



Sustainability Report 2024

Preliminary Remarks.



As part of our ongoing commitment to sustainability and social responsibility, we are pleased to publish our voluntary sustainability report for the period from January 1, 2024 to December 31, 2024. In this report, we show how we promote and integrate environmental and social sustainability in our business activities.

We are aware of the responsibility we bear as a company towards society and the environment. We have therefore taken initiatives in recent years to reduce our environmental footprint, ensure fair working conditions and make a

positive contribution to society. In addition, this report contains a retrospective presentation of our greenhouse gas emissions, the annual donations made in previous years, as well as an overview of our progress, existing challenges and planned goals in the area of sustainability.

The sustainability report is reviewed and updated at least once a year or as required. The employees of the ESG team are responsible for this. Overall responsibility for this report lies with the Bank's Management Board.



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About Varengold Bank.

Varengold Bank AG is a German credit institution founded in Hamburg in 1995, with an additional location in Sofia.

The Bank's "Corporate Clients/ Fintech (Marketplace Banking)" division provides financing solutions to young, digital companies, enabling them to refinance corporate and consumer financing, as well as leasing and factoring receivables. The "Corporate Clients/ Energy Transition" division focuses on financing renewable energy projects.

Varengold Bank AG is registered with the Federal Financial Supervisory Authority (BaFin) under number 109 520 and is affiliated with the German Banks' Compensation Scheme (EdB). Varengold shares (ISIN: DE000A40ZUV2) are listed on the open market of the Frankfurt Stock Exchange.

In August 2024, Dirk Auerbach was elected chairman of the supervisory board of Varengold Bank. Following his election, the Board of Directors and Supervisory Board began adjusting the Bank's business model in September 2024.

In March 2025, the realignment continued with a reorganization of the Board of Directors. Previous board members, Dr. Bernhard Fuhrmann and Frank Otten, resigned in agreement with the supervisory board. Matthias Wargers was appointed as Spokesman of the Board of Directors, and Hendrik Harms joined as a member of the Board to help implement the adjustments to the Bank's business model.

Core Business Areas

In 2024, the Varengold Bank's core business areas were Marketplace Banking (now Corporate Clients/Fintech) and Commercial Banking.

As part of the strategic realignment, the provision of credit lines became the main focus of the Bank. In addition to marketplace lending in the established Corporate Clients/Fintech business area, the financing of sustainable energy supply projects in the Corporate Clients/Energy Transition area was reinforced. The Bank's deposit offering remains a central component of Varengold's product portfolio. In this area, the Bank offers German private customers overnight and fixed-term deposit accounts with terms of up to ten years.

The business focus will be further specified in the coming months as part of the transformation.

Corporate Clients / Fintech

In response to the 2008 financial crisis, online credit marketplaces specializing in the financing of companies and consumers emerged worldwide. These platforms or marketplaces, often referred to as fintechs, use modern technologies to make financial services more efficient, transparent and accessible. They offer their customers much faster and more convenient lending than traditional banks and also provide access to capital for target groups that are often overlooked in the traditional banking system.

These marketplaces need reliable refinancing partners to enable them to lend. As part of its core business area Corporate Clients / Fintech, Varengold Bank meets precisely this need. It thus helps its customers, who generally deal with receivables finance, real estate finance, trade finance, consumer finance or SME finance, to initially realize and later scale their business models.

Varengold Bank's service portfolio in this segment includes

- **Lending (structured finance):**
Provision of credit lines and financing structures to refinance loan and receivable portfolios.
- **Debt and Equity Capital Markets:**
Support in raising capital via debt and equity instruments..

The strategic realignment announced in September 2024 reaffirmed the focus on the lending business with fintechs. The aim is to support young and growth-oriented platforms in Europe in scaling their business models.

Corporate Clients / Energy Transition

With the Corporate Clients/Energy Transition division, Varengold Bank is pursuing the goal of expanding its loan portfolio and acquiring new customers. Fast and efficient project implementation is crucial in order to enable sustainable energy financing for innovative SMEs in relevant markets. These include, for example, projects in the areas of battery storage (BESS) and electricity infrastructure.

Branch Office in Sofia, Bulgaria

The Sofia branch operates as a business unit of Varengold Bank and is specifically focused on business development in Bulgaria and the CEE region (Central and Eastern Europe). The branch assists the activities of the Bank's head office by providing administrative and operational support. In addition, the branch supports the existing business in Sofia and generates new business for the Bank.

Commercial Banking

In Commercial Banking, Varengold Bank supported corporate customers worldwide in their global trading and investment activities. Due to the special audit in accordance with Section 44 KWG and the resulting restrictions on payment transactions, restructuring measures were introduced in the Commercial Banking division. In order to sharpen the profile and adapt to changing conditions, it was also decided to discontinue payment transactions for the processing of humanitarian imports.

Business Strategy

At the time of reporting, Varengold Bank is increasingly concentrating on the realignment of its business model in addition to stabilization and strategic focusing with the help of external expertise. 2025 is a year of transformation and the focus is particularly on clarifying and eliminating existing problem areas as well as the consistent implementation of digitalization and sustainability initiatives.

Sustainability for Varengold Bank.

Varengold Bank is convinced that genuine sustainability is essential for ensuring both a stable long-term business foundation and a livable future for the people connected to and valued by the Bank.

Since 2019, a group of employees from Hamburg and Bulgaria, across various departments, has been constantly addressing the topic of sustainability in order to look at it from as many different perspectives as possible. Ideas are being developed on how the Bank's commitment to this area can be developed in the coming years. We want to establish a corporate value for sustainability at all employee levels in the long term. On this long journey, Varengold Bank is focusing primarily on environmental and social issues. It is guided by the conviction that there is no one decisive measure, but rather a holistic rethink is necessary.

