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Sustainability report Bluestep Bank AB (publ) 2020



Content

Sustainability report 4

How Bluestep contributes to achieving the sustainable development goals 6

Materiality analysis and stakeholder dialogue 8

Attractive workplace 9

Inclusive banking 10

Climate-neutral banking 11

Business ethics and governance 12

Sustainability risks 13

Sustainability governance 15

Notes to Sustainability report 16

S1 – Key figures, employees, 2020 16

S2 – Climate report 17

H3 – GRI Index 18



Sustainability report

The report has been produced with inspiration from the Global Reporting Initiative (GRI) Standards. It covers the 2020 calendar year and includes the parent company, Bluestep Bank AB (publ), along with its subsidiaries and branches. The report also represents the company's communication on progress (COP) to the UN Global Compact.

Our aim is to enable economic empowerment for more people and set an example for responsible banking. Our vision is an inclusive society, where everyone can reach their financial potential with the support of responsible, transparent banking services.

COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

In 2020 the world was hit by the Covid-19 pandemic, deeply impacting individuals as well as society at large. Bluestep has closely followed recommendations and guidelines from the authorities on how to structure the work environment to limit possibility of contamination and spreading of the virus. Furthermore, throughout this pandemic, Bluestep has been well equipped, operating with good liquidity without receiving government aid, keeping the business open, and following the Swedish Financial Supervisory Authority's recommendations on dividend payouts. A pandemic of such

proportions can have a major economic impact on individuals and, as a financial player, we consider it vital to be available to our current and potential customers.

Financial inclusion and responsible lending form part of the core of Bluestep's DNA. We intend to continue leading the way by integrating sustainability into everything we do and becoming an even better bank for our customers, our employees, our communities and future generations. We aim to truly differentiate Bluestep as the Nordic regions' most inclusive, responsible bank.

Strategic sustainability KPIs

Our sustainability efforts embrace our entire business. So, we are happy and proud to present our strategic sustainability KPIs here below. Through our sustainability strategy, we ensure a holistic perspective on our sustainability work.

Financial inclusion					
Customers with income other than from permanent employment* ¹ , portfolio % (year %)	Responsible lending, credit losses* ² , %	Customer satisfaction index* ³ , %	First-time buyers* ⁴ , portfolio % (year %)	Customers who have paid off unsecured loans and credits* ⁵ , portfolio % (year %)	
2020 39,6 (41,3)	2020 0,17	2020 91,2	2020 5,9 (9,0)	2020 64,2 (61,7)	
2019 38,8 (38,8)	2019 0,11	2019 91,2	2019 5,7 (7,1)	2019 64,7 (60,5)	

Environment (E)		Social (S)		Governance (G)	
Carbon footprint* ⁶ , tonnes of CO ₂ e (prev. year)	Carbon intensity, tonnes of CO ₂ e per employee	Gender balance, percentage of women (prev. year)	Languages spoken, number	Training in relevant policies, %	Customer complaints, number
Scope 1 4,5 (6,1)	2020 0,99	Styrelse 14 (14)	2020 20	2020 100	2020 47
Scope 2 83,9 (75,2)	2019 1,39	Ledning 38 (38)	2019 20	2019 100	2019 31
Scope 3 212,5 (333)		Anställda 50 (49)			

*¹ Refers to credit portfolio mortgages (as at 31 Dec. excl. Finland) for customers who do not have a permanent job as their main source of income (self-employed included), this year's share in parentheses.

*² Refers to mortgages

*³ Refers to 31 Dec.

*⁴ Refers to credit portfolio mortgages (as at 31 Dec. excl. Finland) for customers where loans have been taken out for the purchase of permanent housing, the youngest borrower is under 30 years of age and any co-borrower is not a parent, this year's share in parentheses.

*⁵ Refers to credit portfolio mortgages (as at 31 Dec. excl. Finland) for customers who had unsecured loans or credits that were settled in full or partly at the time of payment, this year's share in parentheses.

*⁶ For more info see page 17.



How Bluestep contributes to achieving the sustainable development goals

The sustainable development goals (SDGs) are part of the sustainability agenda adopted by most of the world's countries, which aim to achieve four amazing things by 2030. To eradicate extreme poverty. To reduce inequalities and injustices in the world. To promote peace and justice. To solve the climate crisis. Through the SDGs, this can become a reality. Below, we describe Bluestep's role in achieving this vision.

Bluestep has analysed the 17 SDGs in Agenda 2030 to identify which goals the business impacts through its operations. In this way, Bluestep identified the parts of its business that contribute to achieving the SDGs.

