



Nature
People
Business

Sustainability Report 2022

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Sustainability Report 2022

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About this Report

This is Solaris SE's first sustainability report in which we cover our sustainability performance and activities from January 1, 2022 to December 31, 2022.

The terms "Solaris," "we," "our" and "us" refer to Solaris SE and all its subsidiaries.

This report has been prepared with reference to the Deutscher Nachhaltigkeits-Kodex (DNK) reporting standard and Non-Financial Reporting Directive (NFRD). All carbon emission calculations are based on the Greenhouse Gas (GHG) Protocol.

This report contains forecasts of our current and planned activities and outlines some of the expected results. These forecasts are characterized by the use of words such as "expect", "intended", "planned". Except as required by applicable law, we do not plan to publicly update or revise any forecasts contained in this report, whether as a result of any new information, future events or otherwise. We are committed to annually reporting our sustainability performance.

For more information, please contact press@solarisgroup.com.





Foreword

I welcome you to the first Sustainability Report of the Solaris Group.

2022 has been a year of environmental, social and economic challenges that tested our individual and collective resilience. At the same time, our mandate to take action to tackle the challenges and secure a sustainable future has never been clearer.

In February 2022, we rolled out our ESG strategy entitled **Nature, People, Business (NPB)**. Its framework and principles guide the actions and steps we take across the business to improve our environmental and community impacts and engage stakeholders.

Over the course of the year, we implemented initial measures to lay the foundation and improve our sustainability performance in the three pillars of our NPB strategy: **Respect Nature, Reconnect People** and **Regenerate Business**.

We have started tracking our carbon emissions at the ten locations where we operate. Based on this, we have defined our **decarbonisation** plans on our **way to a net zero footprint** by 2030.

With DE&I and our gender equality initiative Futura, we have further expanded our commitment to being a responsible and inclusive employer. Both employee-led programs are designed to improve **diversity, inclusion, gender equality** and **employee satisfaction** at Solaris. In addition, we have increased our investment in social and green bonds. Furthermore, all of our 800+ employees are encouraged to get involved in local volunteer activities and charity campaigns to give back to the community.

We recognize that sustainability is a complex issue that requires a multi-layered approach. To foster **sustainable alliances** and **communities**, we collaborate with our partners to offer sustainable or green financial products to their customers. We are committed to acting together with our stakeholders to drive positive change for nature, people, and the fintech business.

I would like to take this opportunity to thank all our employees, partners, investors and suppliers for the collaboration and efforts in driving our sustainability agenda. Together, we can make a significant difference and secure a sustainable future.

I hope you enjoy reading this report.

Chloé Mayenobe
COO, Solaris SE



About Solaris

Solaris SE is Europe's leading embedded finance platform empowering the future of financial services.

As a tech company with a German banking license, including a Digital Assets Custody license, an e-money license – covering the UK and EEA – and a UK consumer credit license, Solaris is ideally positioned to handle the regulatory and technological complexities of banking for our partners.

By leveraging the power of technology, we are removing the barriers for businesses to offer digital financial solutions. Our proprietary Banking-as-a-Service platform enables any business to embed financial solutions in new contexts that were previously unimaginable.

Digital Banking & Cards



Digital Banking



Cards



Buffer for Cards

Lending



Splitpay



Consumer Lending



Fronting

Know Your Customer



Bankident



KYC Platform

Digital Assets



Digital Assets Brokerage



Digital Assets Custody



Solaris is headquartered in Berlin and employs over 800 people at ten locations in Europe and Asia.



800+

Solarians

70+

Nationalities

10

Locations

400+

API endpoints

Our core investors



Business Model

Solaris Group's business model is currently focused on continental Europe and the UK, and is to be expanded to the APAC region in the next few years.

Solaris' vision is to create a world where financial services seamlessly sync with life; our mission is to enable businesses to easily provide trusted and innovative financial experiences to their customers.

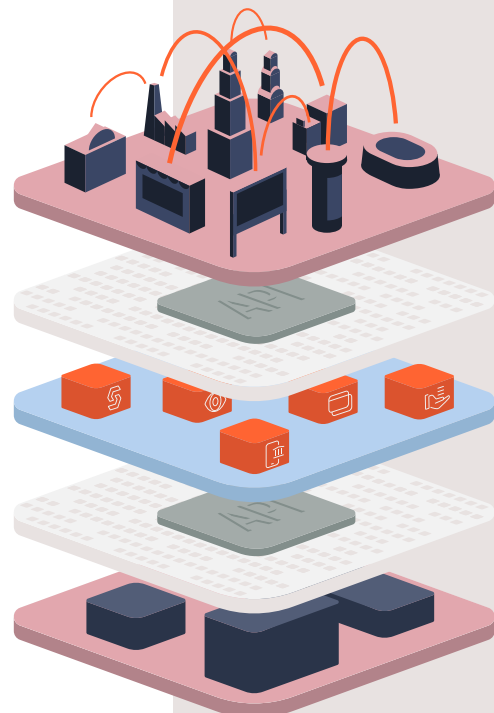
To achieve our mission, we focus on five key points of differentiation:

- **Convenient:** We address needs for financial services with best-in-class solutions at the point where they emerge.
- **Comprehensive:** We are the one stop shop for financial solutions across accounts, cards, lending and KYC in three dimensions: product, region and license breadth.
- **Modular:** We offer modular solutions which can be combined in a highly flexible way avoiding use case specific development needs.
- **Most innovative:** Our products stand out for their high degree of innovation, especially with regard to speed and flexibility.
- **Scalable:** Our product design and underlying modern technical infrastructure allow for seamless scaling across Europe

We have pioneered Banking-as-a-Service (BaaS) and are the partner of choice for large international enterprises with our world-class technology stack and scalable licensing.

Our licensed products and processes allow us to provide the secure and regulated infrastructure our customers need to embed financial services in their offering.

All our products are developed and maintained in-house on our production platform and delivered via APIs. Solaris is steering its business towards profitability in 2023. Each licensed entity is responsible for implementation for their respective laws and regulations.



Sustainability Approach

2022 was a year of climate extremes, marked by record droughts, heatwaves, forest fires, floods, record high temperatures, rising concentrations of greenhouse gasses and a record low level of the Antarctic sea ice.

These environmental warning signals serve as a stark reminder for a global call to action for securing a sustainable future. The worldwide phenomena confirmed how urgently we must move to tackle the triple planetary crisis of climate change, biodiversity loss and pollution.



Nature, People, Business Strategy

In February 2022, we launched our Nature, People, Business (NPB) strategy. The strategy has sustainability in its very conception. We are committed to not only being the best for our customers, but we strive to be the best for all stakeholders with our NPB strategy which is built on three pillars :

Respect Nature, Reconnect People, Regenerate Business.

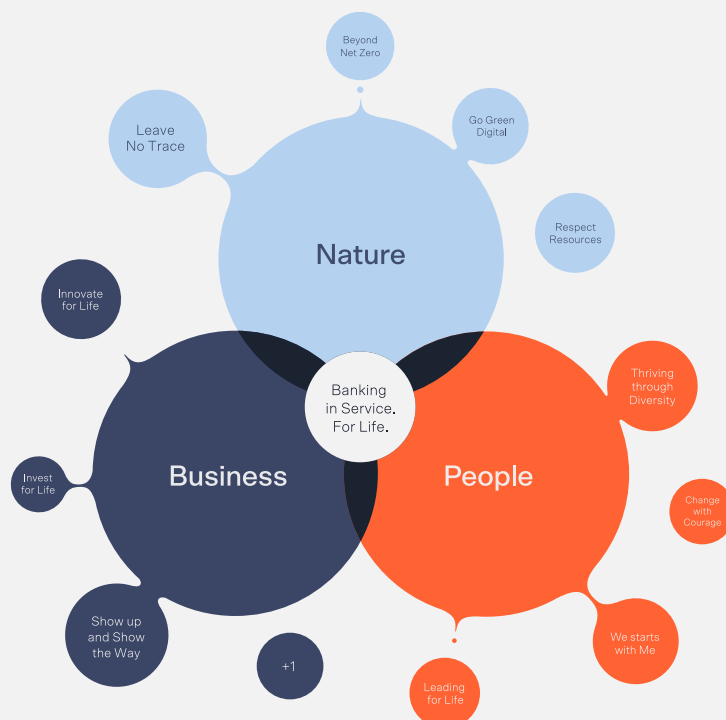
Our core slogan “Banking in Service. For life.” illustrates the ambition of our NPB strategy.

It is a sustainability concept specifically designed to the vision of Solaris. As a Banking-as-a-Service thought leader, we know what it means to bring innovation to an industry that needed a fresh start to meet today’s consumer needs. We recognize that the financial industry – of which we are a

part – requires new and holistic approaches in order to make a valuable contribution to the preservation of our planet. We want to leave the planet in better shape than we found it. We will create a working environment that is welcoming to all – regardless of skin color, religion, sexual orientation or nationality. A place where everyone can give their best and grow into the person they want to be.

As a company we strive to be better, find ways to empower our employees, and to challenge ourselves to create better, more efficient and sustainable banking products and services.

Guided by our Nature, People, Business strategy, we are committed to actions in line with the Paris Agreement, the EU Industrial Green Deal and we will be working towards the UN Sustainable Development Goals (UN SDGs).





