

# Sustainability Policy

## 1 Background and Purpose

TF Bank is committed to sustainable growth by integrating environmental, social, and governance (ESG) principles into our operations, governance, and stakeholder relationships. This policy reflects our alignment with the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), the United Nations Sustainable Development Goals (UN SDGs), United Nations Universal Declaration of Human Rights and associated conventions, Swedish Code of Corporate Governance and Swedish Annual Accounts Act. It is based on a double materiality assessment, considering both TF Bank's impact on the environment and society, and the influence of ESG risks on TF Bank's operations.

At TF Bank, our goal is to contribute to financial inclusion by offering consumer banking services – responsible lending, credit cards, and e-commerce solutions. In a functioning economy, responsible lending is a necessary and important product category. Likewise, digital financial tools such as credit cards and e-commerce platforms promote inclusive economic growth by enabling access to finance, empowering small businesses, and supporting digital accessibility. These services also contribute to sustainable development through paperless transactions, enhanced fraud protection, greater transparency in financial flows and other.

As a bank, employer, and listed company, we have a responsibility and an opportunity to positively impact society by focusing on the sustainability issues most relevant to our business. We are committed to supporting the UN SDGs, we have joined a voluntary initiative United Nations Global Compact and have identified priority areas based on our impact, stakeholder expectations, and regulatory requirements.

- Sustainability efforts are organized into four priority areas:
- Responsible Lending
- Business Ethics and Governance
- Attractive Employer
- Climate Action

These areas are pursued through a phased strategy across short-, medium-, and long-term horizons. This strategy ensures TF Bank aligns with evolving regulatory frameworks, market expectations, and global sustainability goals. It is also aligned with the European Union's long-term climate objectives, including the goal of net-zero CO<sub>2</sub> emissions by 2050.

Time Horizon	Strategic Focus
Short-Term (0–3 Years)	Strengthen ESG-related policies, enhance data protection, and initiate low-carbon transition projects.

Medium-Term (4–10 Years)	Deepen ESG integration into operations, transition logistics and operations to low-carbon solutions.
Long-Term (11–30 Years)	Follow regulatory targets to achieve net-zero emissions by 2050, expand stakeholder collaborations, and create lasting positive environmental and social impacts.

This strategic roadmap provides the foundation for the actions and priorities detailed in the following chapters. Each section – Environmental, Social, and Governance – is aligned with this strategy and supported by our internal sustainability program.

## 2 Scope

This policy applies to TF Bank and all its business entities, branches and affiliates. All TF Bank’s employees are expected to comply with this policy. The policy is designed to ensure compliance with local, national, and international regulations relevant to TF Bank’s operations.

## 3 Roles and Responsibilities

The Board of Directors is responsible for establishing TF Bank’s overall sustainability direction. The Board of Directors delegates the development and implementation of the sustainability strategy to the CEO. Sustainability governance is implemented by the legal team.

## 4 Environmental Responsibility

Aligned with our Climate Action and short – to long – term strategic goals, our environmental work focuses on reducing emissions, enhancing resource efficiency, and promoting sustainable operations. We monitor our environmental performance and, where possible and relevant, consult with stakeholders on the related environmental issues.

**Climate strategy.** Emissions tracking (Scope 1–3). TF Bank business and operations have a limited direct environmental impact; however, TF Bank aims to contribute to the SDGs and reduce its environmental footprint by calculating its carbon footprint in collaboration with external consultants. TF Bank includes the key findings and outcomes of its annual carbon footprint calculations in the Sustainability Report.

**Resource Efficiency.** TF Bank continuously implements sustainability initiatives that promote conscious consumption, waste sorting, and energy efficiency. These efforts not only reduce TF Bank’s environmental footprint but also foster a culture of responsibility and awareness among employees through regular engagement, internal campaigns, and knowledge sharing.

