

Sustainability Report

The basis for the preparation of the report

On 5 January 2023, the Corporate Sustainability Reporting Directive (CSRD) entered into force, the purpose of which is to regulate ESG (Environmental, Social, and Governance) reporting and move towards a more sustainable economy. The reporting requirement will be implemented gradually. Coop Pank Group's obligation to submit report prepared in accordance with the European Sustainability Reporting Standards (ESRS) in 2026 (for 2025) has been postponed by two years with the Omnibus I amendment proposal. It is important for us to be in compliance with the sustainability reporting requirements and we have already partly structured this sustainability report according to the structure and general requirements of ESRS.

The sustainability report has been prepared on a consolidated basis. The scope of the consolidation is the same as the scope of the financial report. This sustainability report has not been subject to audit.

Management

Management and supervisory bodies

The company's management report provides an overview of the management of Coop Pank (p. 25) and the members of the Supervisory Board and the Management Board (p.19).

Sustainability management

Since 2017, the Coop Pank group's biggest shareholders have been Coop Investeeringud OÜ and the member cooperatives of Coop Eesti Keskühistu (the retail chain Coop Estonia). The link between retail and banking is reflected in our joint mission statement: 'Driving life forward in every corner of the country'. This has exemplified our operations for the last eight years and determines a key focal point of our sustainability.

Enterprising people and pristine nature are Estonia's greatest assets. As an Estonian bank, we spur Estonian companies on every day and help people realise their dreams. We drive life forward in every corner of the country – urban and rural areas alike – by sticking together and valuing our pristine environment.

Coop Bank's mission to foster life in every corner of Estonia is inherently sustainable, and sustainability topics from different angles have been a focus at Coop Bank for years.

We have made the importance of sustainable operations the focus of attention of both our management and supervisory boards and also hired a full-time employee dedicated to sustainability. In 2023, we created an ESG roadmap, which we update annually and according to which we develop the Group's sustainability consistently and systematically.

The Coop Pank group is increasingly environmentally aware in its own operations and follows its green office principles approved in 2021 and updated in 2025 based on the guidelines issued by the Estonian Association for Environmental Management. In issuing loans to companies, the Coop Pank group takes environmental impact into consideration and looks for opportunities to contribute to companies that reduce negative environmental impact.

The Coop Pank group already joined the Responsible Business Forum in 2020 (renamed in 2025 as the Sustainable Business Estonia KELL) and participates in the Responsible Business Index survey, where it has held the gold level label since 2025. The gold level has been achieved gradually, starting from the bronze level. We are also an active member of the Estonian Banking Association's committee on sustainable banking, contributing to growth in the sustainability of banking operations.

From 2022 to 2024, the Group participated as the first Estonian bank in one of the world's leading environmental reporting projects, CDP (Carbon Disclosure Project). On the CDP platform we transparently

disclosed environmental data. At the first year, the Coop Pank group received the rating B-, i.e. the environmental manager level, which is assigned to companies that have demonstrated good management in the field of environmental impact. In 2023, we received the rating C, i.e. the awareness level. The rating for 2024 was D. At the same time, the volume of disclosed information and the Bank's score increased annually, but CDP rating thresholds became stricter. Therefore, no conclusion can be drawn from the change in the Bank's rating that we have become worse in terms of environmental reporting. We are increasingly disclosing information that overlaps with what is published in the CDP platform and making it more accessible to the wider public. Therefore, we have discontinued double reporting and, starting from 2025, will no longer participate in CDP reporting.

In 2022, the Coop Pank group became a member of the financial initiative of the United Nations Environment Program (UNEP FI or United Nations Environment Program Finance Initiative) and affirmed its commitment to achieving sustainability goals. We signed the principles of responsible banking, which bring the bank's business strategy into line with the goals of the UN sustainable development and the Paris climate agreement, and increase the positive impact on society.