Respect Nature

Nature holds all things, whether they are naturally occurring or human made; be it the plants and the animals or the laptops and the smartphones - everything that makes up our everyday work and life. Respecting nature, means we commit to all parts of the whole. Taken from the Latin to re- 'back' and specere 'look at' - we look deep and reinspect, not only our own nature, but our place in the rich tapestry of life, and leave this planet in a better shape than we found it.



Reconnect People

The ability to connect deeply with others starts with ourselves. Only when we are listening, seeing and caring for our own needs and wants, can we start moving responsibly towards others. We commit to supporting and growing one another, so as to reconnect to who we are as human beings, and ultimately we act from a place of deep care and love for our unique selves, for all people and all life. This is how we grow strong communities.



Regenerate Business

Being a modern business means being part of a system that is part of life; a system that needs to seamlessly sync with and add value to life. At Solaris we commit to go beyond the outdated world view of profit, loss and competition, towards collaboration and community. We turn to the regenerative systems of nature for inspiration, while manifesting a business that does not only add value to the people and organizations we impact, but also adds value to all of life. For generations to come.

Principles

Leave no trace
Beyond net zero
Go green digital
Respect resources

Thriving through diversity
Change with courage
We start with Me
Leading for life

Innovate for life
Invest for life
Show up and show the way
+1

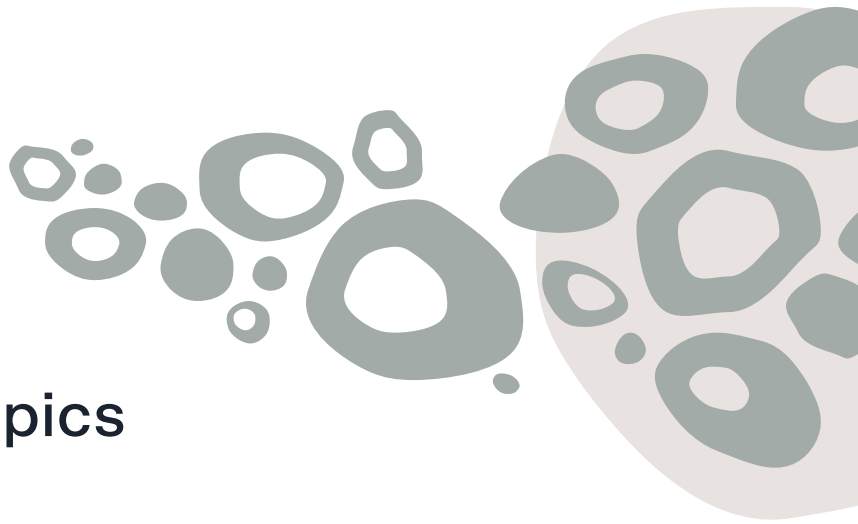
Topics

Climate change
Emissions
Energy

Gender equality
Diversity
Employee satisfaction
Training

Compliance
Community
Human Rights
Anti-corruption





Key Sustainability Topics

Group-wide risk management plays an indispensable role in setting our strategic focus on sustainability. We apply the double materiality method when we assess the sustainability risks for Solaris, looking at the key sustainability issues that are influenced by our business activities as well as the sustainability related risks that have the potential to have an impact on Solaris.

Climate change: We are committed to reducing our direct **carbon emission** in all our office locations by choosing **renewable energies**, encouraging green transportation methods, and managing the carbon emissions from our third-party suppliers.

Gender equality, diversity and inclusion: These are the social topics that we have identified where we can leverage our leading positioning in the fintech industry to improve the overall situation. Our internal policies e.g. remote-friendly working setup, employee-led programs (DE&I and Women's Network), events and **trainings** are the instruments that we apply to improve equality, diversity and inclusion on a group-wide level.

Anti-corruption standards: In the banking and payment sector, we also see ourselves playing an important role in the fight against **corruption**, financial crime and compliance with data protection regulations. Bribery and corruption can undermine Solaris' NPB standards, therefore, we have respective policies and processes in place to ensure **compliance** and to mitigate the relevant risks.

Investments: We focus our treasury investment on bonds that fulfill ESG criteria and are considered "deep green" bonds per our customer requests.





Managing Risks and Opportunities

The COVID-19 pandemic forced many organizations to rethink their way of operating. As a fully digital company, it was possible to immediately switch to continuing to operate from home office. In addition, we have developed a home office policy that allows our employees to continue working from home.

Employees are encouraged to be present for important events or team meetings. But, there are no strict guidelines for days that must be spent at one of our locations. Therefore, we refer to ourselves as “remote-friendly”.

The war in Ukraine is having an impact on the economy, particularly on energy security in the EEA and UK, where the majority of our business activities take place. We have managed to minimize the impact regarding business operations when we applied a remote-friendly policy, and therefore stabilized and de-risked our local operations in the conflict zone.

In 2022, no material or significant risks were identified that meet or will meet, the criteria of “having a severe impact” on the sustainability topics. Only minimal short term risks related to Solaris’ financing activities could be identified in relation to the loan and the treasury portfolio, which we consider to have a low impact.

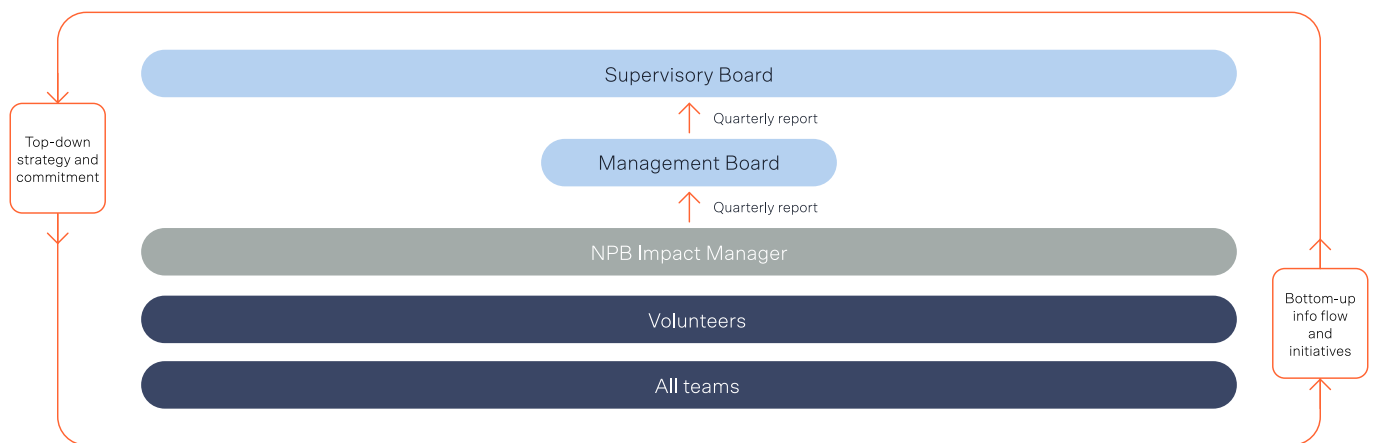
In midst of the climate and social challenges, Solaris has the great advantage of offering employment opportunities that are not tied to a specific location. And as a “remote-friendly” company, we see the home office opportunities as an integral part of reducing our carbon footprint.

In addition, our fully digital financial products and services can make a significant contribution to achieving the climate protection targets by 2030 if digitization also progresses at all other levels. We see an opportunity for us in the finance industry to play a pioneering role.

As part of the global sustainability development, we see potential and opportunities in engaging with our partners in the area of green or sustainable credit and lending financing.

Sustainability Governance

We are committed to embedding sustainability throughout our organization and business operations.



The Management Board oversees the sustainability strategy and activities at Solaris. All board members, including our Chief Executive Officer, Chief Commercial Officer, Chief Operating Officer, Chief Platform Officer and Chief Risk Officer, are responsible for the realization of our sustainability goals at management level.

At the operational level, we have appointed a full time NPB Impact Manager, who drives sustainability initiatives and coordinates cross-functional efforts working with a group of volunteers to lead actions and change. Whereas all teams provide data points for our self-assessment and reporting process, our Risk Management acts as a second instance in monitoring and assessing relevant risks and implementing control processes such as procurement and outsourcing.

The current governance structure ensures the strategy and commitment cascaded from the Management Board down to the teams, and at the same time is feeded bottom-up. The current governance structure ensures that strategy and targets are approved by the Board and communicated to the teams through a two-way process using input from the teams.

