

Sustainability at Klarna.

January - June 2021

At Klarna, our purpose is not solely defined by creating economic growth but also by what impact we have on people and the planet. By developing a comprehensive sustainability strategy with clear and ambitious commitments, we aim to create change towards sustainable development and building a better future for everyone.

Our sustainability efforts are guided by environmental and social action in three main focus areas:



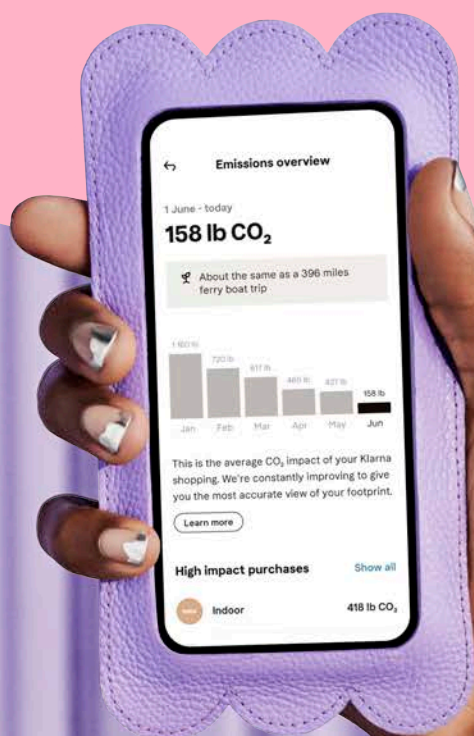
Planet Health



Financial Wellness



Diversity & Inclusion



Klarna.

Planet Health

We are committed to address the environmental challenges the world is facing with particular urgency, by setting ambitious carbon emission targets and supporting initiatives that mitigate climate change and the loss of biodiversity.

In April 2021, we pledged 1% of future funding rounds to planet health action initiatives, specifically towards conservation, mitigation, and restoration efforts for climate and biodiversity. We have also implemented an internal carbon tax that is channeled into effective climate projects.

GHG emissions

We follow the GHG Protocol's guidelines - the leading global reporting standard for carbon calculation and corporate emissions - when calculating our Scope 1-3 emissions. Hence, in addition to our commuting and travel emissions, we include the carbon footprint coming from our supply chain in our Scope 3 reporting.

Scope GHG emissions Jan - Dec 2020

GHG Scope in tCO₂e:

- Scope 3: 86,972 tCO₂e
- Scope 2: 761 tCO₂e
- Scope 1: 396 tCO₂e

Reducing our footprint

We address our own carbon footprint through an ambitious new approach, by making annual financial contributions to high-impact climate projects, including carbon removal, blue carbon initiatives, reforestation and forest protection, and high-impact emission reduction projects. The annual sum will be established through an internal carbon tax set at \$100/tonne for all Scope 1, 2 and travel emissions (remaining Scope 3 emissions set at \$10/tonne).

In addition, we will reduce our emissions by working with our suppliers to encourage them to measure and reduce their own emissions, establish a zero-carbon cloud infrastructure, increase our clean power purchasing efforts, and reduce business travel and commuting.

Give One

The Give One initiative is the starting point of Klarna's contributions to our planet's health. On Earth Day in April 2021, we pledged 1% of future funding rounds to planet health action initiatives. Consumers have also donated SEK 500k at checkout in the Klarna app since launch. A curated committee of experts will facilitate the process of selecting impactful global solutions that will be funded.

In addition, we have launched CO₂ insights for all shopping purchases our 90 million consumers make through Klarna, powered by Doconomy's Åland Index. Consumers can then donate to a Carbon Transformation Fund to take action on those emissions.

88,129

tCO₂e. Total GHG emissions in 2020.

\$100/t

For all Scope 1, 2 and travel emissions.

\$10/t

For all remaining Scope 3 emissions.

\$16m

Pledged by Klarna so far, including a donation from A\$AP Rocky as part of his investment in Klarna.

500k

Donated by customers at checkout in Klarna app since launch.

Financial Wellness

From finance overviews to in-app budgeting tools, Klarna gives consumers the power to manage their spending and take control of their money. Our products offer flexibility with a choice of ways to pay, including delaying payments or spreading the cost with no fees or interest. Making sure consumers can comfortably repay is our top priority so we run eligibility assessments on every single transaction and restrict access if payments are missed.

We offer financial well-being information across our markets, including a responsible spending hub, Financial 101s, and dedicated help for those who need it. We also work closely with our retailers to ensure they communicate our products responsibly using our guidelines and we regularly monitor for compliance.

Empowering consumers to manage their finances responsibly

The **Never Forget Test** is an in-app reminder launched in Sweden and Austria to help consumers who forget to pay for the first time avoid reminder fees.

Our new **WikiPink** site in Sweden reveals Klarna's own consumer debt data and challenges the wider credit industry to provide greater transparency for consumers.

KlarnaSense is an initiative specifically targeted at supporting responsible spending in the UK. In early 2021, we launched an Influencer Council, the first of its kind, to provide greater clarity on guidelines as more consumers turn to social media for financial guidance. These guidelines go far beyond legal requirements to ensure fair and transparent information for consumers. We'll continue to develop them in line with the evolution of social channels.



Diversity & Inclusion

Klarna's mission is to foster an inclusive and empowering work environment, where everyone has an equal opportunity to develop and reach their full potential and is encouraged to be the best and truest version of themselves. We are committed to a workplace where everyone is treated with dignity and respect, regardless of their background, and where diverse perspectives are welcomed.

Our goal is to eliminate prejudice and discrimination at Klarna and in society at large. To raise awareness, we continuously develop and review guidelines, such as our Inclusive Communication Guide that governs all internal and external communications, including marketing, and provide employee training on unconscious bias.

Gender balanced by 2025

We strive for gender equality by accelerating women's careers. On International Women's Day we announced our target of reaching gender balance by 2025 through a series of events highlighting women's contributions to the company and the actions we have taken on gender equality at Klarna.

But we know we still have a lot more to do. Women are underrepresented in STEM professions at Klarna, reflecting the wider industry imbalance. We are testing new ways of sourcing diverse talent, ensuring equal promotions and equal pay and working on removing any friction from our hiring process. We also support women in engineering at all levels, through engaging the next generation of women in considering engineering as a career through to our internal employee resource groups, who support female engineers' personal and professional development at Klarna.



36%

Employee growth compared to H1 2020, driven by global growth during first half of 2021.

39%

Of Klarna employees are women, up by 3% from 2019.

31%

Of Klarna's management positions are held by women.

Klarna.