Bluestep has chosen to prioritise three SDGs that our Board of Directors determined were especially relevant and crucial for the business.

8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT SDG 8 | Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. **Bluestep has two focus targets (2 of 12) under this goal, described below:**

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.

8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

How Bluestep contributes: By promoting the availability of mortgages and with a goal of helping customers to an improved overview of their financial situation and, based on the

customers' individual financial needs, offer an attractive and improved solution. Bluestep tries to help customers who for some reason have been denied loans by traditional banks.

Through our business, we aim to contribute to growth and jobs. We strive to ensure compliance with international guidelines and principles, and promote inclusive, equal workplaces that are characterised by diversity.

Challenge: To ensure that our suppliers of products and services also comply with these principles and sustainability requirements.

10 MINSKAD OJÄMLIKHET SDG 10 | Reduced inequalities

The basis for a sustainable society is a fair distribution of resources and economic, social and political influence in society. The rallying cry of Agenda 2030, "Leave no one behind", and SDG 10 together underscore the importance of promoting a society where no one is excluded from progress. **Bluestep has two focus targets (2 of 10) under this goal, described below:**

10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average.

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

How Bluestep contributes: Through our products and processes, we at Bluestep can make mortgages available to more people. The benefit is that more people get the chance to make their own choices about how

they want to live. Research exists supporting the idea that the financial inclusion of more people, which Bluestep already achieves and try to increase, helps to build stronger communities. Financial inclusion can contribute to greater equality and increased economic growth. By continuing to develop and improve our products, we will help more people obtain financial advice and have the opportunity to get a mortgage. As a result, we at Bluestep can continue to deliver value to customers, society, employees and owners.

Challenge: Regulation and market practice have generally made it more difficult for, or completely excluded, certain groups from accessing the mortgage market.

13 BEKÄMPA KLIMAT-FÖRÄNDRINGARNA SDG 13 | Climate action

Take urgent action to combat climate change and its impacts. **The overall goal is prioritised, no targets are selected.**

How Bluestep contributes: By being a modern, digital mortgage bank without an office network that strives to have as low a climate impact as possible in its own operations. Bluestep continuously drives and develops resource- and energy-saving ways to work that accelerate digitalisation and contribute to climate-smarter lending.

Challenge: Bluestep is a company in a growth stage, and intends to keep on growing so we help more people own their own home. The challenge is to reduce our climate impact as the company grows and the number of employees and offices increases.

Materiality analysis and stakeholder dialogue

Bluestep conducted its first stakeholder dialogue and materiality analysis in 2019. The materiality analysis takes in the views of multiple stakeholders as well as opinions that affect the economic, social and environmental footprint of the business and that can influence stakeholder decision-

making. As its starting point, the analysis took the Sustainability Accounting Standards Board (SASB), the UN's sustainable development goals, and Bluestep's vision of financial inclusion for more people. Based on these areas, a questionnaire was created with accompanying explanations as well as background material for those who wanted further information.

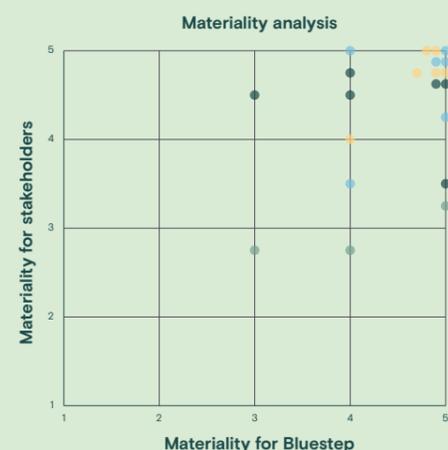
Stakeholders	Customers	Employees	Owners / Investors	Partners / Suppliers	Government agencies
Communication via	Complaint management	Employee discussions	Dialogue	Agreements	Laws
	Customer meetings	Employee surveys	Sustainability review	Interviews	Reports
	Customer surveys			Procurement	Rules and regulations

These topics were discussed with customers who called Bluestep over the course of a week and with a small group of selected employees from Bluestep's various offices. A selection of Bluestep's partners were then

asked questions within the framework of a current dialogue. Representatives from our majority owner submitted answers; no government agencies were approached.

The list of sustainability topics is presented below.