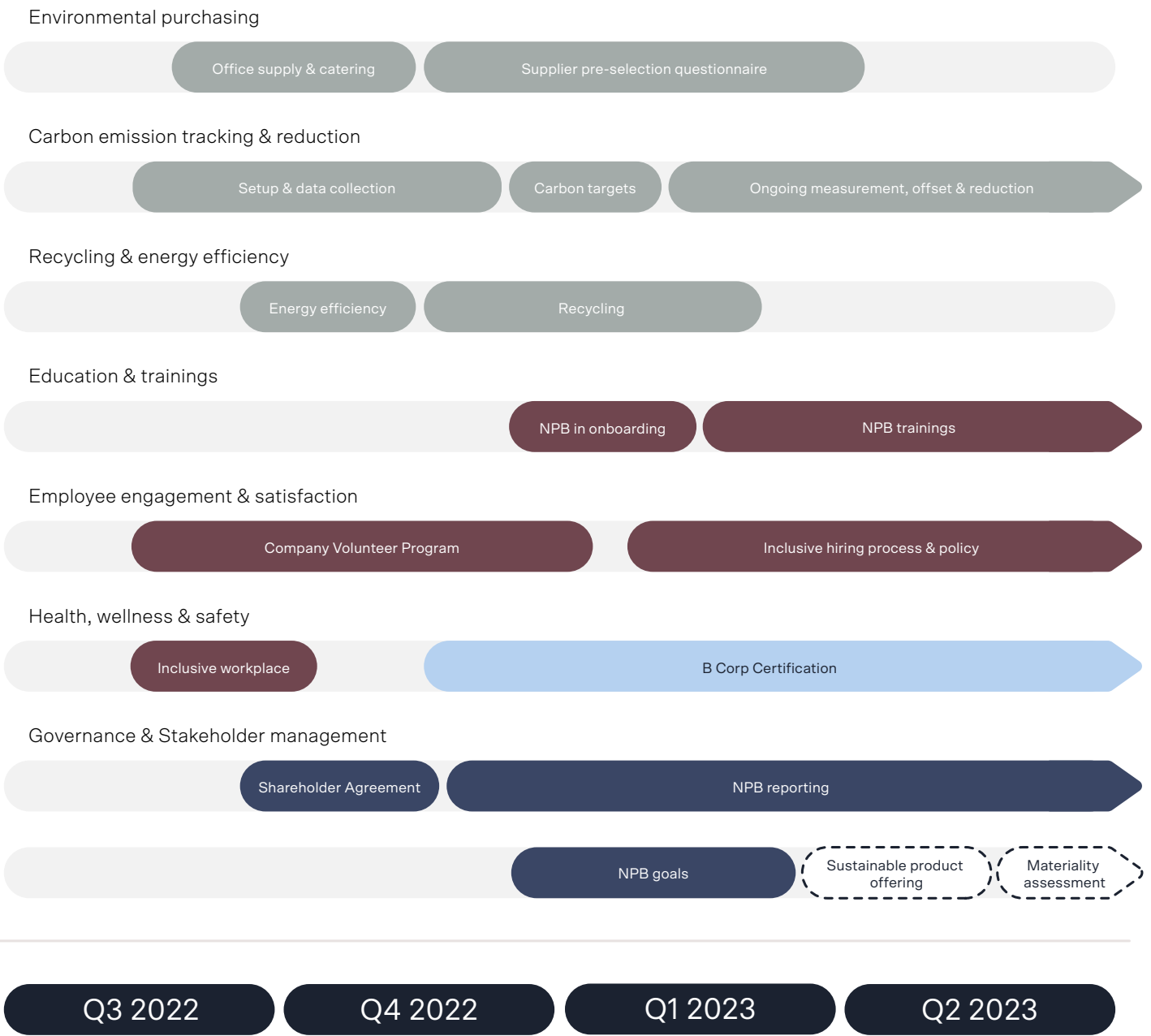
Impact

2022 was a baseline year for Solaris in terms of sustainability. Since the launch of our sustainability strategy in February 2022, we have conducted self-assessments, e.g. the B Impact Assessment, and started to measure our carbon emission at group level. Carbon emission calculation and reporting is fundamental for our journey towards net zero commitment as it illustrates our decarbonization baseline.



In addition, our employees engaged in volunteer and community work. Prime examples are several Solaris Employee Resource Groups, our Futura (Women’s Network) and Diversity, Equity & Inclusion initiatives which have started their work and implemented initial initiatives.

Short-term action plans resulting from data points collected and feedback from employees since the third quarter of 2022:



● Nature
 ● People
 ● Business
 TBD

Nature



We care for our environment.

We understand that our actions can have a significant impact on the environment.

Our goal is to reach net zero emissions by reducing, avoiding, and as a last resort, by offsetting all our emissions and contributing more. We encourage our partners and suppliers to follow the same path.

All environmental risks pose a significant threat to not only the planet but also the performance of our business. With our measures to reduce carbon emissions, we are contributing to the efforts of limiting global warming to 1.5 degrees Celsius.

As a technology company, it's the power consumption to run our platform and offices that has the most important impact and is the key lever to become neutral.

The use of land, water or rare minerals is not relevant to us as a company or to our value chain; hence, we do not have a major impact on the depletion of natural resources.

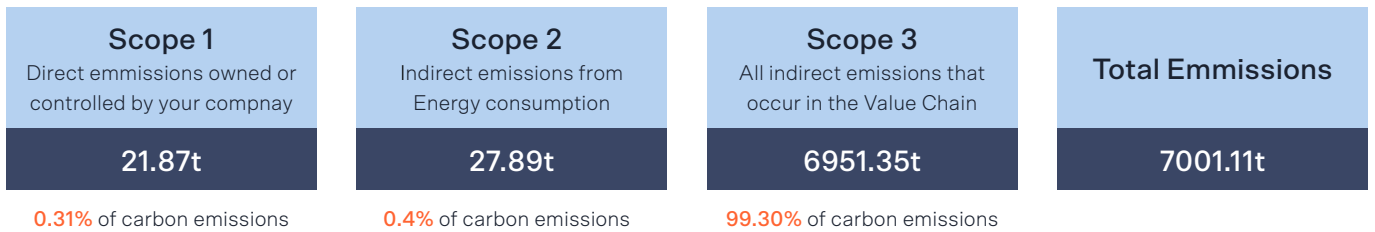
Our impact assessment also did not identify any pollutants other than emissions generated by us or the companies in our value chain. Our operations, products and services do not generate any significant types of waste.

We have identified “damage to physical assets” as the only risk to which we are exposed as a company that may have an environmental component. The risk refers to external aspects including natural disasters or force majeure that will impact our physical assets, e.g. office buildings, equipment, etc. This risk was classified as medium, and the main causes for the risk level are not related to environmental issues. Other than that, we have not identified further environmental risks.

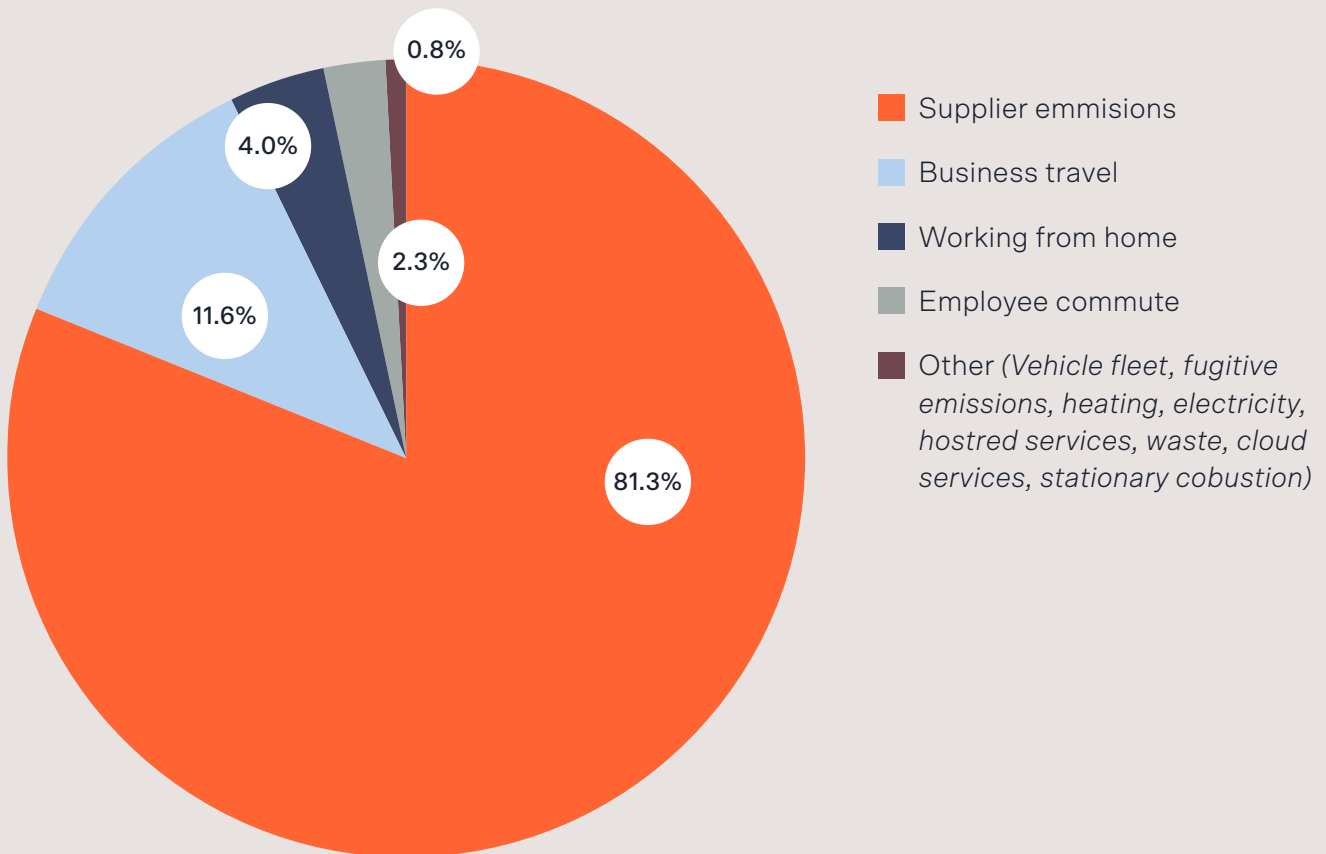
Our Emissions

In 2022, we focused on understanding our carbon footprint and taking action to reduce it.