In managing and fostering sustainable development, the group is guided by the UN's 17 sustainable development goals (SDGs). Operating within the banking sector, we are able to contribute either directly or indirectly to the following areas of sustainable development:

SDG 8 – Decent Work and Economic Growth

SDG 13 – Climate Action

SDG 11 – Sustainable Cities and Communities

SDG 16 – Peace, Justice and Strong Institutions

SDG 12 – Responsible Consumption and Production

Climate Change

Transition plan to mitigate climate change

We have not yet developed a transition plan to mitigate climate change, but we have consistently taken steps to reduce our negative impact and increase our positive impact.

In August 2021 we moved our head office into the new, more economical, less energy intensive Skyon building, which was constructed and is being maintained in accordance with the requirements of the LEED certificate. LEED (Leadership in Energy and Environmental Design) is one of the most prevalent green building rating systems in the world. In March 2022, the Skyon office building was awarded the LEED Platinum certificate, which is the highest level.

We have introduced the paper-free management of documents in our everyday work: we enter into agreements with our clients and partners electronically and allow clients to join the bank via a simple online solution that was used by 61.4% of our new clients in 2025 (compared to 58.6% in 2024). In the first half of 2024, the Bank launched a pilot project under which we implemented paperless document management in our customer offices. The pilot project has proven successful, and document management in our offices is now primarily paperless.

In 2022, we signed a cooperation agreement with the technology recycling company GreenDice, which deals with the organisation of the technical circulation of IT equipment and directing it to recycling. The GreenDice recycling system helps to valorise our used IT equipment by finding new users for them or directing unusable equipment to be recycled as raw materials. The usage journey of the devices is fully traceable throughout their entire life cycle. We consider the safe and traceable journey of equipment and the positive social impact that the circulation of our used IT equipment offers to be very important. In 2023, GreenDice directed our equipment (18 desktops and 18 monitors donated) to a school's computer lab and a youth center. In 2024, we donated 135 pieces of equipment, to be given a new life, including to the NGO Women's Support and Information Center. In 2025, we handed over 173 devices.

In 2025, we continued to finance the construction of solar parks and wind turbines, reaching a nominal capacity of 81.3 MW by the end of the year. Financing solar and wind parks accounts for about 3.8% of the portfolio of our corporate financing business line. We continue to contribute to making residential buildings more energy-efficient and also offer more favorable conditions for purchasing properties with a higher energy class.

In 2023, we signed an agreement with the European Energy Efficiency Fund (EEEF) to raise 15 million euros, and in 2025 for 5 million euros, for the purpose of financing energy efficiency and renewable energy projects. In 2024, we financed 5 projects via EEEF and in 2025, one additional project was added. The European Bank for Reconstruction and Development invested €20 million last year in Coop Pank covered bonds to support green financing. The European Investment Bank Group and Coop Pank concluded a securitization transaction under which the Bank can offer up to €249 million in new loans, of which at least €49 million is allocated for promoting gender equality and at least €17 million for projects related to climate action and environmental sustainability.

Management of Impacts, Risks, and Opportunities

In 2024, we conducted a double materiality assessment forming the basis of CSRD sustainability reporting and a UNEP FI impact analysis at Coop Bank simultaneously. The goal of the double materiality assessment was to identify significant impacts, risks, and opportunities.

The double materiality assessment was carried out in accordance with the requirements of the ESRS 1 standard and the recommendations of the EFRAG guidelines (the organization responsible for developing sustainability reporting standards). The results were confirmed in January 2025. Four sustainability aspects were assessed as material:

- Climate Change (E1)
- Own Workforce (S1)
- Consumers and End-users (S4)
- Business Ethics (G1)

Under the climate change sustainability aspect, one risk and two opportunities were also assessed as material.

The UNEP FI impact analysis focused on identifying the Bank's most significant positive and negative impacts. As a result of the UNEP FI impact analysis, we identified SDG 8 (Decent Work and Economic Growth) as a positive impact area and SDG 13 (Climate Action) as a negative impact area.

Policies, measures, and objectives related to climate change mitigation and adaptation

The chapter on sustainability management (p. 34) briefly explains the existing policies.

Indicators and objectives

To manage climate-related impacts and risks, we have not yet set targets for reducing greenhouse gases, but we have consistently measured our footprint and made efforts to become more precise in measuring our footprint and assessing the climate impact of our loan portfolio.