- Eco-friendly products
- Environmental impact of the business
- Adaptation and reduction of climate impact
- Prevention of corruption and financial crime
- Customer data and privacy
- Community engagement
- Attractive workplace
- Diversity and equal opportunities
- Financial inclusion
- Stable IT systems
- Sustainable procurement
- Sound compensation
- Transparency
- Financial stability
- Regulatory compliance
- Financial results
- Sustainable product innovation
- Transparent terms and pricing
- Transparent marketing
- Brand
- Partnership ecosystems



19 of the 21 sustainability topics identified in the stakeholder and materiality analyses are

reported as material and are grouped into four target areas as follows:

Attractive workplace	Inclusive banking	Climate-neutral banking	Business ethics and governance
<ul style="list-style-type: none"> - Attractive workplace - Diversity and equal opportunities 	<ul style="list-style-type: none"> - Community engagement - Financial inclusion - Financial stability - Financial results <ul style="list-style-type: none"> - Brand - Partnership ecosystems 	<ul style="list-style-type: none"> - Environmental impact of the business <ul style="list-style-type: none"> - Sustainable procurement - Sustainable product innovation 	<ul style="list-style-type: none"> - Prevention of corruption and financial crime - Customer data and privacy <ul style="list-style-type: none"> - Stable IT systems - Sound compensation <ul style="list-style-type: none"> - Transparency - Transparent terms and pricing <ul style="list-style-type: none"> - Transparent marketing - Regulatory compliance

At the end of 2020, a strategy project related to sustainability was carried out which included an update and review of our materiality analysis. Among participating stakeholders in the project were representatives from the owner, the board, management and employees. Within the framework of an ongoing brand project in parallel, a major customer survey was conducted and lessons learned from it were incorporated in order to capture the customer perspective.

Attractive workplace

Bluestep embraces diversity among our customers and employees alike. Bluestep's employees come from different backgrounds, which is a strength as it facilitates understanding of different customer situations. Mortgages are a big decision for both the customer and Bluestep, which is why good communication and understanding are critical.

Our values govern how we work, and we continuously strive to discuss, give feedback and develop our business based on our values.

The project largely confirmed the previous materiality analysis and resulted in several focus areas within the four target areas above, with the aim of further bolstering and fleshing out the company's strategy for sustainable business.

Professional	Respect	Drive	Different
We take responsibility, focus on collaboration, and make sure everyone understands	We treat all customers and employees with respect regardless of age, ethnicity or gender	We are dedicated, dare to take decisions, and provide feedback	We are proud, bold and innovative

Our employee survey shows that 98 percent of employees think Bluestep is heading in the right direction, and 86 percent say that all in all the company is a very good workplace.

HR strategy

Dedicated employees represent our most important building block for achieving our long-term goals. To be a sustainable employer that attracts talented employees, we focus on the following.

Leadership

Our leadership promise is to develop our employees so that we achieve our vision and goals together. We have a number of leadership behaviours linked to our values. We offer regular leadership training, and as a result 89 percent of employees stated in our 2020 survey that they would recommend their manager to a friend.

Inclusive culture

Bluestep's employees come from different backgrounds – in fact, more than 20 languages are spoken among our roughly 300 employees. Language skills and diverse backgrounds reduce barriers and increase understanding in general, which is essential in our business. We have a gender balance among our employees (50/50).

Attract

We publicise the way we work and our workplace culture via our LinkedIn profile. When recruiting new employees, we use structured interview processes to ensure bias-free recruitment.

Train

We continuously provide internal training about our products, our customer offering and other skill-enhancing initiatives. Bluestep offers unique expertise concerning mortgages and financial inclusion and we actively engage in skills transfer. All employees receive a regular evaluation and follow-up of their performance and career path.

Organisation

Being well organised plays an important role in our ability to successfully cooperate and leverage the skills of every employee. We continuously strive to advance and improve our organisation through a local presence with Nordic support.

Health

2020 has been a challenging year due to Covid-19 and our leadership team has been put to the test working to ensure that our employees have a healthy and sustainable work environment. Initiatives have been put in place to promote movement, such as exercise bracelets and online yoga classes. Our employees are covered by a health insurance policy that can be used for consulting with a professional provider about any anxiety or other health matters.

Work environment

Bluestep takes a methodical approach to improving the work environment, to create a space where individuals feel good, perform optimally, are motivated, and feel that they are being protected from injury or illness on the job.

An important aspect of systematically managing workplace health and safety is the identification of primary risks. Bluestep's starting point for assessing risks includes three main considerations: a systematic process for identifying operational risks, employee surveys, and annual health and safety inspections.