We have started tracking our group-wide carbon emission with Plan A (Sustainability and ESG consulting), which follows the recognized methods of the **Greenhouse Gas (GHG) Protocol**.



% Total emissions per category in tCO2e

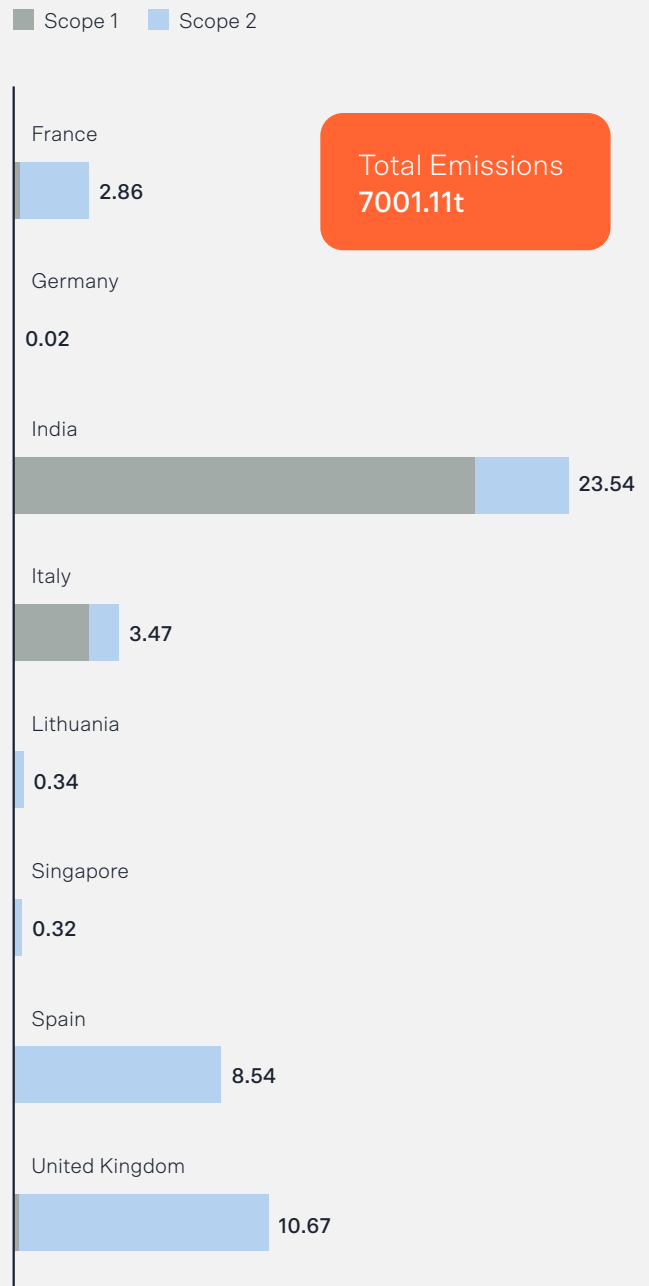


Based on the data collected monthly on the platform, we have completed the Solaris Group Emissions Report for 2022, as illustrated in the above graph.

In summary:

- Total carbon footprint was 7,001.11 tCO₂e (tonnes of carbon dioxide equivalent) in 2022.
- Solaris generates relatively small Scope 1 and 2 emissions.
- The largest source of emissions is in purchased goods and services calculated on an expenditure basis in the Scope 3 emissions (81.30%), with the majority of emissions coming from services and software purchased as part of the business operations.
- Business travel is the second largest source of emission (11.6%) followed by emissions of employees working from home (4.0%) and employees commuting to the offices (2.3%).
- Company-owned vehicles in Ahmedabad account for the majority of the Scope 1 emission at the facility.
- Our office building in Berlin has been certified DGNB Gold for the new office and administration building (2015 version) and is using 100% renewable energy.

Total emissions per country in tCO₂e (Scope 1 & 2)



*Scope 1 emissions are direct emissions from company-owned and controlled resources. In other words, emissions are released into the atmosphere as a direct result of a set of activities, at a firm level, including stationary combustion (e.g. fuels, heating sources) in company facilities and with company-owned vehicles. Scope 2 emissions are indirect emissions from the generation of purchased energy, from a utility provider. In other words, all GHG emissions released in the atmosphere, from the consumption of purchased electricity, steam, heat and cooling. Scope 3 emissions are all indirect emissions - not included in scope 2 - that occur in the value chain of the reporting company, including both upstream and downstream emissions. In other words, emissions are linked to the company's operations, which include purchased goods and services, waste generated, transportation and distribution, employee commute, etc.

** Chennai Office was launched in Dec 2022, hence not included in the 2022 report.

*** National averages are used to complete data gaps, where facilities share co-working and building management mostly. In detail, electricity in LT, FR, SG, IT, SP; Heating in LT, SG, IT, SP; Waste in LT, SG, IT, DE, SP.

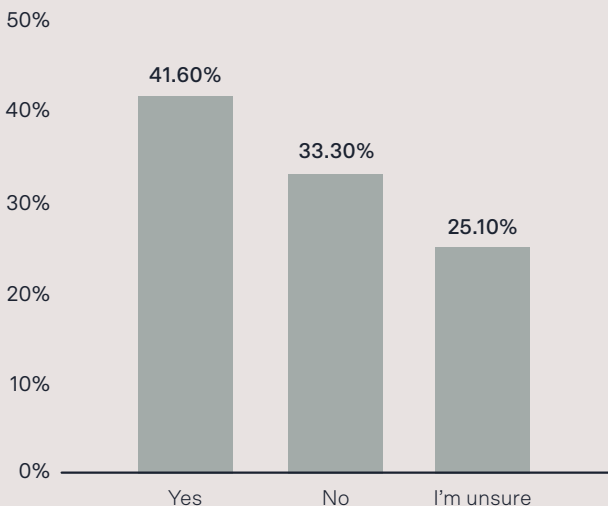
Working from Home and Office Commuting

We conducted an anonymous employee survey in January 2023 to collect data for the related emissions.

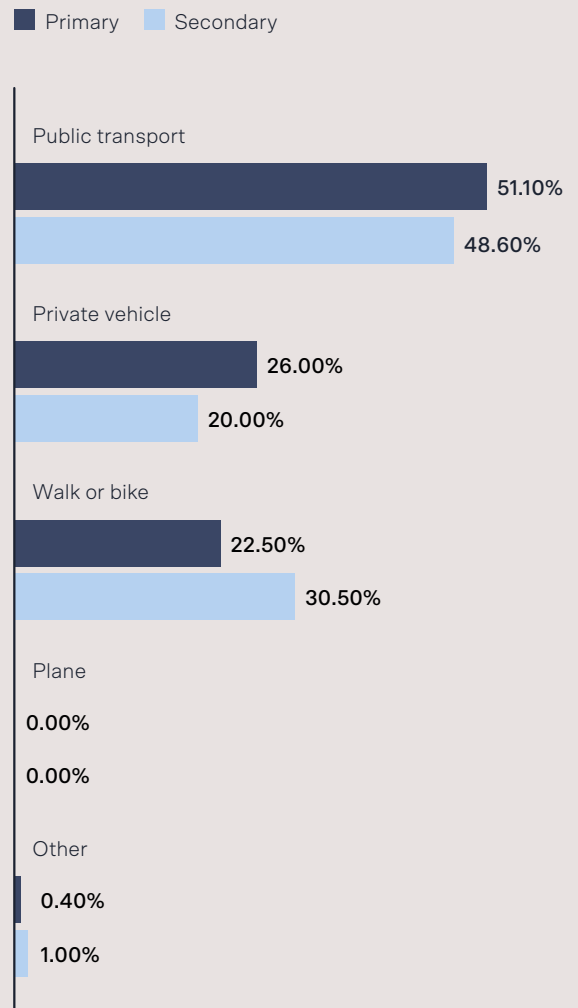
Of the 231 respondents who commute to the office, the majority use public transportation, walk or bike to the office (Primary 73.6% and Secondary 79.1%), with London (100%), Madrid (100%), Paris (100%) and Berlin (93.2%) taking the lead. 41.6% of the respondents are using green electricity at home.

The data collected gave us an insight into the areas in which we should strive for improvement and where we should start. We continued to use national averages when calculating emission as the number of respondents of the survey was not high enough. We will conduct the survey annually and encourage more employees to participate in 2023.

Do you subscribe to green electricity from your electricity provider?



Primary and secondary method of coming to work





While we still need to optimize the carbon tracking processes and improve the data accuracy, the 2022 emission report is our baseline to navigate our pathway to Net Zero and to set decarbonization targets.

Our decarbonization strategy is to reduce and avoid as much as possible direct emissions and emissions we can control, and as a last resort, offset and compensate for the unavoidable emissions.