The overarching goals for this are set annually by the members of the Bank's Board of Directors in cooperation with the ESG function. This is why the ESG strategy was introduced in October 2024, in which the Bank's sustainability goals were specified. Our ESG exclusion criteria are a key component of our ESG strategy. They reflect our efforts to integrate environmental, social and governance (ESG) aspects into all our business activities and to ensure that we only work with partners who meet our ESG standards. In addition, a management tool for the digitalization of sustainability processes was introduced at the beginning of 2024 to monitor the Bank's sustainability management and assess progress towards our sustainability goals.

The New Work philosophy has been an integral part of our corporate culture since 2021. It goes beyond flexible working models and pursues the goal of better aligning working conditions and processes with the needs of employees while at the same time meeting the requirements of our business activities and social responsibility.

New Work at Varengold Bank is based on six pillars:

- **Culture:** a value-oriented corporate culture
- **Work Environment:** a collaborative working environment
- **Leadership:** responsible leadership
- **Digital Transformation:** transformation and digitalization of our business processes
- **Empowerment:** personal responsibility, self-determination and autonomy
- **Corporate Social Responsibility (CSR):** our responsibility to society and the environment

CSR is not just a strategic field of action but is firmly anchored in our corporate culture and is reflected both in our daily actions and in structural decisions.



Environment.

Environmental protection and climate mitigation have a key role in all sustainability strategies. It is Varengold Bank's goal to further reduce its carbon footprint.

With the introduction of the ESG strategy, the environmental goals from the last sustainability report were further specified:

Targets until 2023

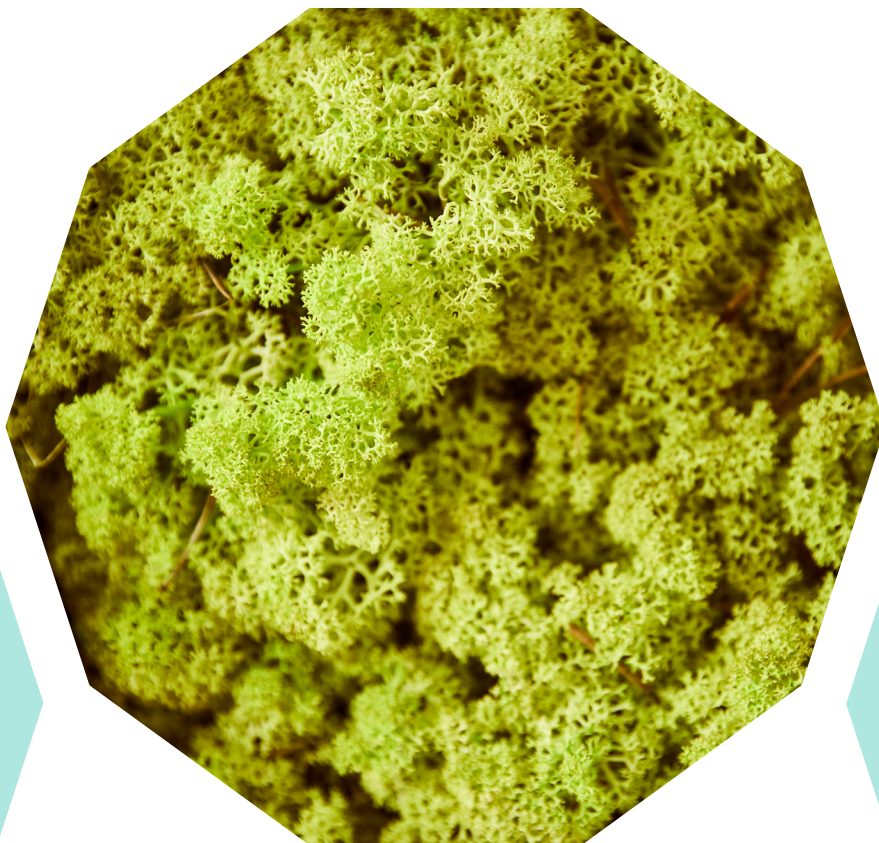
Reduce the environmental impact of business operations by acting responsibly.

Positively influence investments in terms of climate protection through the Bank's lending.

Targets from 2024

Reduce greenhouse gas emissions in Scopes 1 and 2 according to the Greenhouse Gas Protocol (GHG Protocol)¹ by 42% by 2030 compared to the base year 2022

Identify investments that pose significant risks to the Bank's business operation or to the Bank itself, as well as those that have a significant impact on the environment and society



¹ The Greenhouse Gas Protocol (hereinafter GHG Protocol) is a globally recognized series of standards for accounting and reporting greenhouse gas emissions. <https://ghgprotocol.org>

Climate Management in Operations

The annual greenhouse gas (GHG) inventory is prepared using the online tool ecocockpit². For the base year 2022, the inventory was prepared in cooperation with the “Bundesverband mittelständische Wirtschaft”, BVMW (German Association for Small and Medium-sized Businesses) and the Fraunhofer Institute for the project “Bundesweites Klimaschutzmanagement für die Wirtschaft - KliMaWirtschaft” (Nationwide Climate Protection Management for the Economy).

The ecocockpit is based on the accounting standards of the GHG Protocol, which is a globally valid documentation instrument for recording greenhouse gases.

According to the GHG Protocol, emissions are divided into 3 scopes.