In each office, there is at least one person appointed as a health and safety representative. Health and safety representatives are the workers' representative in health and safety matters. They are appointed either by the trade union (if one exists) or by the workers. Bluestep has an employee council, which is also consulted in its role as workplace health and safety committee.

Inclusive banking

Bluestep is a dedicated, solution-oriented mortgage lender whose goal is to help customers gain a better overview of their financial situation and to offer them an attractive solution based on their individual financial needs. Bluestep endeavours to help customers who, for some reason or other, have been denied loans by the traditional banks. The bank offers mortgages in Sweden, Norway and Finland. In addition, Bluestep also offers savings accounts.

Bluestep was founded in 2004 to complement traditional banks by addressing the needs of a previously underserved segment of the mortgage market. There was, and still is, a need to provide mortgages to customers who are denied loans by other players. In the early days of Bluestep's history, our customers were often people who were going through a tough period in their lives when they were unable to pay their bills on time – resulting in a bad credit history. A record of payment default carries a high risk of rejection in a credit application at the traditional banks.

In recent years, additional customer needs have arisen in pace with shifting lifestyles and employment patterns. Nowadays there are more flexible job arrangements, consultancy work, short-term contracts and self-employed people than ever before. While these forms of employment are increasing in the labour market, many mortgage lenders are striving to automate and digitise their credit granting processes. As a result, some customer groups who do not fit the "cookie-cutter mould" have been left out. The extra effort that we at Bluestep have been making has opened up mortgage opportunities to more customers, both historically and currently. These customers now have the chance to enjoy the benefits a mortgage can bring, enabling them to make the most of the many benefits of owning their own home.

Preventive insolvency management

For Bluestep, guiding people towards a more secure future is a common thread throughout the customer journey, even when they face temporary financial difficulties in paying off their mortgage with our bank. It's the job of our collections department to lend a helping hand and offer fit-for-purpose solutions. We manage the entire insolvency process, meaning that we at Bluestep serve as our customers' point of contact and help them throughout the process. Early in the process, we reach out to people in different ways and together find a solution that helps the customer through their current situation.

Community engagement

Bluestep collaborates with Mentor Sweden, a non-profit organisation that offers mentoring programmes to young people aged 13–17 and whose vision is to reduce inequalities in society. The programme's activities support these young people and help to boost their self-esteem by connecting them with an adult mentor they can talk to. This increases their chances of having a bright future, taking positive decisions and avoiding destructive lifestyles that involve violence and drugs.

During the year, several of Bluestep's employees participated in the organisation's Job Mentor programme, a much appreciated and mutually enriching experience for employees and students alike. In total, 490 youths took part and were inspired about the future.

Climate-neutral banking

Bluestep strives to have the lowest possible environmental impact in terms of offices and business travel. The goal of business travel is to make any trips as environmentally friendly and cost-effective as possible. Instead of traveling between offices, employees use telephone- and video conferencing whenever they can.

The head office in Stockholm is located in a building that holds the LEED Gold environmental certification. Bluestep is working with the landlord to limit energy consumption with regard to heating, electricity and air conditioning.

As a company, Bluestep has an ambitious goal to equip employees with what they need to raise awareness, and lead and develop resource- and energy-saving practices that help to reduce our environmental impact. One such example is from late 2020, when Bluestep became one of the first companies in Sweden to launch digital signing for mortgage documents through Mobile BankID. This service is part of the bank's digitalisation efforts and, as a result, 80 percent of the bank's flows are now digital. Our digital signing initiative enables loan documents to be signed in a more streamlined, climate-

smart way.

We have identified a focus area for developing reduction targets and action plans that aim to further reduce the environmental impact of our own operations. The targets will be presented in 2021.

Climate reporting

Bluestep uses the Greenhouse Gas Protocol (GHG Protocol) standard developed by the World Resources Institute and World Business Council for Sustainable Development.

EMISSIONS BY SCOPE		
Emissions, tonnes CO ₂ e	2020	2019
Scope 1	4,5	6,1
Scope 2	83,9	75,2
Scope 3	212,5	333,3
Total (per employee)	300.9 (0.99)	414.7 (1.39)

Data from the table show greenhouse gas emissions expressed as tonnes of CO₂ equivalent (CO₂e, market-based). Bluestep's climate report has been produced in partnership with the environmental consultancy U&We using the tool 'Our Impacts'. The full report is available on bluestepbank.com.

Input data can be either actual (retrieved from the accounts, reports, etc.) or projected (estimated according to a calculation method). For 2020, 96.3 percent of emissions are based on actual data and 3.7 percent on projected data. This means that the data quality is generally good.