TF Bank actively seeks for new ways of digitalization – including AI and machine learning – to minimize its environmental impact, improve the customer experience, and increase operational efficiency. Through initiatives like electronic agreements, digital invoicing, and tools that reduce transport in e-commerce, TF Bank promotes sustainable operations across all markets. We encourage our customers to sign loan agreements electronically. Both in our marketing and in our administration, we use Nordic eco-labelled or FSC-labelled products, both in terms of paper, envelopes and cartons. In the e-commerce solutions segment, TF Bank provides partners with AI-

driven tools designed to help reduce return rates, thereby contributing to fewer transport movements and a lower environmental impact.

TF Bank aims to contribute to the SDGs and reduce its environmental footprint. TF Bank shall therefore conduct structured environmental work by:

- being aware of the ways the business affects the environment by identifying areas, activities, effects and the scope of the organisation's environmental impact;
- collaborating within the organization and externally in an environmentally conscious way, for example by conducting meetings via video link or telephone instead of traveling by car or plane for physical meetings whenever possible;
- limiting paper consumption and, as far as possible, use digital communication with customers and stakeholders;
- using environmentally friendly services and products where available;
- striving for reuse and recycling;
- striving to ensure that TF Bank environmental values would affect the employees even outside the organization;
- when purchasing equipment and consumables, environmental factors like energy use, recyclability, and material impact should be taken into account. If alternatives with similar performance are available, the one with the least environmental impact should be preferred, as long as it doesn't result in significant economic costs. IT products are primarily reused within the company until they are no longer functional.
- reporting regularly on its environmental impact through structured disclosures in its annual Sustainability Report.

**Sustainable Procurement.** Suppliers shall follow high ethical standards and act responsibly and in accordance with Code of Conduct for Suppliers. The document is distributed to suppliers who shall demonstrate that they follow the provided Code of Conduct for Suppliers.

## 5 Social Responsibility

Our social initiatives support the Attractive Employer and Responsible Lending pillars of our strategy and contribute to our short – and medium – term targets:

At TF Bank, we place strong emphasis on fostering fair, inclusive, and supportive working conditions – both within the organisation and throughout our value chain. Social responsibility at TF Bank encompasses the wellbeing of our employees, respect for human rights, diversity and inclusion, and our commitment to serving customers and communities responsibly. Our social practices are grounded in international frameworks, which guide our work in ethical labour practices, equity, and societal contribution.

**Workforce Wellbeing.** TF Bank strives to ensure that all employees benefit from a safe, healthy, and inspiring work environment – physically, mentally, and socially. TF Bank promotes good ergonomics, safety standards, and preventive health measures in close cooperation with management and employees.

Every employee is given the opportunity for training and growth through structured development talks and individual goal setting. This ensures that employees understand their role, contribute meaningfully to TF Bank's mission, and are empowered to grow professionally.



We also offer opportunities for part-time employment in several markets, supporting students and others entering the workforce, and further promoting inclusive employment practices.

**Diversity, Equity, and Inclusion.** Diversity and inclusion are embedded in TF Bank’s culture and governance. TF Bank ensures equal rights, obligations, and opportunities for all employees, with a focus on gender equality, non-discrimination, and inclusive career development. Recruitment processes are based solely on experience and competence. We ensure that reward systems, communication channels, and professional development opportunities are applied fairly and without bias. These principles are reflected in the Code of Conduct, which governs conduct across all levels of the organisation.

**Human Rights.** TF Bank respects universal human rights in all countries where it operates. We are a signatory of the UN Global Compact and are committed to its principles on human rights, labour rights, the environment, and anti-corruption. Respect for human dignity, personal integrity, and fair labour conditions are fundamental to all business activities. Risk assessments are conducted regularly to identify and mitigate any potential human rights violations. No employee or partner may participate in violating or circumventing human rights under any circumstances. In TF Bank the use of forced labor or child labor in any part of the operations or value chain are not tolerated.