- **Scope 1** refers to the emissions that would be generated directly by the Bank.
- **Scope 2** refers to indirect emissions from purchased energy, such as electricity and district heating.
- **Scope 3** includes all other emissions in the upstream and downstream processes along the value chain.

Varengold Bank does not have any stationary or mobile facilities and therefore does not generate any direct emissions. For this reason, no emissions are recorded in Scope 1.

To calculate the Hamburg office's Scope 2 emissions, electricity and heat consumption is generally determined on the basis of the respective utility bill. As this data was not yet available for 2024 at the time the report was prepared, the electricity consumption was taken from the annual bill and the heat

consumption of the 1241 m² office space in Grosse Elbstrasse was estimated on the basis of the dena study “Fokusthemen Büro- und Verwaltungsgebäude”³. The building underwent a comprehensive refurbishment in 2001 and a partial modernization in 2019. Therefore, it was considered reasonable to use the typical consumption value of modernized office buildings from the 1995-2002 construction age class for the estimate. According to the study, the median value for this category is 95 kWh/m². When multiplied by the area in use, this results in an estimated annual heat consumption of 117,895 kWh per year, rounded up to 118,000 kWh for reporting purposes. The actual values will be considered in the next GHG inventory once the utility bills have been submitted. The data concerning the Scope 2 emissions for the Sofia office was collected by the Office Management. The data is calculated using both approaches: location-based and market-based. These approaches are used to map different electricity origin models in Scope 2.

In 2024, a concept for the systematic recording of relevant Scope 3 emissions was developed. This is being continuously refined in cooperation with Office Management. The following emission categories are currently recorded

- Purchased goods for employee consumption at both locations (such as printing paper, drinking water and fruit)
- Waste at both locations
- Business trips
- Employee commuting and average electricity consumption of the entire workforce in the home office

The emissions from employees commuting to the office are based on a mobility survey conducted in 2024. Around 40% of the workforce – both at the Hamburg site and in Sofia – participated in the survey. Among other aspects, the

2 The ecocockpit is a web-based program, developed on behalf of Effizienz Agentur NRW, for creating a greenhouse gas inventory for companies. The recognized free databases for CO₂equivalents GEMIS and ProBas provide the data basis. <https://ecocockpit.de/>

3 dena, Deutsche Energie-Agentur is the German Energy Agency. The study “Focus topics office and administrative buildings - analysis of non-residential building types” from 2023 can be accessed here: <https://www.dena.de/en/info-center/office-and-administration-buildings-focal-topics/> (accessed June 2025)

survey covered commuting patterns, the means of transport used, and the number of days employees spent in the office per week.

For the 2024 reporting year, the company's water consumption was estimated on the basis of the regional average of 106 liters per person per day for Hamburg⁴. For a realistic representation of everyday office life, this value was halved and a consumption of 53 liters per person and day of attendance was assumed. The average

office presence of 50 % was determined on the basis of the mobility survey. For 81 full-time and 18 part-time employees at the Hamburg site and 220 working days, this results in an estimated annual drinking water consumption of around 575 m³. Wastewater consumption was estimated at the same level. The actual consumption data from the water and wastewater bills will be taken into account after submission and updated accordingly in the next GHG inventory.

Overview of Greenhouse Gas Emissions

	GHG Emissions (location-based) in t CO ₂ e			GHG Emissions (market-based) in t CO ₂ e	
	2024	2023	2022*	2024	2023
Scope 1 emissions	0	0	0	0	0
Scope 2 emissions	92,5	85,5	48,8	77,6	72,5
Electricity	37,5	32,8	37,4	22,6	19,8
District heating	55,0	52,7	11,4	55,0	52,7
Scope 3 emissions	100,9	97,3	114,0	100,9	97,3
Purchased goods and services	3,3	3,4	3,3	3,3	3,4
Waste generated in operations	2,6	2,6	3,3	2,6	2,6
Business trips	29,5	32,0	19,6	29,5	32,0
Travel by employees	65,5	59,3	87,8	65,5	59,3
Total emissions	193,4	182,8	162,8	178,5	169,8
With 5% safety margin	203,1	191,9	-	187,4	178,3

*In 2022, Scope 2 emissions were determined using only a location-based approach. A market-based approach and a safety margin were not considered. This decision was made due to limited data availability and was based on the principle of proportionality.

4 Bundesverband der Energie- und Wasserwirtschaft e.V.: Drinking water consumption per inhabitant. <https://www.bdew.de/wasser-abwasser/karten-der-wasserwirtschaft/deutschland/#Trinkwassergebrauch> (accessed June 2025)

According to our calculations, the Bank emitted a total of 193.4 tons of CO₂ equivalents (CO₂e) in 2024⁵, which is around 30 tons more than in the base year 2022 (162.8 tons of CO₂). The increase is due to several factors which are explained below:

- 92,492 kg of CO₂ was attributable to electricity and heat consumption in the reporting year, a significant increase compared to the base year 2022 (48,797.35 kg of CO₂). The main reason for this is the methodical estimation of heat consumption at the Hamburg location, in which an average consumption for the office building was assumed due to a lack of billing data. The resulting difference is around 40 tons of CO₂. A correction will be made as soon as the utility bill with the actual consumption data is available.
- 65,519.62 kg CO₂ resulted from employees commuting to work (2022: 87,838.83 kg CO₂). The observed reduction of around 25 % compared to the base year is only methodologically reliable to a limited extent because the participation rate in the mobility survey fell from 60 % to 40 %. Such a change in the sample size can significantly influence the results. The reduction could be explained by the home office rate of 50% and a decrease in the number of employees. However, it should be interpreted with caution due to the limited database. A methodical adjustment is made by applying a safety margin of 5% to the total emissions.
- 29,514.69 kg CO₂ were caused by business trips with external means of transport (2022: 19,640.12 kg CO₂). The increase in emissions reflects a return to normalized travel behavior after fewer business trips had taken place in previous years due to the pandemic.