We aim to reduce the percentage of projected data over time and to base the climate report as far as possible on actual data.

Business ethics and governance

At Bluestep, we safeguard credit applications during our manual reviews. Although this entails much work on our part, it allows

us to understand each customer's unique circumstances – in terms of the past, the present ability to pay, and the future. The higher level of manual work and customer interaction brings higher costs compared with fully automated processes. Customers' risk profiles can also differ. This is why Bluestep sets individual interest rates. A thorough review of the credit application and risk-based pricing, combined with the reward of lower interest rates when the customer makes timely loan payments, contributes to sustainable lending.

Bluestep is seeing that the increased digitalisation and automation of many credit-granting processes causes more individuals with a good credit rating to be denied a mortgage. This means that there is a greater need for Bluestep's products. However, helping customers who have previously been denied a mortgage requires careful and diligent analysis. Bluestep conducts such an analysis based on an in-depth review of the individual's personal finances and an attempt to understand their future solvency levels. A central part of this analysis is the interaction between the customer and Bluestep. Since the inception of this business model in 2005, we have been able to help many customers own their own home.

As part of providing credit responsibly, this includes ensuring that the customer understands the agreement. Bluestep is taking active measures to ensure this by asking all customers if they have spoken to their traditional bank first. By asking this question, we ensure that only those who need Bluestep's loan products apply for a mortgage with us. The understanding between customers and Bluestep is furthermore grounded in our ability to speak to customers in their own language – our employees speak over 20 languages – and if needed an interpreter is hired to make sure the customer and the bank officer understand each other. Throughout the process, questions are asked to ensure that the customer understands the agreement and that any questions can be answered prior

to payment. These are some examples of how Bluestep works to grant credit responsibly to more people. One indicator regarding the implementation of our business model is the size of Bluestep's credit losses. Low credit losses suggest that we are succeeding in our efforts to provide credit responsibly.

Bluestep has adopted a sustainability policy to regulate our sustainability efforts. The policy, which was reviewed and adopted by the Board in August 2020, describes Bluestep's sustainability work and governance. The following governance documents are also important elements for supporting our day-to-day tasks and managing risks in the business:

- Governance and control policy
- Ethical guidelines policy
- Conflicts of interest policy
- Anti-money laundering policy
- Business continuity plan and disaster recovery plan
- Remuneration policy
- Consumer protection policy
- Data protection policy
- Information security governing policy

As part of ensuring that our policies are followed with regard to compliance and data management, all new employees are trained in an introductory programme. This programme includes a review of internal control functions and training on Bluestep's practices around anti-money laundering (see below), anti-corruption and terrorist financing, as well as areas such as banking secrecy, the general data protection regulations (GDPR) and information security. For Bluestep to ensure that all employees have up-to-date knowledge in these areas, we have mandatory annual training. The training is followed by a test, which all employees passed in 2020. As a result of Bluestep's work, we have a high internal risk awareness, as well as well-functioning processes and procedures. Bluestep has never been subject

to regulatory fines or sanctions. The bank advocates an open, constructive dialogue with the authorities.

How the bank prevents fraud and money laundering

Bluestep takes active steps to prevent the bank from being used as a target for money laundering and terrorist financing in accordance with applicable legislation and regulations. These steps include training staff internally, ensuring that processes and procedures are adapted to applicable legislation and regulations, and monitoring transactions. The risk assessment we conduct, which lays the groundwork for processes and procedures that address identified risks, is another example of our preventive measures. If suspicious transactions are detected, they are reported to the relevant authority. Furthermore, the bank takes preventive steps to regularly train its staff by offering both annual training and targeted training, and by participating in forums with the aim of improving staff knowledge in this area.

A new department, the Anti Financial Crime division, was launched in 2020 in order to bolster and concentrate efforts to combat money laundering and terrorist financing, and prevent the bank from being used for fraud. The division aims to strengthen anti-money laundering and anti-terrorist financing efforts as the first line of defence. It does this by working closely with the company's departments and managing operations in the context of money laundering and fraud.

Sustainability risks

A sustainability report contains sustainability information needed to understand a company's development, position and results as well as the consequences of doing business. This information should cover issues related to the environment, social conditions, staff, respect for human rights and the fight against corruption. The following table has been developed in order to clarify how Bluestep lives up to the rules in the Annual Accounts Act on sustainability reporting.