Our climate impact

The carbon footprint of the Coop Bank group in 2025 was a total of 212,758 tons of CO₂ equivalent (248,855 in 2024), of which 99.7% (99.8% in 2024) was the impact from the financed emissions (portfolio and leasing) and 0.3% (0.2% in 2024) was impact related to office activities. We have assessed our climate impact since 2021.

To calculate the carbon footprint emission intensity per employee, the office activity carbon footprint was divided by the Group's average number of employees in the previous year (adjusted to full-time equivalents). For calculating emission intensity per net income, net income was used, which corresponds to the net income presented in the Note 4 Operating segments, together with the Bank's total greenhouse gas emissions.

Emission Intensity	2025	2024
Greenhouse Gas (Office Activities) Emission Intensity per Employee (t CO ₂ e/FTE)	1.43	1.27
Greenhouse Gas emission intensity (office operations + financed emissions) per net income (t CO ₂ e/meur)	2,680	3,039

Climate impact from office operations

The climate impact of office operations has been calculated in accordance with the internationally recognized and most widely used greenhouse gas reporting standard, the GHG Protocol (GHG Protocol Corporate Accounting and Reporting Standard). This standard divides emissions into three scopes:

- Scope 1 refers to direct emissions from sources owned or controlled by the Bank.
- Scope 2 refers to indirect emissions resulting from the consumption of purchased electricity, heating, and cooling energy by the Bank.
- Scope 3 consists of 15 different categories across the Bank's entire value chain (including Category 15 – investments, which are separately disclosed in the section 'Financed Emissions').

The assessment of the climate impact from office operations is based on the principle of operational control and uses consumption-based data. To evaluate the impact of employee commuting between home and work, as well as home office activities, an annual survey is conducted among employees.

Greenhouse gas emissions (t CO ₂ e)	2025	2024
Scope 1 emissions	30	37
Scope 2 emissions	129	163
Scope 3 emissions	212,600	248,655
1 Purchased goods and services	25	26
2 Capital goods	219	86
3 Fuel- and energy-related activities	36	60
4 Upstream transportation and distribution	-	-
5 Waste generated in operations	15	1
6 Business travel	26	35
7 Employee commuting	166	144
8 Upstream leased assets	-	-
9 Downstream transportation and distribution	-	-
10 Processing of sold products	-	-
11 Use of sold products	-	-
12 End-of-life treatment of sold products	-	-
13 Downstream leased assets*	25,544	33,183
14 Franchises	-	-
15 Investments (financed emissions)	212,113	248,304
Total	212,758	248,855
Of which office operations emissions	645	551
Of which financed emissions	212,113	248,304

* Under leased assets, we report emissions from the leasing portfolio.

Energy Consumption

Energy consumption represents a significant share of the office operations carbon footprint. Therefore, we disclose in the table below consumption-based information on the amount and type of energy used.

Energy Consumption (MWh)	2025	2024
Renewable electricity (MWh)	389	390
Non-renewable electricity (MWh)	176	181
Heating (MWh)	369	379
Total energy consumption (MWh)	934	950

Financed emissions

Since 2021, we have performed an assessment of the carbon footprint of our organization and of loan portfolio (financed emissions) in accordance with the GHG Protocol. The climate impact of the Coop Pank group's portfolio is calculated based on the standard "The Global GHG Accounting & Reporting Standard for the Financial Industry" of the Partnership for Carbon Accounting Financial (PCAF). The PCAF standard is the only sector-specific standard that allows financial institutions to estimate and disclose greenhouse gas emissions from loans and investments.

The PCAF standard is in line with the GHG Protocol standard and complements the GHG Protocol Corporate Value Chain (scope 3) standard with detailed additional guidance for each asset class. Using the PCAF methodology, Coop Bank assesses financed emissions across seven asset classes: sovereign bonds (from 2025), listed equity and corporate bonds (from 2025), leases, business loans, commercial real estate, renewable energy projects, and residential real estate. For the asset classes, sovereign bonds and listed equity and corporate bonds, we have assessed 100% of the assets in these classes in accordance with the PCAF methodology. The assessed volume primarily depends on data availability and quality, which means it is not possible to assess all asset classes at 100% coverage.