In order to obtain a comprehensive picture of greenhouse gas emissions and identify targeted reduction potential, a materiality analysis was carried out. As part of this analysis, an initial qualitative assessment of GHG emissions was carried out at our headquarters in Hamburg and at the branch in

Sofia. This was based on internal emissions data from previous years.

The direct emissions (Scope 1) and indirect emissions from purchased energy (Scope 2) as well as selected Scope 3 emissions, particularly from business travel, were classified as fundamentally influenceable. Their scope was currently assessed as low to moderate. Financed emissions were identified as a potentially significant area of emissions. As no reliable data is available to date, a gradual recording is planned. Varengold Bank intends to calculate and disclose these emissions in accordance with the methods of the Partnership for Carbon Accounting Financials (PCAF)⁶.

- In 2024, the main emissions of Varengold Bank are attributable to business travel. An area that could not be completely avoided due to international business activities. Targeted measures such as the preference for rail over air travel and the increased use of digital communication formats are aimed at reducing these emissions.
- In the reporting year, the Bank leased a company car that was used by an employee in Hamburg. As part of the Clean Advantage® program, the fuel consumption for our fuel card was estimated and invested in climate protection projects on our behalf. This offset up to 5,428.35 kg of CO₂ in 2024. The Bank also uses DHL's GoGreen Plus service for international express shipments by air and was able to save a further 4.65 kg of CO₂ by using sustainable aviation fuel. Due to the low emission volumes and the small fleet, this data is considered insignificant and is not included in the Bank's GHG footprint.
- At the Sofia site, electricity consumption is the most relevant source of emissions. A switch to green electricity has been initiated and is currently being coordinated with the landlord.
- The introduction of the Germany ticket, the company bike subsidy and the option to work from home enable employees to reduce their

5 CO₂e stands for CO₂equivalents and describes the quantity of all greenhouse gases, expressed in terms of the climate impact of CO₂. To improve readability, the term CO₂ is used as a proxy in the following.

6 PCAF (the Partnership for Carbon Accounting Financials) is a financial industry initiative that has established itself as the gold standard for measuring greenhouse gas emissions from financing and investments. <https://carbonaccountingfinancials.com>

carbon footprint. A mobility survey was conducted to record emissions from commuting to work, which was extended to employees at the Sofia site for the first time in 2024. In order to increase the significance of the results, we plan to increase the participation rate through targeted awareness-raising measures within the Bank.

These measures are part of our ongoing commitment to sustainability and environmental protection. Our aim is to consistently promote environmentally friendly alternatives and avoid or reduce emissions as far as possible - before offsetting any remaining emissions with suitable compensation measures. We aim to further develop our GHG management and use our opportunities to exert influence responsibly within the scope of our business activities.

Climate Protection Contribution

Since 2019, Varengold Bank has been supporting climate protection projects that contribute to the reduction of greenhouse gas emissions. In this way, we specifically offset the amount of our remaining, unavoidable emissions. The projects are selected in cooperation with recognized providers and meet strict requirements in terms of impact, transparency and verification.

For the base year 2022, Varengold Bank calculated its greenhouse gas emissions independently for the first time in accordance with the Greenhouse Gas Protocol. The 163 tons of CO₂ equivalents (CO₂e) calculated were offset by financial support for the “Efficient cookstoves in Zambia” project (www.climatepartner.com/1436). The project is certified according to the Gold Standard and is verified by ClimatePartner.⁷ The improved cooking stoves reduce fuel consumption, which saves CO₂ emissions and improves the air quality in the rooms.

Varengold Bank is consistently pursuing this approach. A preliminary emission volume of 203 tons of CO₂ was determined for the 2024 reporting year. These emissions will also be offset by supporting a recognized climate protection project. As this is a preliminary GHG inventory and the utility bills for the Hamburg site are still outstanding, more precise consumption data will be submitted at a later date. Any additional emissions will be subsequently included in the inventory and also offset.

The offset for 2024 will be made via a financial contribution to the climate protection project “Coal phase-out with biomass in Colombia” (www.climatepartner.com/1070) managed by ClimatePartner. The project is certified in accordance with the Gold Standard (GS ID 1074). Biomass includes organic residues such as branches, leaves, sawdust, wood chips and coconut shells. These materials are used to generate renewable energy instead of fossil fuels, for example by burning them in ovens. This reduces direct CO₂ emissions and minimizes the release of harmful smoke components. In addition, biomass carbon offset projects generally prevent the release of methane (CH₄), which is produced during open decomposition.

The project also supports several Sustainable Development Goals (SDGs) of the United Nations, including SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth) and SDG 13 (Climate Action).



ClimatePartner

⁷ Further information on Varengold Bank's climate protection contributions is available in ClimatePartner ClimateID Tracking: <https://fpm.climatepartner.com/tracking/26006-2401-1001/en>

Addendum for the Year 2023

In the last Sustainability Report, the GHG emissions were reported for 2022, as the necessary ancillary cost statements for the GHG accounting for 2023 were not yet available at that time. This data is also not fully available at the time of the current report. In order to nevertheless close the existing information gap and enable the most complete emissions inventory possible, electricity consumption was taken from the annual statement. For heat and water consumption, an estimate was made on the basis of typical consumption values, as described above.