	Climate & Environment	Social conditions	Personnel	Human rights	Anti-corruption
Description	Ability to adapt operations to climate and environmental changes.	The risk that Bluestep's operations, business relations and business commitment have a negative impact on social conditions.	The risk that Bluestep's operations, business relations and business commitment have a negative impact on staff.	The risk that Bluestep's operations, business relations and business commitment have a negative impact on human rights.	Corruption involves an act in which a person uses their position to achieve an undue advantage for his or her own benefit or that of another person.
Primary risks	Bluestep's operations are exposed to transition risks if Bluestep fails to adapt products and services to the future sustainable economy, which sets higher environmental and climate standards. Physical climate risk is primarily linked to climate and environmental risks in conjunction with lending. Future climate change may affect customers' ability to pay, as well as the value of assets and collateral.	Bluestep is exposed to risks associated with social conditions during the purchase of services or goods.	In our own operations, the risk is mainly linked to Bluestep as an employer. Risks related to staff include health and safety at the workplace, the presence of victimisation, compensation levels and workload.	Bluestep is exposed to risks associated with human rights during the purchase of services or goods.	The risk of corruption is present in all parts of Bluestep's business. The existence of corruption could seriously affect confidence in Bluestep on the part of the public, owners, customers and employees, and thus the company's future competitiveness.
Governance	Sustainability policy, Risk policy	Consumer protection policy, Data protection policy	Sustainability policy, Ethical guidelines policy and Remuneration policy	Sustainability policy and Global Compact's 10 principles	Ethical guidelines policy and Remuneration policy
Targets and results	To be worked on and decided in 2021.	To be worked on and decided in 2021.	Presence of workplace victimisation Target: 0%, Actual 0%	Presence of human rights violations Target: 0%, Actual 0%	Presence of corruption Target: 0%, Actual 0%
Link to business strategy	Negative impact on the Group's financial position.	Tarnished reputation and negative impact on the Group's financial position.	Tarnished reputation and negative impact on the Group's financial position.	Tarnished reputation and negative impact on the Group's financial position.	Reputational risk and sanctions.

Climate and environment

To expand our understanding of the financial implications of climate change on Bluestep's operations, Bluestep aims for gradual implementation of the TCFD recommendations. TCFD stands for Taskforce on Climate-related Financial Disclosure and is a framework that guides organisations in identifying their climate-related financial risks and opportunities. The framework focuses on how climate change affects operations, unlike most other standards related to the climate issue which instead highlight the impact of the business on the climate. The TCFD

recommendations are based on governance, strategy, risk management, targets and metrics. In these areas, questions are raised about how the business manages and evaluates its climate-related financial risks, both physical and transition risks.

Responsible sourcing and supplier code of conduct

Bluestep's supply chain consists of suppliers of various services and goods. The four largest supplier categories, consulting services, marketing and communication, property and office services, as well as

software and IT services, make up the majority of Bluestep's total purchase overhead.

Bluestep has an overall routine whereby the majority of all contracts are reviewed internally by lawyers, thus identifying any shortcomings. An identified development area is to clarify Bluestep's views and expectations of suppliers' sustainability efforts and compliance with international guidelines and principles. Our ambition is to take further steps forward in this area during 2021.

Risk management

We strive for a high level of risk awareness and sound risk culture throughout the bank. A sound risk culture is created through common core values, good measurement methods, effective risk management and good judgement on the part of all employees and managers. Clear and documented internal procedures and control systems must be in place, including responsibilities and authorities. All material risks must be identified, quantified, analysed and reported. Incident reporting must be well-functioning and comprehensive according to a documented process.

Our employees have a key role to play in identifying any irregularities that need to be corrected. Bluestep has a whistleblowing function that enables employees to anonymously report unethical or illegal behaviour committed by the company's employees. Instructions about the service are available to all employees on our intranet. In 2020, no whistleblowing reports were received.

In 2020, we incorporated ESG risks into Bluestep's risk management framework. Assessment of ESG risks takes place with risk

owners at least twice a year and exposure to ESG risks is part of the risk function's risk report submitted to the Board and management.

For more information on Bluestep's risks and risk management, see the section 'Risk management' in our annual report.

Sustainability governance

At Bluestep, the Board of Directors is ultimately responsible for ensuring that the business conducts active and long-term efforts to achieve sustainable development. The Board decides on strategy, goals and sustainability policy, and it monitors and evaluates Bluestep's sustainability work.

The CEO serves as a guide and determines priorities and strategic choices in our sustainability efforts in accordance with the approved business strategy. The CEO ensures that the bank's sustainability efforts are supported by an appropriate organisational structure and commits to the resources needed to achieve the goals.