**Customer Access and Fairness.** We are committed to providing transparent, accessible, and inclusive financial services to all customers. Our practices are designed to avoid hidden fees and ensure that communication, marketing, and product offerings are fair and comply with all relevant regulations. We support our customers' financial wellbeing through tools and services that promote responsible spending and financial literacy, reinforcing our broader goal of inclusive economic participation.

**Community Engagement.** TF Bank is committed to supporting communities and vulnerable groups through a range of social initiatives and partnerships. TF Bank aims to generate positive societal impact by contributing to projects that foster inclusion, well-being, and sustainable development. This approach reflects TF Bank’s broader understanding of corporate responsibility – one that goes beyond financial performance to encompass meaningful social contribution and engagement.

## 6 Governance and Ethics

Governance practices directly support the Business Ethics and Governance program area and are essential for executing our ESG strategy:

TF Bank recognizes that sound governance, strong business ethics, and effective risk management are critical to long-term sustainability and stakeholder trust. We are committed to maintaining a robust governance framework built on transparency, accountability, and compliance with national and international regulations, including the Swedish Code of Corporate Governance. TF Bank ensures that all risks — including ESG-related risks — are identified, assessed, and managed effectively. Our governance structure is continually reviewed and refined to meet evolving regulatory requirements and market expectations.

**Anti-Corruption and Bribery.** TF Bank maintains a zero-tolerance policy toward corruption, bribery, money laundering, and terrorist financing. Preventing corrupt practices is fundamental to sustaining stakeholder trust and upholding our reputation. All employees are required to comply



with the Code of Conduct, internal AML policies and other compliance requirements which are updated regularly and outlines ethical expectations, including guidance on conflicts of interest and business integrity.

We proactively conduct risk assessments and know-your-customer (KYC) checks to prevent misuse of TF Bank's services. Transactions are continuously monitored, and any suspicious activity is reported to relevant authorities in accordance with legal requirements. Mandatory training programs are conducted for all employees and are regularly updated to reflect emerging risks and regulatory changes.

To ensure transparency and accountability, TF Bank maintains a whistleblower function, accessible on TF Bank's website, allowing both employees and external stakeholders to report violations anonymously. All reports are handled with confidentiality and seriousness. All employees also have access to submit internal complaint.

**IT Security.** TF Bank takes a preventive and systematic approach to information security, in line with regulatory requirements, industry best practices, and ethical standards. Information security is continuously adapted based on risk assessments, ensuring appropriate technical and organisational measures are in place to protect sensitive data. TF Bank maintains a dedicated information security function responsible for overseeing security policies, managing incidents, and coordinating risk mitigation efforts across the organisation. Internal and external resources are allocated to monitor risks and strengthen defences against cyber threats. Information security is embedded in system design and procurement processes, and all employees receive regular training and awareness exercises to stay updated on emerging cyber risks and safe practices.

**Data Privacy.** TF Bank processes personal data in accordance with the General Data Protection Regulation and other local legal requirements. All employees and suppliers handling personal data are bound by confidentiality agreements, and processes are in place to ensure that personal data remains accurate, secure, and protected by bank secrecy laws. In support of these efforts, TF Bank provides ongoing employee training in information security and data protection. TF Bank also puts a lot of internal and external resources to monitor risks and strengthen defences against cyber threats.

**Ethical Business Conduct.** Ethical business conduct is embedded in TF Bank's governance culture and is supported by policies and procedures that apply across operations and the value chain. Our Code of Conduct outlines expected behaviours for employees, while our Supplier Code of Conduct ensures that business partners maintain equivalent ethical standards. TF Bank requires suppliers to demonstrate a commitment to responsible business practices, including human rights, anti-corruption, environmental responsibility, and labour rights. Ethics and sustainability are not standalone obligations but are integrated into our daily decision-making and long-term business strategy, reinforcing our responsibility to customers, employees, investors, and society.

**TF Bank reserves the right to update this Code periodically to reflect regulatory changes, stakeholder expectations, and ESG best practices specific to the banking sector. The latest version can be found on the website of TF Bank.**