The climate protection contribution for the 192 tons of CO₂ in 2023 went to the “Clean drinking water at schools in Africa” project (product ID 01-01-03-10292), which is managed by First Climate AG. The project is certified according to the Gold Standard (GS ID 11189) and is designed as a “Program of Activities” (PoA) consisting of several micro-projects. The aim of the program is to improve the supply of drinking water to schools in Africa and at the same time reduce emissions by replacing fossil fuels.

The project also supports several SDGs, including SDG 1 (No Poverty), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 8 (Decent Work and Economic Growth) and SDG 13 (Climate Action).



UmweltPartnerschaft Hamburg

Since the beginning of 2018, we have been a member of the UmweltPartnerschaft Hamburg (Hamburg Environmental Partnership), which was established by the Hamburg Senate

in 2003. Varengold Bank's membership was renewed for a further five years at the beginning of 2022, and in 2024 we expanded our active participation with further climate measures. The Hamburg Environmental Partnership creates a link between ecology and economy. The network currently comprises around 1,600 companies of various sectors and sizes. Companies that decide to become members, known as Umwelt-Partners, voluntarily contribute to environmental and climate protection in Hamburg. Members also benefit from information services and special network events.

The voluntary environmental and climate protection measures that Varengold Bank has implemented include

Company Mobility⁸

- Monthly partial subsidy for the HVV job ticket, corresponding to the Deutschlandticket
- Contribution to the cost of travel tickets for our Bulgarian branch
- Partnership with “mein-dienstrad.de” for leasing a company bicycle
- Barrier-free bicycle storage and a bicycle repair station with tools
- Changing facilities and lockers for clothing and bicycle accessories
- Certification as a bicycle-friendly employer with the silver seal for 2023 to 2026

Sustainable Purchase / Environmentally Conscious Office

- Reusable containers for lunch to-go have been available to our employees since 2019. Insulated containers for soup, Tupperware containers, cups. These are reordered as required, and in 2024 the range was expanded to include reusable lunch boxes.
- To reduce plastic waste, water dispensers are available both in the Hamburg office and in Sofia.
- The office supplies for our Hamburg office are mainly sourced regionally. Our office furniture supplier records its greenhouse gas

8 More detailed explanations of the following measures can be found in the section on mobility in chapter “Employees”.

emissions, reduces them continuously and offsets any that cannot be avoided through climate protection projects.

- In 2024, we introduced an internal purchasing policy that sets out the Bank's commitment to environmental and social responsibility.
- We also use recycled products in many other areas - for example, for various office materials, cleaning agents, bin liners, kitchen and toilet paper.
- We also ensure that the food provided free of charge in the offices in Hamburg and Sofia is mainly sourced from regional producers and is of organic quality.

Resource Efficiency

- In the course of digitalization, the consumption of printer and copier paper in the Hamburg office has been significantly reduced. Consumption fell from 150,000 units in 2019 to 18,000 units in 2024, which corresponds to an overall reduction of 88%. The company continues to use 100% recycled paper.
- The introduction of digital contract and signature processes in 2020 to provide contracts digitally and have them counter-signed by electronic signature has so far resulted in savings of the following magnitude

Status 09.12.2024

Less CO2 emissions	12,748 kg
Water saved	133,461 L
Wood saved	5,431 kg
Less waste	882 kg

These savings correspond to a total of two cars, 25 washing machine cycles, 35 trees and 104,163 pages of paper.

- We have significantly reduced the number of printers since 2021. The existing network printers are shared by employees to reduce energy and paper consumption. Only the essentials are printed out to conserve resources. Two multifunctional devices are

available in the Hamburg office, while the office in Sofia has a multifunctional device, a copier and a scanner.

- We also attach great importance to waste separation and sustainable building cleaning. In this way, we contribute to the responsible use and disposal of resources.

Energy efficiency

- We implemented energy efficiency measures in our offices in Hamburg back in 2022. These included installing lighting systems with motion detectors (PST) and equipping radiators with electronic thermostats. Since then, our ESG team has regularly provided information on the intranet about energy-saving measures and the responsible use of energy consumption in order to promote awareness of energy savings.
- Only energy-saving light sources are used in both the Hamburg and Sofia offices.

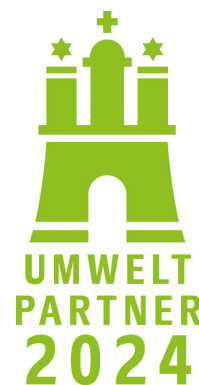
Energy Consumption

- Out of conviction, Varengold Bank has been using only green electricity for years. Since 2024, we have switched the electricity provider for our Hamburg office to E.ON Energie Deutschland with the E.ON UnternehmerStrom 24 Öko tariff. With this tariff, we contribute to climate mitigation by obtaining energy from 100% renewable sources. The electricity is thus generated from renewable energy sources from plants in Europe in the amount of our consumption and fed into the power grid.
- In 2024, the Sofia branch purchased a mix of electricity, of which around 10% came from renewable energy sources. Alternatives for switching to 100% green electricity are being examined for the coming years.
- The Bank uses various data centers, which have a significant indirect impact on the Bank's energy consumption. The majority of these data centers are already powered by green electricity. This proportion is to be increased to 100% by 2025. In addition, a

proportion of greenhouse gas emissions are offset through the use of emission certificates (verified emission reductions, VERs).