Our next reduction plan will focus on business travel and office commuting. In addition to our limited business travel in the current “remote-friendly” working set-up, we plan to formulate it in the Group Travel Policy to favor train to flight for domestic and short-haul business trips.

In the mid term, we plan to use green energy providers for all the facilities gradually, and hope the local legislation, infrastructure and building management can enable us to achieve this goal.

Engaging our suppliers and providers in the decarbonisation targets and implementation will be a long-term effort to tackle our largest emissions. Therefore, we have started developing our **Third-party Risk Assessment** and are working to incorporate ESG criteria into our procurement and outsourcing policies and processes by the second quarter of 2023. This is a first step for us to understand the emissions of our third-party providers better and more accurately, which will help us navigate our collaborative path to net zero.

Pathway to Net Zero

Monitor 2022

Issue the 2022 annual group carbon emission report as decarbonisation baseline.
Set decarbonisation targets.

Reduce & Avoid 2025

Favor train to flight for domestic and short-haul travel.
Reduce group footprint per employee by 30%.
Increase green office commuting by 50%.
Environmental procurement and track value chain emissions.
Offset 100% business travels.

Reduce & Offset 2027

Further reduce group carbon footprint by 60% by 2027.
50% of use of green energy in facilities.
Offset unavoidable emissions with nature-based high-quality carbon credits.

Carbon neutral 2030

Keep minimum carbon emission and offset the remaining emissions.
Achieve carbon neutrality for Scope 1, 2 & 3.



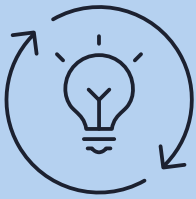
Collaborating on Climate Transition

We provide banking services to our business partners primarily through APIs, a fully digital method of data transmission and capture that creates no waste and therefore no environmental impact. Nonetheless, the physical cards we provide our partners are at the disposal of their customers.

However, we offer **recyclable payment cards** made out of plastic, wood or metal to reduce the negative impact on the environment. We are collaborating with our partners to offer green investment tools, such as offering brokering **sustainable securities** with neo-bank Tomorrow and integrating an API to track end customers' carbon footprint with RCI Banque.

Greener Office

To reduce the impact on the environment caused by our offices we have taken the following steps, starting with our headquarters in Berlin:



We use 100% renewable energy for electricity



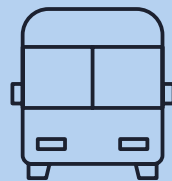
We turned off hot water in the rest rooms



We lease laptops for employees instead of buying them



We offer our employees to buy used hardware



We offer a subsidized public transport ticket in Berlin



We use unbleached envelopes for required mail communication



We use more environmentally-friendly cleaning products in our offices



We use clevertouch screens in the meeting rooms which automatically switch off after 15 minutes of inactivity

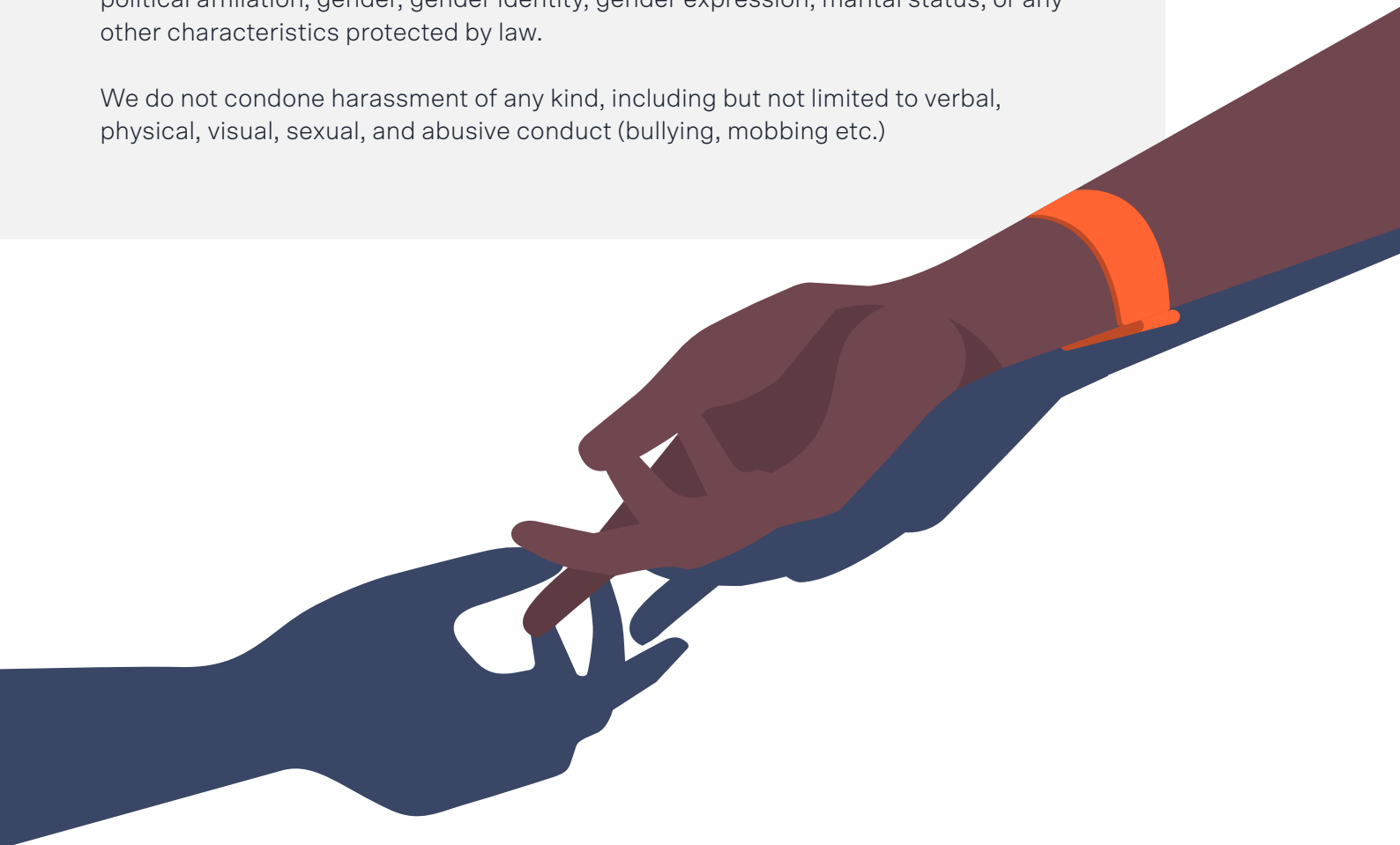
People

We believe that to be successful, we must be truly diverse – beyond job titles, genders, backgrounds and beliefs.

At Solaris, we are committed to creating positive social outcomes and fostering an inclusive, responsible and supportive work environment while contributing to a more sustainable future.

We do not tolerate any form of discrimination based on race, religion or philosophy of life, colour, ethnicity, national origin, disability, sexual orientation, political affiliation, gender, gender identity, gender expression, marital status, or any other characteristics protected by law.

We do not condone harassment of any kind, including but not limited to verbal, physical, visual, sexual, and abusive conduct (bullying, mobbing etc.)



Policies and Processes

The greatest value for us: respect for people and human rights.

Our social and employee-related policies are based on international and national standards and regulations* and are continually updated.

We have developed and implemented the following policies, which we communicate to all new employees during their onboarding, and which guide our daily actions and decisions.

- **Code of Conduct:** Our Code of Conduct outlines the principles that govern our behavior as employees of Solaris and provides guidance on key areas of business operations to avoid undesirable outcomes. It describes what is important to us as a company when interacting and collaborating with our teams, partners, and other external parties, and helps us navigate through decisions and situations where responsible conduct and ethical decision-making are critically important.
- **Whistleblowing Policy:** The Solaris Group views whistleblowing as an important function to detect and prevent fraud and/or other criminal offenses within the workplace. The main purpose of our whistleblowing policy is to cultivate a culture of integrity within our organization. The policy guarantees to protect and enable whistleblowers by helping them to raise concerns confidently without fear of victimization or discrimination.
- **Solaris Security Handbook:** Our Security Handbook (a summarized version of different principles expressed in the InfoSec policies) was introduced in 2017 and has been constantly updated since then. It serves as a guideline to ensure the security of IT systems and services and to handle (confidential) information correctly. It contains binding rules that minimize the risks arising from external and internal aggressors as well as from human error.
- **Workplace safety:** Binding anti-discrimination and occupational health & safety regulations are in place that comply with German law.



*Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Forced Labour Convention, 1930 (No. 29) (and its 2014 Protocol) ; Abolition of Forced Labour Convention, 1957 (No. 105) ; Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

Diversity, Equity and Inclusion

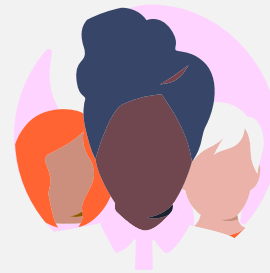
Diversity, equality and inclusion form an integral part of our company culture. We respect and value people of all identities and backgrounds, including race, ethnicity, gender, age, sexual orientation, disability, and nationality. In 2022, under the umbrella of the NPB framework, we launched an employee-initiated Diversity, Equity & Inclusion (DE&I) program as well as the Futura women’s network to promote diversity and inclusion at Solaris.