A PCAF data quality score of 1 represents an estimate with the most accurate data quality, and a score of 5 represents an estimate with the lowest data quality. When evaluating the impact of the Group's portfolio in 2021, methodologies corresponding to scores 4 and 5 were used, depending on the availability of data. In assessing the impact of the loan portfolio in 2022, the data quality score was improved, and the new average score was 3.7. In 2023, the new average score was 3.2 and in 2024, 3.1. In 2025, the data quality score was 3.5.

Financed emissions by asset class

The loan portfolio is assessed on the principle of financial control, and leases are assessed on the principle of operational control. For the sovereign bonds asset class, Scope 1 has been assessed both including and excluding the LULUCF sector (Land Use, Land-Use Change, and Forestry). For the asset classes leases, renewable energy projects, commercial real estate, and residential real estate, Scopes 1 and 2 have been assessed. For listed equity and corporate bonds as well as business loans, all three scopes have been assessed. Within the residential real estate asset class, in addition to the purchase and refinancing of residential property, construction and renovation have also been considered, which under the standard may be assessed as zero emissions. As a result, the emissions for this asset class may be considered overstated, since construction and renovation emissions are in our case attributed to the Bank.

Based on the GHG Protocol, leases are classified in the scope 3 category of "leased assets", therefore the impact of leases is typically not included as part of the Group's loan portfolio climate impact. Since the impact of leasing has been significant among all the Group's emissions, the impact resulting from leasing was included in the table for comparison with other asset classes. Regarding leasing, we support reuse, for instance, the majority of our car leasing sales in 2025 were second-hand cars (78% in 2025 compared to ca 81% in 2024).

Asset class	Outstanding amount, MEUR		Scope 1+2, tCO2e		Scope 3, tCO2e		Emission intensity, tCO2e/ MEUR		Measured % of contracts		PCAF score	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Sovereign bonds	48.95	0	7,597	0	0	0	155	0	100	0	1	0
Sovereign bonds (+ LULUCF)	48.95	0	7,276	0	0	0	149	0	100	0	1	0
Listed equity and corporate bonds	14.24	0	47	0	438	0	34	0	100	0	4	0
Leasing	166.88	175.39	25,544	33,183	0	0	153	189	99.89	100	1	1.69
Business loans	968.58	250.97	47,091	21,941	81,887	110,953	133	530	80.17	98.9	4	4.00
Renewable energy projects (avoided emissions)	46.6	49.8	92,975	73,907	0	0	1,995	1,484	99.5	94.1	2.9	2.87
Commercial real estate	397.59	383.64	24,645	40,603	0	0	61.98	106	97.49	100	3	3.63
Residential real estate	669.95	542.63	25,186	41,624	0	0	37.6	77	99.49	100	3	3.53

For renewable energy projects, the avoided emissions have been assessed, meaning the greenhouse gas emissions that do not occur because an environmentally friendlier solution created by the renewable energy project is used instead of a conventional alternative. Avoided emissions are not counted as a reduction in the Group's total emissions.

Renewable energy projects (avoided emissions)	Outstanding amount, MEUR		Avoided emissions, tCO2e		Emission intensity, tCO2e/ MEUR		Measured % of contracts, %		PCAF score	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Solar	34.1	36.1	56,731	64,760	1,665.65	1,793.42	99.65	100	3	3
Wind	6.97	5.52	34,214	6,897	4,907.85	1,248.45	100	100	3	3
Bioenergy	5.61	8.2	2,029	2,029	361.17	247.9	97.71	74.67	2	2

Since 2021, we have improved the data quality score, but we still face a major challenge in enhancing the availability and quality of data for measuring the climate impact of the loan portfolio. The higher the data quality score, the more accurate and reliable the results of climate impact assessment.

We have not established a base year for the assessment of our financed emissions. This is due to the limited availability and uneven quality of data, as well as the fact that we are still refining the assessment processes, which means the results would not be comparable to a base year. In the longer term, we plan to set a base year and adopt a baseline data recalculation protocol to define the circumstances under which recalculation of financed emissions for the base year is necessary, ensuring consistency, comparability, and relevance of financed emissions data reported over time. For these reasons, the comparative figures presented in the tables are not strictly comparable with the previous year's data.

