

CSR POLICY



KVÍKA

INTRODUCTION

Emphasis on long-term thinking is our core company value and our policy is to have a long-term positive impact on the community. This entails that when decisions are made, the long-term effects are always taken into account, whether they concern internal matters of the bank, our customers or the community.

This CSR policy encapsulates our shared vision for the bank's priorities when it comes to social issues, where we are headed and what our obligations and commitments are.

This policy shall be reviewed at least once every four years.

INVESTMENTS AND BUSINESS PRACTICES

Long-term thinking is important, as it takes time for solid business relationships to develop. Long-term thinking also contributes to a positive impact on society and systematically supports sustainability. We emphasise guaranteeing professionalism in all our dealings and ensuring that all decisions take into account the values of the bank.

We place great importance on working in harmony with the community by, among other things, bearing in mind the environment, social aspects and good corporate governance in the operations of the bank. The private equity funds managed by Kvika and its subsidiaries are strategic investors that emphasise systematically supporting executives by striving to improve the management and performance of companies owned by the funds. Kvika encourages the companies to demonstrate corporate social responsibility, adhere to good business practices and corporate governance, ensure diversification in their management and take environmental issues into account. We support sustainable development and aim to be leaders in the supply of sustainable investment options to our customers.

In the autumn of 2020, Kvika and its subsidiaries became signatories of the United Nations Principles for Responsible Investment (UN PRI), an independent organisation for responsible investment. By joining, we commit to complying with the six principles of UN PRI, which aim to promote sustainable long-term thinking. Kvika is also a founding member of IcelandSIF, an organisation for responsible investment, which aims at increasing investors' knowledge of the methodology of sustainable and responsible investments.

THE COMMUNITY

Future prosperity is rooted in education and we believe that it is the best long-term investment that individuals and communities can make. In our opinion, societies that are driven by ingenuity and innovation will lead the way in the near future and education will therefore be one of the cornerstones of the community and a key factor contributing to sustainability. We also believe education is a fundamental aspect of women's ongoing struggle for equal rights, in protecting children from child labour and sexual abuse, as well as in promoting human rights and democracy, and supporting the protection of the environment. This is why we have placed particular emphasis on supporting education, in part through Kvika's Incentive Fund.

We realise that focusing on areas that relate to the bank's operations - with particular emphasis on having a positive impact on the development and functionality of financial markets - will have the greatest impact on the community. We strive to find ways to better mobilise investors in Iceland by developing more diversified investment options, both for those who are already involved in the securities market as well as new investors. We also want to take an active part in the debate on financial markets. Among other things, Kvika has since 2017 been a member of Festa - Centre for Sustainability, which encourages co-operation and action in the field of CSR.

In addition to the principal priorities mentioned above, we seek to support various other issues that promote positive social development in the form of collaboration and small grants.

HUMAN RESOURCES

We want the bank to be an attractive workplace where all employees are offered equal opportunities. Our workplace is characterised by flexibility, good management, co-operation, team spirit, employee initiative, equal opportunity and a reliable, healthy and positive environment.

Kvika has adopted a policy on non-discrimination and equality, which states that in determining wages no discrimination based on gender, race, ethnicity, religion, age or other irrelevant factors can be allowed. Women and men shall receive equal pay and enjoy the same terms of employment for the same or equally valuable work. To follow up on this, Kvika has established, documented and implemented an equal pay system and aims to obtain equal pay certification by the end of 2020.

We emphasise guaranteeing professionalism in all our dealings and ensuring that all decisions take into account the bank's value of long-term thinking.

THE ENVIRONMENT

We focus on minimising any negative impact that the bank's operations may have on the environment, among other things, by reducing emissions of greenhouse gases as much as possible, in part by utilising various measures to conserve energy in the bank's establishments, reduce unnecessary printing and promote recycling. We also encourage employees to use eco-friendly modes of transport and take advantage of teleconferencing equipment wherever possible, to reduce travelling for meetings. We also carbon offset our employees' air travel.

In the autumn of 2020, Kvika implemented a digital software for environmental management. The software enables us to monitor the overall environmental impact of our operations and to prepare and publish reliable environmental accounts as part of our targeted efforts to promote sustainability.