Diversity, Equity & Inclusion (DEI)

We understand that **building a fair environment takes effort** and we acknowledge that diverse perspectives are **fundamental for growth**.

With the DEI initiative, we want to embolden these principles in order for **everyone to have a seat at the table**.



Futura: Women’s Network

We’re done with the fintech gender gap and decided to shake it up.

Futura **supports and empowers women and other marginalized groups to boost** representation within our organization at all levels.

Our goal is 30% of women across all levels by 2024.

One year after the launch of the programs, which include anti-bias trainings, inclusive leadership trainings, and educational talks for internal and external guests, we have seen significant improvements in gender parity hiring, promotions, and increases of women at most career levels. Yet we still have a lot to do to reach our goal of 30% female representation at all levels at Solaris.

People

■ Women ■ Men ■ Diverse or not declared

Gender

Non-manager



Manager



Hiring

Share of new hires

2022



2021



2020



2019



Share of Promotions

Out of total promotions per round

May 2022



December 2021



May 2021



October 2020*



May 2020*



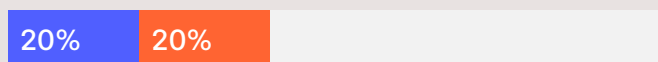
*Note: promotion data for May 2020 is not statistically significant due to the heavily reduced cycle related to pandemic uncertainties.

Women vs. Men attrition rate

2022



2020



2021



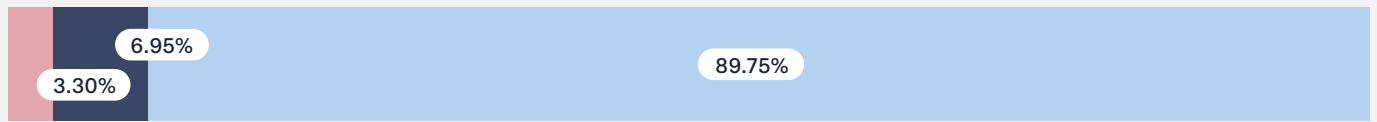
2019



Age

Under 24 25-50 Over 50

Workforce



Underrepresented*

Non-manager



Manager



0% 5% 10% 15% 20% 25%

*In reference to [UN vulnerable groups](#) and the definition in B Impact Assessment, underrepresented groups refer to groups who have traditionally not had equal access to economic opportunities because of discrimination or other societal barriers. This may vary by context and by geography. Take into consideration gender, ethnicity, sexual-orientation, age, disabilities, immigration background and/or low-income status that may qualify an individual as being part of a previously excluded population. The above underrepresented chart is based on Solaris CRR business only.

In 2023, we will advance our DE&I and Futura agenda to energize our employees and the financial industry with educational programs and events:

- Top Talent Program: Six modules with mentoring sessions, coaching on voice and personal finance, get-togethers and a 4-day leadership training.
- Monthly futura Talks and a Futura Stand-up Night.
- Fintech Ladies x Futura – Community events hosted at Fintech companies.
- Series around financial independence in March 2023.
- White paper about financial products and women.
- Management Board workshop with Germany’s most renowned DE&I consultant.
- Internal gender pay gap analysis.

Employee Well-being

Employee Pay & Benefits

Solaris has developed a group-wide remuneration strategy that governs the basic minimum requirements for the remuneration systems and related governance.

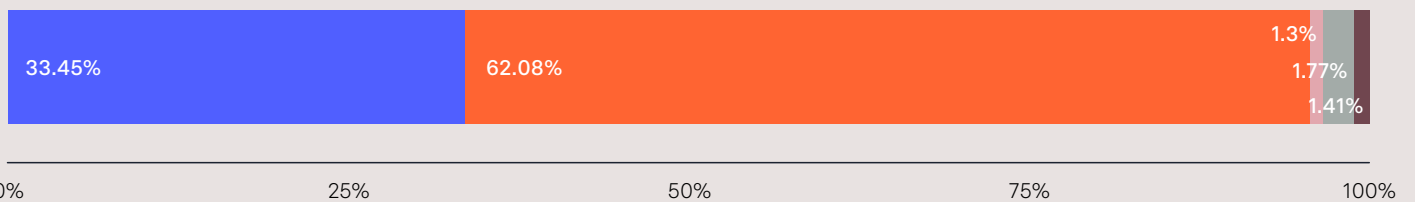
The group-wide remuneration strategy is in line with Solaris' business focus. Securing Solaris' competitive position as an attractive employer in the relevant markets for success-critical employees is a key objective of the remuneration strategy. The design and measurement of remuneration at Solaris is based on our Performance Management framework (output, services, results).

Furthermore, our performance management supports the successful implementation of business and risk strategies at Solaris Group, on organizational and employee levels. Overall, Solaris grants appropriate compensation (fixed and variable) and fringe benefits compared to the market, with a clear focus on fixed remuneration.

We have over 95% employees on permanent contracts at Group level. Our EMI business does not have any temporary contract employees.

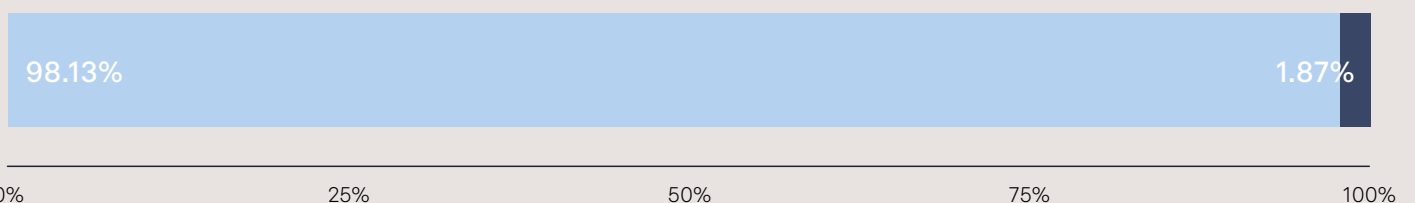
Contract

■ Women permanent
 ■ Men permanent
 ■ Women temporary
 ■ Men temporary
 ■ Diverse or not declared permanent



Employee Pay

■ Fixed salary
 ■ Hourly wage



We offer employees both group-wide and site-specific benefits, as there are different regulations depending on country and availability.

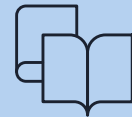
Overview of Solaris Group benefits with local variations:



Free internal language classes
for German & English



Learning sessions from
colleagues for colleagues



Solaris library



Solaris communities



Remote friendly work place



Choice of laptop



Weekly free yoga class



Health initiatives



Medical cover in Chennai,
mental health app for EMI



Volunteering days:
4 days per year for EMI



Generous annual
leave packages



Corporate Partner
benefits & discounts



Yearly personal development
budget (€1000/CRR + £750/EMI)



Food reimbursement, mobility
allowance, occupational check-up



Health & Safety

Our employees do not work in an environment that poses a high risk of certain accidents or diseases. All procedures and processes ensure a safe workplace for our employees.

Solaris supports employees in maintaining their mental health by offering tips and educational sessions on stress and conflict management, as well as free psychological consultations with our company doctors. Our employees are encouraged to take breaks and vacation days, we offer flexible and remote working options, and we organize regular team outings.

We comply with applicable environmental, health and safety policies, guidelines and laws. We take measures to prevent accidents in the offices and eliminate unsafe and dangerous conditions immediately. We control hazards and take the best possible precautionary measures against accidents and occupational diseases. We conduct annual mandatory safety training and offer occupational health check-ups (G37) in Germany.

Professional Development

We provide our employees with ongoing mandatory training and informal learning sessions. Regular mandatory trainings for all employees include trainings on Anti-Bribery and Corruption, General Data Protection Regulation (GDPR), Information Security, etc. In 2022, we observed that our employees participated in 11 mandatory training sessions that lasted on average 7 hours.