Consumers and end-users

It is important to us that vital products and services are accessible to everyone close to their homes. As an Estonian bank, we bring everyday banking services closer to people so that everyone can enjoy life wherever they want to live. For instance, cash services are available at people's local stores: Coop Pank group clients can make deposits and withdrawals from their accounts at more than 320 Coop stores around the country. We are pleased to see that more people are making use of these services all the time, as can be seen in the table below:

	2025	2024
COOP cash transactions vs ATMs (proportion of total number of transactions)	40.7%	39.5%
COOP cash transactions vs ATMs (proportion of total turnover)	37.9%	35.4%

We also serve clients at 16 branches in 13 towns, making ours one of the biggest networks of bank branches in Estonia.

Our client relationships outside of Tallinn/Harju County can be summarised as follows:

	2025	2024
Everyday banking	63.3%	63.0%
Mortgage loans	38.9%	37.8%
Business loans	36.5%	33.6%
Leasing	44.8%	44.1%

We contribute to improving the financial literacy of the Estonian population by advising people of all ages on how to make smarter choices regarding their finances via our Lihtsalt rahast ('Money Matters Put Simply') podcast and through other channels. We promote saving for retirement and its importance with Tuleva pension funds. We regularly participate in the working groups of the Estonian Banking Association, including the financial literacy working group. We also actively contribute to anti-fraud initiatives both through the Banking Association and independently to help protect the assets of Estonian residents.

The development of products and services in line with responsibility and sustainability objectives is an ongoing process. The Coop Pank group decided some time ago that it would not offer financing for:

- the organisation of gambling and betting activities;
- the manufacturing of tobacco;
- entertainment events;
- exports to countries subject to sanctions;
- aircraft, ships and railway stock;
- the weapons industry or arms trade which is not linked to Estonian national defence or NATO or
- political parties and other political organisations.

As at the end of 2025, our loan portfolio included no loans in any of these areas of activity. Nor do we offer credit services in areas or to companies whose activities are unethical or linked to corruption, violate human rights or have a significant negative impact on the environment. Customers whose activities have an environmental impact are checked in each specific case to ensure that they comply with the applicable environmental protection standards in their activities.

In the pricing of bank services, we are honest and transparent, and in the marketing of services we are guided by principles of responsibility. We observe all the requirements of the Money Laundering and Terrorist Financing Prevention Act. To get to know our clients, we ask them to provide us with detailed information and we monitor their activities, all while observing the requirements of the Personal Data Protection Act. We are guided in our protection of personal data by the principle of integrated data protection, wherein we apply data protection throughout the data-processing life cycle and use only as much data as we need to offer quality banking services.

Professional Conduct

Professional Conduct and Business Culture.

We consider our management culture to be open and modern, the basis of which is that we are guided by regulations and international standards (such as human rights, labour law and the fight against discrimination).

In our operations we are led by best practices in company management and banking, the principles of responsible lending, other guidelines issued by financial supervision authorities and valid legal acts.

The fields of the prevention of money laundering and terrorist financing and the implementation of international sanctions are important to us, and we apply the necessary due diligence measures.

We also monitor our marketing activities to ensure that they are in line with the valid norms. To guarantee ethical behaviour, we have established guidelines for reporting inappropriate behaviour, in accordance with which employees can inform of potential breaches of ethical norms or laws within the group.

We have adopted a procedure for informing of breaches and, in cooperation with a law office, ensure the maximum possible protection for employees who wish to retain their anonymity when passing on information. In our view this lays the groundwork in the best possible way for every employee to be able to inform of any breach pertaining to internal management without having to worry that doing so may affect their working relationship with the company.

To us it is only natural to offer our employees a contemporary working environment, motivating salaries, flexible hours, the option to work remotely, stimulating professional challenges, every opportunity for development and a friendly team that sticks together. We are linked by our shared values. In 2022, we started offering our employees the option of health insurance in addition to sports compensation.