Further Environmental Measures

- In March 2024, Varengold Bank took part in the “Hamburg Cleans Up” campaign for the third time in a row. Thirteen dedicated employees were part of Germany’s largest city cleaning campaign, which mobilized over 100,000 participants and collected 132 tons of waste.
- In previous years, we have donated our collected bottle caps to the Hamburg-based organization “eco-projects.global”. This organization collects and recycles ferrous lids, such as crown caps, and invests a large part of the proceeds from recycling in selected sustainability projects. For example, last year we contributed around 16 kg of collected crown caps (261 eco cents) to a “raised bed sponsorship” of the WAS TUN! Foundation. The collection point was closed in January 2024. eco-projects.global announced on its website that from February 2024, all eco Cents would go to donation points that also have their own project. We have therefore donated our 6.8 kg of crown caps to Hanseatic Help for 2024. Hanseatic Help thus promotes its own sustainable projects.
- To promote environmentally friendly disposal, we have set up special collection boxes for small electrical appliances and batteries in our offices. This gives employees the opportunity to dispose of recyclable materials from their private lives in an environmentally friendly manner.
- Our support for a reforestation project by Treemer GmbH in Pegnitz/Bavaria from 2022 has been temporarily suspended for 2023 and 2024. This environmental measure will be re-evaluated in order to find a suitable initiative in the future that can make an even more targeted contribution to CO2 compensation and the promotion of biodiversity.
- At our branch in Sofia, we have a special container for collecting plastic caps and regularly donate them to the “Caps For the Future” campaign. This initiative was launched in 2017 with the aim of collecting different types of plastic caps, handing them over to recycling companies and donating the money collected to the purchase of incubators and ambulances.
- The team from our Bulgarian branch took part in the “Sofia Spring Clean” in April 2023 - an initiative by the city of Sofia. Due to the low number of employees in Sofia, it was not possible to take part in the campaign in 2024, but alternatives are being sought for the coming year.
- Our previous “Motto of the Month” campaign was no longer run in this form in 2024. Instead, we are now focusing on recurring campaigns that have become a firm tradition as part of our corporate social responsibility (CSR): “Vegetanuary”, “Hamburg Cleans Up”, the “Hafencity Run”, “Crown Cork Collection” for Hanseatic Help, as well as our Easter and Christmas campaigns. In addition, the “Martenitsa” campaign organized by Karin Dom and the collection of plastic caps for “Caps for the Future” in our Bulgarian branch.



Social.

When it comes to social responsibility, Varengold Bank looks both internally and externally. Responsible and value-based action goes hand in hand with the philosophy, culture and mission statement of the company. For this to work effectively in practice, it is above all the people who make the difference.



Employees

The employees of Varengold Bank, with their commitment, skills and experience, form the most important basis for the success of the business. Accordingly, we take decisive action against any form of discrimination. We do not judge or assess employees according to origin, skin color, gender or religion. Dignity, rights and privacy are non-negotiable. Varengold Bank and its employees strive to understand and consider the perspectives and concerns of others.

Achieving Varengold Bank's business objectives requires attracting the best employees for their respective tasks and retaining them for the long term. They should be offered the best possible framework conditions in a constantly changing working and banking market environment.

Varengold Bank has proven to be a reliable employer in recent years, even in challenging times.

- Average length of service
 - In 2022: 3.68 years
 - In 2023: 3.39 years
 - In 2024: 4.86 years
- Staff turnover rate
 - In 2022: 15%
 - In 2023: 21%
 - In 2024: 21%

The increased fluctuation rate in 2023 and 2024 can be attributed to the increased number of resignations by employees as a result of the job cuts for operational reasons in 2023.

Diversity

People from a wide range of cultures and countries of origin work together at our company. This diversity is one of our greatest strengths, as it enables us to learn from a variety of perspectives and develop innovative solutions. We value and promote a working atmosphere in which everyone feels welcome and respected, regardless of cultural background or individual differences. We are convinced that balanced diversity creates positive added value for the company. The proportion of female employees was 40%

in both 2023 and 2024. The proportion of female employees in management positions in relation to the total number of employees in management positions was 15% in 2023 and 16% in 2024. As in previous years, the Bank's third gender ratio is 0%.

Training and development

Average expenditure on training per employee:

- In 2022: EUR 862
- In 2023: EUR 913
- In 2024: EUR 1,108

Numerous measures have already been implemented in recent years. For example, employee and target agreement meetings are held with all employees at least once a year. In addition to business targets, individual personal development targets are also agreed as part of the target agreement meetings. These also include training and development requirements and are agreed between employees and the respective manager. The development measures help employees to perform their work to a higher standard and/or gain more extensive knowledge of their field of activity and develop professionally. In addition to English courses, the Bank offers employees free access to a digital learning platform with over 100 online training courses. This gives employees the opportunity to continuously develop their skills through self-study.

We also focus on the training of junior staff. In this context, we offer apprenticeships for IT specialists in application development and for office management clerks. In addition, Varengold Bank offers a dual study program in applied computer science at Nordakademie in Elmshorn near Hamburg. External leadership training was initiated in 2022 to promote employees in a new leadership role or with leadership potential.

Lunch & Learn sessions were also offered on a regular basis. This format offers the opportunity to acquire new knowledge and gain exciting insights into various specialist topics through guest lectures from the specialist departments. The aim is to promote the exchange of ideas,

provide innovative impetus and strengthen networking within the company. The trainees have been responsible for organizing the six events to date.

Health and family

The cafeteria model introduced in 2021 as part of the Bank's social benefits scheme has since served as an instrument for increasing employer attractiveness and employee satisfaction. Within a fixed budget, employees are able to choose social benefits according to their individual needs and wishes. They can choose from a childcare allowance, a subsidy for club and sports membership, membership of the "EGYM Wellpass" network with over 7,000 sports and wellness facilities and various supplementary company insurance policies.

