

## Social responsibility

The developed world countries and supranational organizations (such as the United Nations) are working together to achieve the directions and goals agreed in the 2015 Paris Climate Agreement. The European Union has developed a Green Deal, which must help Europe become the first continent to achieve climate neutrality by 2050. Not only the efforts of the states are enough for this, but also the initiative of the private sector. So far, there are no regulatory requirements for the banking sector on how banks must contribute to the achievement of the set goals, but many of the group's competitors and the group itself have increasingly aimed to apply the principles of responsibility in their operations.

In 2020, Coop Pank joined the Responsible Business Forum and as an investor member has contributed to the continued growth of Estonian business responsibility. In this way, we contribute to the creation of a framework for responsible operations for companies. Under the leadership of the Banking Association, we participate in the relevant working group and contribute to increasing the responsibility of banks' activities.

The largest shareholder of the banking group since 2017 is Coop Estonia. The connection of banking with retail defines our common mission: "We will carry on life in every corner of Estonia" - this has been characteristic of us for the last four years and defines one of the most important focuses of our responsibility.

In managing and developing responsible development, the banking group is guided by 17 generally accepted goals of sustainable development (see: <https://sdgs.un.org/goals>, SDG or sustainable development goals). By operating in the banking sector, we can directly or indirectly contribute to the development of sustainability in the following areas:

- |                                     |   |
|-------------------------------------|---|
| SDG 1 – no poverty                  | SDG 8 – decent work and economic growth         |
| SDG 3 – good health and well-being  | SDG 12 – responsible consumption and production |
| SDG 4 – quality education           | SDG 15 – life on land                           |
| SDG 5 – gender equality             | SDG 16 – peace, justice and strong institutions |
| SDG 7 – affordable and clean energy | SDG 17 – partnerships for the goals             |

### For the benefit of society

The wealth of Estonia is our enterprising people and clean nature. As an Estonian bank, we give impetus to Estonian companies and help people realize their dreams. By keeping together and valuing the pure nature of Estonia, we carry on life in every corner of Estonia - both in the countryside and in the city.

It is important to us that vital products and services are available to everyone in their home. As an Estonian bank, we bring everyday banking services closer to people, so that it would be good for everyone to live exactly where they like. In this way, Coop Pank's customers can make cash deposits and withdrawals from their bank account in more than 300 Coop stores across Estonia - cash can be withdrawn or credited to the cashier of their home store if they wish. It is also possible to open bank account and enter into banking services agreements in Coop stores.

We also have customer service representatives in 15 bank branches in 12 Estonian cities. Thus, we are the second largest bank in Estonia with a branch network.

We contribute to increasing the monetary wisdom of Estonian people, for example, we share knowledge about how to make smarter choices in financial matters to people of different ages in "Simply about money" podcasting and also in other channels.

### Responsible products and services

Developing products and services with responsibility goals in mind is an ongoing process. The Banking Group has previously decided not to provide funding for the following areas of activity:

- gambling and betting;
- tobacco production;
- entertainment events;
- export activities to sanctioned countries;
- financing of aircraft, ships and railway wagons;
- arms industry and trade, which is not related to Estonian national defense and NATO;
- political parties and other political organizations.

We do not provide credit services in areas or to companies that are unethical, violate human rights, engage in corruption or have a significant negative impact on the environment.

We are honest and transparent in the pricing of banking services, and we follow responsible principles in the marketing of services. We follow the requirements of the Money Laundering and Terrorist Financing Prevention Act. In order to know our customers, we ask them for comprehensive information and monitor their activities, while complying with the requirements of the Personal Data Protection Act. In the protection of personal data, we follow the principle of integrated data protection, i.e. we use data protection throughout the data processing life cycle and use only as much data as is necessary to provide a high-quality banking service.

### For the benefit of environment

Coop Pank takes into account the environmental impacts when lending to companies, and we are looking for opportunities to contribute to companies that reduce negative environmental impacts. In 2020, we have financed the construction of solar parks to a significant extent (with a nominal capacity of approx. 64 MW). We consider it important that our loan portfolio includes agricultural companies, whose activities we can contribute to in different parts of Estonia. We have offered leasing for electric and hybrid motor vehicles. We support recycling and the majority of our car leasing portfolio is used car leasing (approx. 60%). Also, this year, we want to contribute to solar and wind energy projects, including making residential buildings more energy efficient.

In 2021, we will move the bank's head office to a new, economical and energy-efficient Skyon office building, which will be built and maintained in accordance with the requirements of the LEED Gold certificate. LEED (Leadership in Energy and Environmental Design) is one of the world's best-known assessment systems for environmentally friendly construction. Reuse is also important to us here, which is why we take as much existing furniture and equipment as possible with us when moving instead of buying new ones.

We sort the garbage and collect the bottles, take them to the return point and donate the money to allow children's theater visits.

In our daily work, we have increasingly introduced paperless document management - we enter into agreements with both customers and partners electronically and enable customers to join the bank through a simple web solution. When purchasing services necessary for the Bank's operations, we try to follow the same criteria when selecting our cooperation partners.

### **Management culture**

In our conduct, we follow good banking practices and the principles of responsible lending. We also ensure that our marketing activities comply with the applicable standards. To ensure ethical behavior, we have created a whistleblowing guide that allows employees to report potential ethical or legal violations in the group. In 2020, we have increasingly integrated the principles of social and environmental responsibility into our activities.

It is natural for us to offer our employees a modern work environment, motivating pay, flexible working hours, distance working opportunities, exciting work challenges, comprehensive development opportunities and a friendly and cohesive team spirit. We have common values.

We dare to do differently. We are inspired by the opportunity to do banking in a different way. We will not be satisfied with the already achieved, we constantly ask ourselves whether and how to make the life of our clients better and easier. We dare to make mistakes. We admit our errors. We learn from this and do better.

Professionals in interplay. Each our employee is a professional of own field and sets high standards for self. We work hard, but, at the same time, don't take ourselves too seriously. Our way of working is team play.

We reach the target. We set ambitious goals and won't do any less than maximum for achieving the result. Once we have started something, we shall do it!

We have brought the importance of sustainable operations to the focus of both the Management Board and the Supervisory Board, and in 2021 we will continue to develop more accurate indicators.