for diversity, an equal proportion of males and females in different ages and with different ethical backgrounds.

1.3.3 Economic sustainability

Financial stability is a presumption to operate a sustainable business, especially for a bank. To receive the trust of the public there are rules and capital requirements to be obtained. This includes appropriate governance, control functions, and risk management systems. There are also a few important key performance indicators, such as return on equity, total capital ratio, and gross solvency, which the bank is obliged to report periodically to authorities.

1.3.4 Responsible governance

To ensure long-term profitability and to maintain confidence Ziklo needs to operate responsibly, and Ziklo will:

- work for a sound and responsible lending
- counteract criminality like money laundering, bribe, and corruption.
- have a well-functioning whistleblowing program
- work to prevent cyberattacks, frauds, sabotage, and intrusion attempts.
- educate employees on regulatory bases within sustainability, AML, GDPR, and information security.

1.3.5 Sustainability strategic goals

Ziklo should as a part of the business plan include goals for respective main areas in 0-0.

1.3.6 Risks related to sustainability

The bank's operations are affected by several different areas and stakeholders. In addition to the fact that ESG-factors are included in a credit decision, the bank has several strategic risks that must be managed and covered. There are both legal risks, risks linked to customer behavior, transitional risks, and earnings risks. The strategic risks that the bank has primarily identified are:

- Risk for reduced earnings from the Carpay-card due to lower demand for fossil fuel
- Risk for deteriorated rating/deposit opportunities if the bank's exposure is not sufficiently sustainable
- Risk for changes in residual values due to the transition to electrified powertrains or external influences like lack of development in the infrastructure for electric mobility.
- Risk for partners survival when the ecosystem and competition changes
- Risk for new environmental laws, etc. taxes, fees, and duties with the purpose to reduce the effect on the environment (transition risk)

1.3.7 Stakeholders

Ziklo should continually monitor companies they collaborate with and as far as possible assess that they conduct a serious and ethically acceptable business, work to reduce their negative impact on the outside world and that they have a stable financial situation.

1.4 Reporting

1.4.1 Internal reporting

The banks sustainability work should be followed up on and reported in accordance with existing follow-up on risks and business plans. Sustainability-related risks should also be highlighted in IKLU.

1.4.2 External reporting

Ziklo should annually establish a sustainability report where, among other things, compliance with this policy is being assessed. The sustainability report shall be designed in accordance with the Annual Accounts Act (1995:1554) requirements for sustainability information needed to gain an understanding of the bank's development, position, results, and consequences of the business. The sustainability report shall include information on issues such as the environment, social condition, personnel, respect for human rights, and the fight against corruption.

In addition to the statutory reporting requirement, the bank must comply with voluntary international standards, such as the Principles for Responsible Banking (UNEP FI) and The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).