Employee Engagement

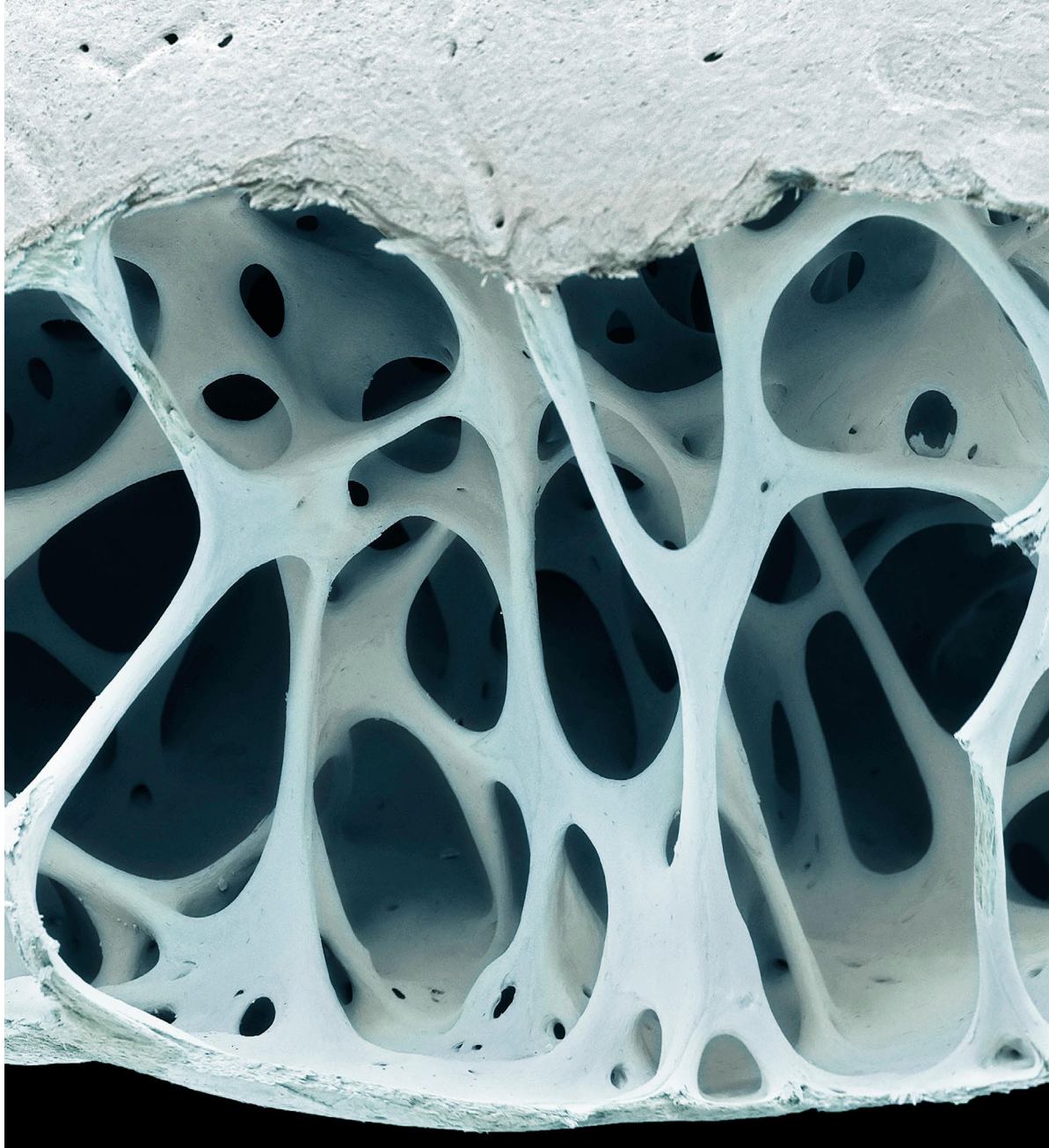
We believe that education is the first step of behavior change.

In September 2022, we launched “Let’s Talk NPB”, a monthly internal format to share updates and ideas on sustainability topics.

Besides our internal efforts, we have also added value to external communities and made a positive impact on the environment. In 2022, employees were engaged with the local community and organized a year-end charity campaign at different Solaris Group locations.

In 2023, activities will continue as part of a group-wide volunteering policy that is yet to be introduced. The goal is to increase company-wide social engagement and allow employees to devote time and skills for charitable activities.





Data and Information Security

We ensure that data is protected from accidental loss or access, destruction, or inaccessibility, whether it is data of our employees or our partners and customers.

Solaris systems are hosted in AWS (Amazon Web Services), which provides security, resilience, system availability, and downtime avoidance. Encryption during transmission is performed using Transport Layer Security certificates from trusted authorities to ensure the confidentiality of the transmitted information and data. Most stored data is also encrypted using industry-standard encryption algorithms such as Advanced Encryption Standard (AES).

Rules for the secure handling of information depending on its classification are defined.

Access to data by our employees is based on the “need-to-know” principle. For this purpose, every employee must use a recommended two-factor authentication. In this way, we ensure reliable protection against unauthorized access to our systems, servers and applications that contain important and sensitive data.

Business

When we invest, whether it is money, time, energy or other resources, we make investments that support, strengthen or enable people and nature.

When we invest, whether it is money, time, energy or other resources, we make investments that support, strengthen or enable people and nature. We are committed to helping develop solutions that promote a healthier and more balanced world.

We focus on sustainable business practices, promoting honesty and treating **compliance** as the minimum standard in our operations. We respect **human rights** and have a range of policies and procedures that set out our ethical practices throughout our business.

We have compiled the **Organization Handbook** (OHB), which gathers policies and procedures applicable to Solaris SE. It serves as an inventory of relevant business processes developed to ensure proper business operations as defined in the German Banking Act. Policies included in the Organization Handbook are reviewed and updated on an annual basis.



Code of Conduct

In 2016, we introduced our **Code of Conduct**, which defines the principles for our behavior as employees of Solaris. The Code of Conduct provides guidance on key business operations to avoid undesirable outcomes including anti-bribery and corruption, anti-money laundering, data protection, security, etc.

The Code of Conduct helps us make decisions and address situations where responsible behavior and ethical decision-making are critical.

Solaris follows a zero- tolerance principle for violations of the provisions of this code, laws, and regulations. We conduct thorough investigations into potential misconduct, and proven misconduct or violations will result in disciplinary actions under employment law.

All Solarians are required to bring the Solaris' Code of Conduct to life by demonstrating the highest level of ethical behavior at all times and report misconduct directly to the compliance function or anonymously through whistleblowing via Whispli (anonymous whistleblowing tool).

Only by fully complying with our Code of Conduct and all laws and regulations can we achieve our aspiration to be a thought leader in Banking-as-a-Service (BaaS), be respected and trusted by our partners, investors, employees, and all other involved stakeholders.





Working with External Parties

Solaris builds its relationships with suppliers based on ethical standards and commitment to integrity and transparency. To maintain our standards, we are in the process of implementing a dedicated supplier analysis procedure and extending it to the majority of our external contractors. We also aim to incorporate ESG criteria in the group's outsourcing and procurement policy in the second quarter of 2023.

We do not handle raw materials or outbound logistics to customers and no relevant risk regarding human rights matters have been identified at this stage.

We established a tech hub in Ukraine before the war took place. Since the start of the war, we have taken measures to stabilize operations on site and reduce the risk for our employees (fixed and variable) and ensure safety for any processed data.

Anti-Bribery and Corruption

A corporate Anti-Bribery and Corruption (ABC) policy has been implemented and was last updated in January 2023. This policy outlines all legal and ethical obligations for the entire organization, as well as all risk mitigation processes.

In accordance with the ABC Laws and the Code of Conduct, Solaris has a zero tolerance policy for any form of bribery or corruption, including all gifts and inducements above the certain threshold. We ensure that our employees receive annual training on these matters, and have assurance reviews, reporting lines and internal control processes in place to assess and mitigate risks.

Responsibilities

Ultimate responsibility for the prevention of bribery and corruption rests with the management of the Solaris Group. This is achieved by fostering a culture within the organization that views bribery as unacceptable and by monitoring suitable processes and safeguards to mitigate ABC risk.

The Head of Anti-Financial Crime (AFC) is responsible for overseeing implementation. The local AFC Responsible is responsible for designing a procedure that outlines the requirements, guidelines, and limitations for accepting and granting gratuities, and for approving or rejecting gifts or entertainment that requires pre-approval.

Other important policies we have implemented are the Anti-Money Laundering & Counter Terrorist Financing Policy, the Whistleblowing Policy, and a Fraud Policy.

At Solaris, the following measures have been taken to combat corruption and bribery:

- Risk-based anti-bribery training for employees at all levels, including all newly hired employees.
- Annual reviews of our anti-bribery compliance program.
- Reporting channels for employees to raise questions or concerns about our anti-bribery policy and to report suspected violations.
- Whistleblowing policy, incl. whistleblowing tool with help- and hotline.

We did not report any incidents of corruption or bribery in 2022. We had one complaint related to discrimination which was raised last year. The matter was settled after investigation and successful mediation.

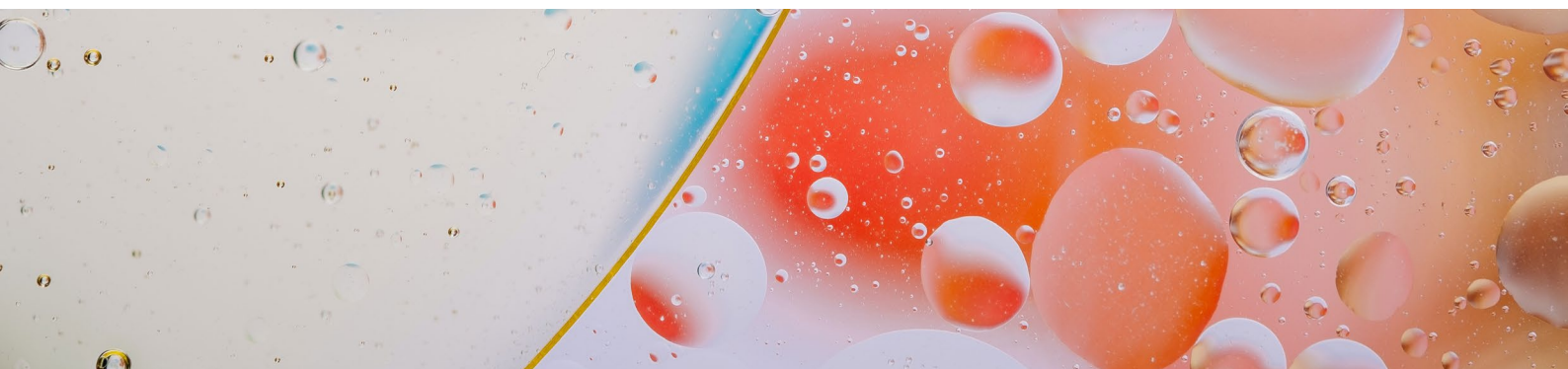
Political Influence

Solaris regularly monitors legislation and regulations relevant to us and tracks the status of projects allocated to respective departments and teams, e.g., reporting, consumer protection, data privacy, anti-money laundering, risk management and governance, FATCA, sustainability & ESG, banking and capital market laws. In general, Solaris participates in industry discussions by leveraging our memberships in various associations. We engage in direct discussions with policymakers and stakeholders only when an opportunity arises.