The sustainability manager leads and coordinates sustainability efforts at Bluestep and actively uses the strategic sustainability agenda together with the CEO and the Board. The sustainability manager represents Bluestep with regard to sustainability issues vis-à-vis our majority owner and in other external contexts.

To integrate and sharpen our focus on sustainability at the company, Bluestep has a sustainability forum that meets regularly. This forum helps the sustainability manager to coordinate, manage and drive sustainability efforts at Bluestep. The forum is chaired by the sustainability manager, who also appoints the members of the sustainability forum.

Notes to Sustainability report

S1 – Key figures, employees, 2020

	Total	Sweden	Norway	Finland
Total number of employees at year-end ¹⁾	304	214	76	14
Number of limited-term employees, %	1	1	0	0
Number of part-time employees, %	8	9	5	7
Average age, years	37	39	33	36
Persons who left the company during the year	59	49	10	0
New hires during the year	61	38	11	12
Employee turnover, %	15	15	12	0
Gender distribution				
Women on the board, %	14			
Women in senior management, %	38			
Female managers, %	36	48	9	0
Female employees, %	50	51	49	29
Sick leave and wellness				
Short-term leave, %	2.0	1.8	2.4	0.6
Long-term leave, %	0.8	0.7	1.4	0.0
Total sick leave, %	2.8	2.5	3.8	0.6
Withdrawals of wellness allowances for all employees, %	84	83	-	100

¹⁾ Number of employees expressed in number of persons and not converted into full-time equivalents.

S2 – Climate report

Bluestep uses the Greenhouse Gas Protocol (GHG Protocol) standard developed by the World Resources Institute and World Business Council for Sustainable Development.

The GHG Protocol divides emissions into three groups, or scopes. These are:

- Scope 1 – Direct greenhouse gas emissions from the combustion of fossil-fuels, such as emissions from oil boilers and vehicles.
- Scope 2 – Indirect greenhouse gas emissions from purchased energy used, such as electricity and district heating

- Scope 3 – Other indirect greenhouse gas emissions, for example, from business travel, transport, paper consumption

The GHG Protocol covers seven greenhouse gases: These are: carbon dioxide (CO₂), methane gas (CH₄), nitrous gases (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), nitrogen trifluoride (NF₃), sulphur hexafluoride (SF₆)

These gases have different global warming potentials. For example, CO₂ has potential 1 while CH₄ has potential 25. Therefore, total gases are converted to CO₂ equivalents.

EMISSIONS BY EMISSION SOURCE

Emissions, tonnes CO ₂ e	Total		Sweden		Norway		Finland	
	2020	2019	2020	2019	2020	2019	2020	2019
Scope 1								
Owned/leased cars	4.49	6.11	4.49	6.11	0.00	0.00	0.00	-
Scope 2								
Electricity consumption	42.08	43.19	5.93	7.13	36.16	36.06	0.00	-
Heating	41.33	31.50	10.81	9.56	22.00	21.94	8.52	-
District cooling	0.48	0.52	0.48	0.52	0.00	0.00	0.00	-
Scope 3								
Water consumption	0.14	0.40	0.07	0.16	0.07	0.24	0.01	-
Waste (incl. road freight)	0.03	0.02	0.02	0.01	0.01	0.00	0.00	-
IT purchases	44.70	20.94	17.20	7.40	8.00	13.54	19.50	-
Paper and printed matter	6.28	4.29	5.89	3.78	0.34	0.50	0.06	-
Business travel	13.36	48.73	7.22	29.09	4.56	19.64	1.58	-
Hotel nights	4.72	6.62	1.10	3.65	3.47	2.97	0.16	-
Commuting	138.90	248.47	90.40	176.45	40.96	72.02	7.54	-
Other	4.33	3.87	3.77	3.66	0.26	0.22	0.30	-
Total	300.9	414.7	147.4	247.5	115.8	167.1	37.7	-
Key figures								
Per employee	0.99	1.39	0.69	1.10	1.52	2.32	2.69	-
Per MSEK lent	0.02	0.03	0.01	0.03	0.02	0.02	0.77	-
Per square metre (office space)	0.09	0.13	0.05	0.09	0.23	0.33	0.19	-

H3 – GRI Index

GENERAL DISCLOSURES (SR = Sustainability Report, AR = Annual Report)