Over the recent past years, the Bank has also been very active in health management. Safety officers and first aiders are trained, and workshops are offered on various health-related topics, such as nutrition. All employees are able to receive free flu vaccinations.

The equipment in the offices is also designed to improve employees' health. Height-adjustable desks and ergonomic chairs are provided. This also includes a well-equipped fitness room on the premises of Varengold Bank.

The employee sickness rate is below the comparable figures for Hamburg and the banking sector:

- In 2022: at 2.5%
- In 2023: at 3.2%
- In 2024: at 4.0%

The "New Work" concept places the focus of work on people and their needs. To ensure a balance between work, family, and leisure, employees are empowered with a high degree of autonomy, including choosing their workplace, in coordination with their colleagues. In addition, return-to-work plans are drawn up after parental leave and long-term absences due to illness, for example. Part-time employment is possible and,

in the event of unforeseen circumstances such as daycare closures, employees can spontaneously switch to mobile work or make flexible use of continued pay for children's sick days.

The introduction of a workation model in May 2023 allows employees to work at a location where they can also take a vacation. Employees have 20 working days per year available for workation in other European countries.

Varengold Health Weeks

To mark World Health Day, the Health Weeks took place in April 2024, organized by the ESG team, the People & Culture department and the Bank's Office Management. Over several weeks, we actively addressed the topic of health and organized various activities. These included a cooking campaign under the motto "Veggie á la Varengold", trying out a smoothie bike from BARMER, a DKMS (formerly the German Bone Marrow Donor Center) registration campaign and a presentation on organ donation in our office.

The collection of vegan and vegetarian recipes created by employees in 2023 is expanded annually in an internal cookbook as part of "Vegetuary". During the cooking event, a recipe was tried out and cooked and eaten together in the Hamburg office.

Around 10% of our employees were newly registered as potential stem cell donors in the DKMS database. The more people who register, the greater the chance that people with blood cancer and other serious diseases of the hematopoietic system will receive a life-saving stem cell donation. The Bank has covered the costs of registration and thus supported this commitment.

BARMER's visit with the smoothie bike brought healthy, homemade smoothies and exercise to our Hamburg office. Our employees were able to mix their own healthy smoothie using their own strength and stamina and were rewarded with a delicious refreshment straight after the exercise session.

In June 2024, experts from Eppendorf University Hospital in Hamburg visited Varengold Bank. In a short presentation, the experts talked about general information on organ donation, the transplant register and the organ donor card. This presentation was very well received by the employees. It is planned to carry out similar campaigns or information contributions in the coming years.

At the end of the Health Weeks, participation in the Hafencity Run was planned. However, this could not be realized as the required minimum number of participants was not reached. Varengold Bank has regularly taken part in the former HSH NordBank Run since 2016. Part of the participation fee is donated to the charity partner "Hamburger Abendblatt hilft e.V.". This allows us to improve our physical fitness and at the same time make a positive contribution to social projects. Even though we were unable to participate in the reporting year, the run remains a fixed part of our agenda.

Mobility

Our location at Hamburg's Fischmarkt has excellent transport links, allowing employees to travel to the office by public transport, bicycle or car. A limited number of parking spaces are available for employees who are unable to use alternative means of transport. However, it is particularly important to us that employees commute in an environmentally conscious manner. Varengold Bank therefore subsidizes the "Jobticket", which has included the services of the Deutschlandticket since 2023, in order to offer employees a cost-effective and sustainable alternative for commuting to work. The subsidy currently amounts to EUR 15.11/month. In 2023, 43% and in 2024 45% of employees took advantage of this option.

Employees at our location in Sofia receive full coverage of the cost of purchasing an annual public transport pass in the amount of BGN 365 per year (net subsidy). In addition, free parking spaces are available in the immediate vicinity of the business premises for employees who are dependent on a car.

In addition, since 2020, employees in Hamburg have had the opportunity to use a company bike via a leasing program with the provider "Mein-Dienstrad.de". This gives employees an attractive opportunity to lease a bicycle or e-bike, with the Bank covering the costs of a full-service maintenance package. Both these mobility options are attractive alternatives to the use of private cars.

In 2023, Varengold Bank was awarded the "Silver" certificate as a bicycle-friendly employer by the German Cyclists' Federation (ADFC) for the first time. Since 2017, the ADFC has been awarding with the EU-wide certification "Bicycle Friendly Employer". Varengold Bank has successfully established itself as a pioneer in sustainable mobility. Our commitment to a bicycle-friendly working environment includes various aspects, such as sufficient bicycle parking spaces that are protected from the weather. In addition, small repairs can be carried out in the office with a toolbox and air pump provided. Changing facilities and showers are also available.



**ZERTIFIZIERTER
FAHRRADFREUNDLICHER
ARBEITGEBER**
Eine Initiative der EU und des ADFC

Corporate Culture

Varengold Bank's culture is based on three corporate values: the customer is at the center ("Customer Centric"), cross-team collaboration ("No Silos") and the pursuit of excellence ("Go the extra Mile"). Corporate culture is also promoted by our New Work concept, in particular through employee empowerment, innovation, teamwork and transparency. In 2024, all employees were given the opportunity to take part in internal training on the topic of personal responsibility.



Every single employee at the Bank has an influence on the corporate culture. The declared aim is to encourage employees to take responsibility. This is to be promoted through an appreciative and fear-free working atmosphere.

To ensure that Varengold Bank remains a reliable and attractive employer and partner in the future, an internally formed project team focused primarily on the topics of collaboration, communication, leadership culture and personnel development. One of the results was the development of “10 rules of cooperation”, which are intended to promote pleasant and smooth cooperation. Since their introduction in 2022, the rules have been integrated into various culture-promoting measures. In workshops, employees were invited to examine the rules together, question them and reflect on their own working methods. The “10 rules of cooperation” are also an elementary component of the annual employee appraisals.