We talk to all democratic parties that are eligible and interested in our views on the issues relevant to us, with the exception of right-wing parties that contradict our NPB strategy and do not reflect the democratic values Solaris stands for.

We would contribute position papers and participate in responding to research requests. Currently, we participate in panels actively and give keynote speeches at industry conferences. However, Solaris has not contributed to any legislative projects or initiatives to date.

Solaris is a member of the following politically active organizations: European Fintech Association, Bitkom, Payments Association membership, Digital Euro Association, and Wirtschaftsrat.



Corporate Governance

The Management Board (MB) is responsible for ensuring the proper business organization of SolarisGroup, which includes appropriate and effective risk management as well as compliance with legal requirements and internal guidelines. The Management Board meets bi-weekly. Currently we have one female member, which makes up 16.7% of the female board representation.

From 2022 to 2023

In conclusion, the link between nature, people and business is becoming increasingly important in our operations.

Investors, stakeholders and consumers are rightly demanding that companies take a more proactive approach to sustainability and corporate responsibility, and we will respond to this demand. This report has highlighted some of the key issues that Solaris is facing today, including climate change risks, diversity and inclusion topic, and ethical business practices in the financial services industry.

If we manage NPB risks and opportunities effectively, we are likely to be more resilient to economic and social challenges. If we successfully connect nature, people and business, we are more apt to attract and retain employees, customers and investors who favor sustainable business practices. However, our NPB strategy is not just about risk management and compliance; it can also be a source of innovation and competitive advantage.

With our holistic nature-people-business-approach, we create long-term value for our investors, employees, customers and the communities in which we operate.

From 2023, we will progressively implement further decarbonization measures across the company to achieve the 2030 net zero target; continue to improve diversity, gender equality and employee satisfaction, and engage as a responsible and inclusive employer; and promote a sustainable alliance and community by increasing our treasury investments in green and social bonds, further supporting partners in sustainable or green product offerings, and managing sustainability holistically at Solaris.



Our Commitment

With the report, we would like to publish our commitments in accordance with the NPB Strategy.

Nature: Pathway to Net Zero

We aim to achieve carbon neutral by 2030. We are committed to take immediate and long-term actions to decarbonize and support the environmental transition in the local community and value chain.

People: Be a Responsible and Inclusive Employer

To fulfill and maintain the standard of being a responsible and inclusive employer, we are committed to further improving diversity, gender equality and employee satisfaction. The ratio of women representation, gender pay gap, and employee NPS will be the first set of key performance indicators of our diversity and inclusion performance that we will track on an annual basis. The targets are also included in our Group Business Strategy in 2023.

Improve Diversity, Gender Equality and Employee Satisfaction

Increase

Percentage of Women representation across all levels

Reach 30% 2024

Employee NPS

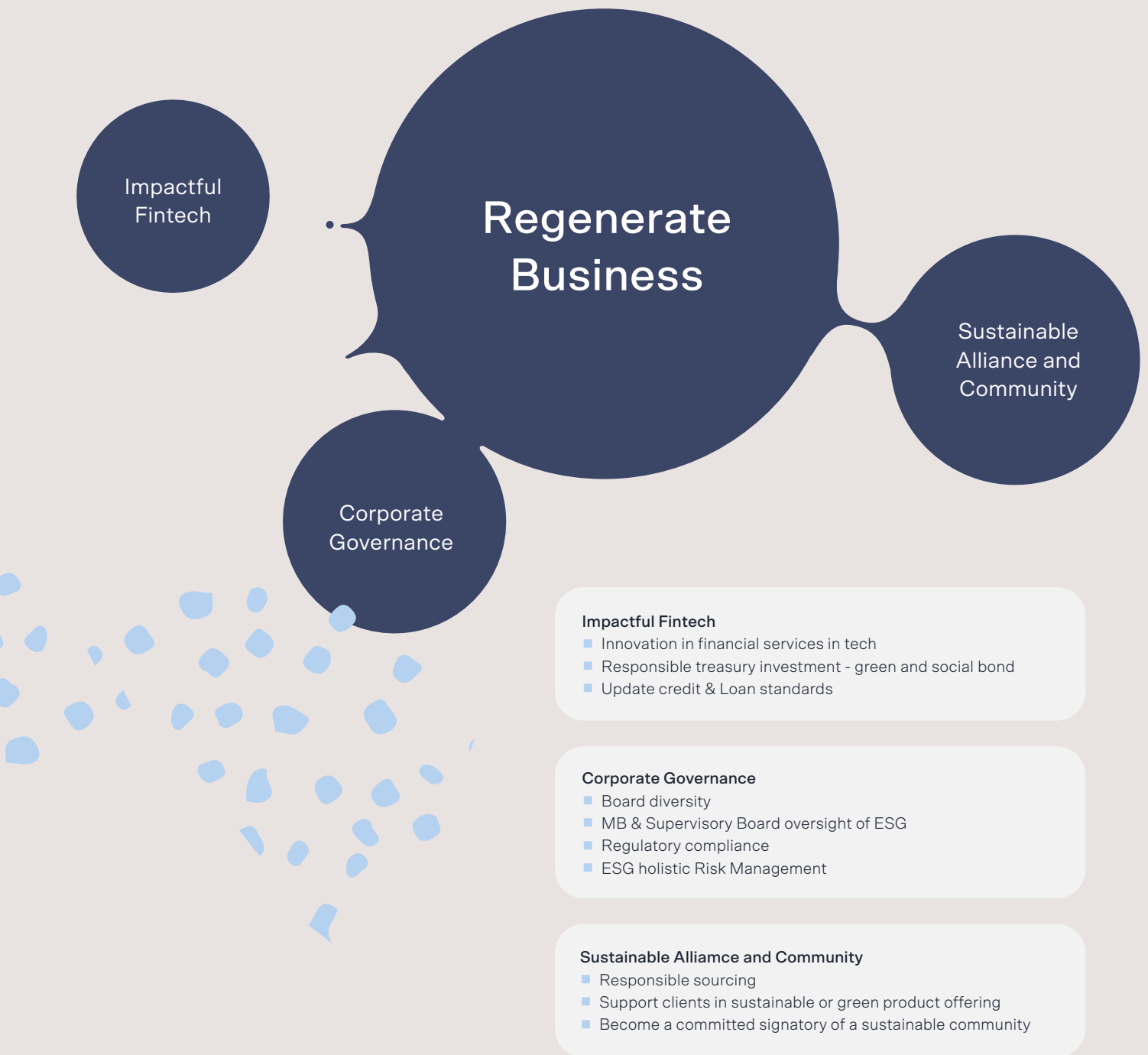
Target of 25 by 2023

Decrease

Gender pay gap

Initiate and complete the Gender Pay Gap Analysis in 2023

- + increase visibility and impact with our DEI and Futura networks
- + Increase employee engagement



Business: Foster Sustainable Alliance and Community

Internally, we would like to enhance our corporate governance around ESG topics by improving board diversity, ensuring board oversight of our ESG performance and regulatory compliance. We would also like to leverage our position in the Fintech industry and our resources to make an environmental and social impact. We want to be part of the sustainable community in engaging our partners and suppliers, and become a committed signatory of an internationally renowned organization. By placing our treasury investment in green and social bonds, and updating our credit and loan standards, hopefully we can influence the market and guide investment closer towards sustainability.

Targets in 2023 and Beyond

Pillar	Commitment	Targets and Ambitions
Nature	Pathway to Net Zero by 2030	Issue annual group carbon emission report as decarbonization baseline in 2023
		Reduce emissions: Favor train over flight for domestic and short-haul business trips in 2023 <ul style="list-style-type: none"> - 30% emissions by 2025 - 60% emissions by 2027
		Remove and offset with nature-based high-quality carbon credits: <ul style="list-style-type: none"> - Offset 100% business travels by 2025
		Carbon neutral by 2030
People	Be a responsible and inclusive employer	Minimum 30% of women representation across all levels by 2024
		Initiate and finalize gender pay gap analysis in 2023
		Reach employee NPS to 25 in 2023
		Increase external visibility and impact with our DE&I and Futura networks
Business	Foster sustainable alliance and community	Impactful investment: Treasury investment in green and social bond
		Responsible sourcing: include ESG in third-party risk assessment from 2023
		Become a committed signatory of a sustainable community or obtain an accreditation

These will be the metrics we track our on-going performance against and report on a yearly basis, with which we keep demonstrating our commitments by moving towards our targets.

Thank you.

Imprint

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