GRI Standard	Description	Page reference	Comment	UNGC principle	SDG
Organisational profile					
102-1	Name of the organisation		Bluestep Bank AB (publ)		
102-2	Activities, brands, products, and services	AR 10,11			
102-3	Location of headquarters		Stockholm, Sweden		
102-4	Location of operations		Sweden, Norway and Finland		
102-5	Ownership and legal form	AR 18,19			
102-6	Markets served		Mortgages in Sweden, Norway and Finland, and savings accounts in Sweden and Norway		
102-7	Scale of the organisation	AR 14-19			
102-8	Information on employees and other workers	SR 16			8
102-9	Supply chain	SR 15		4.5	
102-10	Significant changes to the organisation and its supply chain		In 2020, Bluestep opened a branch in Finland.		
102-11	Precautionary principle or approach	SR 6,7			
102-12	External initiatives		Mentor Sweden		
102-13	Membership of associations		Global Compact, Swedish Association for Sustainable Business (NMC)		
Strategy					
102-14	Statement from senior decision-maker	AR 7-9			
Ethics and integrity					
102-16	Values, principles, standards, and norms of behaviour	SR 9		10	
Governance					
102-18	Governance structure	SR 15, AR 105			
Stakeholder engagement					
102-40	List of stakeholder groups	SR 8,9			
102-41	Collective bargaining agreements		8% of employees have a collective agreement	3	
102-42	Identifying and selecting stakeholders	SR 8,9		3	
102-43	Approach to stakeholder engagement	SR 8,9			
102-44	Key topics and concerns raised	SR 8,9			

Reporting practice

102-45	Entities included in the consolidated financial statements	AR 14		
102-46	Defining report content and topic boundaries	SR 8,9		
102-47	List of material topics	SR 8,9		
102-48	Restatements of information		No material changes	
102-49	Changes in reporting		No material changes	
102-50	Reporting period		1 January – 31 December 2020	
102-51	Date of most recent report		2020-04-22	
102-52	Reporting cycle		Updated annually as at 31 December	
102-53	Contact point for questions regarding the report		Björn Lander, CEO	
102-54	Claims of reporting in accordance with the GRI Standards		Produced with inspiration from GRI Standards	
102-55	GRI content index	SR 18-21		
102-56	External assurance		No	

TOPIC-SPECIFIC DISCLOSURES (SR = Sustainability Report, AR = Annual Report)

GRI Standard	Description	Page reference	Comment	UNGC principle	SDG	Connection to materiality analysis
ECONOMIC PERFORMANCE						
201: Economic performance						
103-1,2,3	Management approach	SR 15				Inclusive and climate-neutral banking
201-1	Direct economic value generated and distributed	AR 14-19			8,10	
201-2	Economic impacts and other risks and opportunities due to climate change	SR 14,17			13	
205: Anti-corruption						
103-1,2,3	Sustainability governance	SR 15				Business ethics and governance
205-2	Communication and training about anti-corruption policies and procedures	SR 13		10		
205-3	Confirmed incidents of corruption and actions taken		No corruption incidents were reported during the year	10		
ENVIRONMENT						
305: Emissions						
103-1,2,3	Sustainability governance	SR 15				Climate-neutral banking
305-1	Direct (Scope 1) GHG emissions	SR 12,17		7.8	13	
305-2	Energy indirect (Scope 2) GHG emissions	SR 12,17		7.8	13	
305-3	Other indirect (Scope 3) GHG emissions	SR 12,17		7.8	13	
SOCIAL						
403: Occupational health and safety						
103-1,2,3	Sustainability governance	SR 15				Attractive workplace
403-4	"Health and safety topics covered in formal agreements with trade unions"	SR 10		3	8	

404: Training and education						
103-1,2,3	Sustainability governance	SR 15				Attractive workplace
404-3	"Percentage of employees receiving regular performance and career development reviews"	SR 10			8	
405: Diversity and equal opportunity						
103-1,2,3	Sustainability governance	SR 15				Attractive workplace
405-1	Diversity of governance bodies and employees	SR 16			6 8	
406: Non-discrimination						
103-1,2,3	Sustainability governance	SR 15				Attractive workplace
406-1	Incidents of discrimination and corrective actions taken		No material incidents were reported during the year		6 8	
413: Local communities						
103-1,2,3	Sustainability governance	SR 15				Inclusive banking
413-1	Community engagement	SR 11				
417: Marketing and labelling						
103-1,2,3	Sustainability governance	SR 15				Business ethics and governance
417-2	Incidents of non-compliance concerning product and service information and labelling		No material incidents were reported during the year			
417-3	Incidents of non-compliance concerning marketing communications		1 incident was reported during the year			

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