To welcome our new employees from the outset and introduce them to our values and working methods, we regularly offer “Welcome Days”. These events are specially designed to give new employees a comprehensive insight into our corporate culture. Here they learn what Varengold Bank stands for, how we work together and what drives us.

Varengold Bank’s principles of conduct are defined in the Code of Conduct and guarantee the integrity and professionalism of all our actions. The Code of Conduct forms the standard to which all employees and bodies of Varengold Bank are bound.

As part of risk management, the Bank’s People & Culture division focuses in particular on the scenario of “labor law violations” for the purpose of assessing potential risks. This primarily includes possible non-compliance with labor law provisions. This includes violations of diversity / equal treatment guidelines or laws in the relationship with current or potential employees, bullying and harassment as well as violations of applicable labor law.

The Bank meets all requirements in terms of compliance with health, safety and work regulations. Compliance with occupational health and safety at all locations is documented in risk assessments.

Social Commitment

It is important to Varengold Bank to be committed to the common good of society. We have been supporting various projects and institutions for years through donations of time, goods or money. Further campaigns in various forms are planned in order to express our appreciation for charitable organizations and to give back a portion of our business success for the common good.

Jenfeld Arche

Varengold Bank employees have been supporting Arche Jenfeld since 2019. The Jenfeld district is one of the so-called social hotspots in Hamburg. 80 to 120 children are cared for free of charge every day in the Arche’s rooms by social educators and volunteers and are provided with a warm lunch, among other things. Many children are unable to have lunch due to difficult family circumstances, so this offer from Arche Jenfeld is very popular. The children also re-

ceive special support with their homework and schoolwork, as the Arche has made it its goal to help these children escape these circumstances through their own commitment and with help.

Many activities have now become traditions. In 2019, the Bank visited the Jenfeld Arche for the first time to organize a colorful afternoon of cooking, sports and craft activities. Since then, the Arche Jenfeld's annual summer party has also received donations of time or goods from employees to give the children a fun day out.

In the run-up to Christmas, Varengold Bank employees are also involved as gift sponsors for Arche children. Here, the employees of Arche Jenfeld and Billstedt take wishes for Santa Claus and forward them to Varengold Bank. This tradition has been going on since 2020 and many gift sponsors were found among Varengold employees in 2024. The gift presentation to the children is celebrated in a festive setting at the Arche in Jenfeld and Billstedt.

For the second year in a row, Varengold Bank employees have donated their Advent calendars to children. In 2023 they went to the Arche Jenfeld for the first time and in 2024 to the SOS Children's Village Family Center in Hamburg, Dulsberg.

In 2024, the Easter bunnies were also donated to a kindergarten in Bulgaria and to the organization Dunkelziffer e.V. in Hamburg.

Donations

An annual monetary donation to local and charitable organizations is now an integral part of our self-imposed goals.

The amount of this donation is calculated on the basis of defined company key figures:

$(\text{number of employees on 31.12. of the financial year} \times \text{€}100) + (\text{pre-tax profit for the financial year} / 1000)$

Employees determine which organizations should receive the resulting amount by means

of a transparent and democratic process. Care is taken to ensure that at least one organization from Bulgaria is considered so that the solidarity of our office in Sofia is also promoted.

As the results for the 2024 financial year have not yet been finalized, this year's donation has not yet been made. Information on the implementation of the annual donation will be provided in the next report.

The Hanseatic Help e. V. organization regularly receives donations in kind from employees. Hanseatic Help e. V. supports people in need as well as charitable associations, organizations and initiatives in Hamburg and around the world. These donations go to around 300 different institutions that support people in need. As part of the "Corporate Volunteering" project, Varengold Bank employees actively supported the organization in October and checked clothes for the needy to make sure they were in good condition so that they could be distributed. Items of clothing that are not intended for distribution are not simply disposed of, but go to other organizations that deal with the processing of these items of clothing.

Another commitment was implemented by employees at the Alimaus facility. Here, homeless and needy people in Hamburg and the surrounding area are provided with a free breakfast and lunch. Volunteers offer people support and create a place where guests can feel at home. Here, everyone experiences dignity and respect. Since spring 2023, the Bank has taken part in the "Post mit Herz" campaign at Easter and Christmas. Through this organization, letters/ cards are sent to facilities where people who have to spend their holidays alone live. Since the start of the campaign, Varengold has found numerous writers who have sent a kind holiday greeting to lonely people.

For the first time, the organization had more writers than recipients during the 2024 Christmas season, so the ESG team looked for an alternative. The Christmas mail was sent regionally to the Hammonia Hamburg care service.

Addendum for Previous Years

Due to the delayed auditing of our 2022 annual financial statements, we were only able to pay out our annual donation for the 2022 financial year in 2024 and that for the 2023 financial year in 2025.

- The donation amount for the 2023 financial year of 32,306.22 euros was divided between five organizations, each of which received 6,461.24 euros. Three of these are located in Hamburg: the “Sternenbrücke” children’s hospice, “Dunkelziffer e.V.” and the “Children’s Heart Center” at the UKE. The other two are in Sofia: the Municipal Primary School “Lubomir Miletich” No. 158 and the Municipal Kindergarten No. 142.
- The annual donation for the 2022 financial year was donated to five organizations: “MAhLZEIT Altona”, “SOS Kinderdorf Hamburg”, “Kinderhospiz Sternenbrücke”, the “Kinderherzzentrum” at the UKE and Municipal Kindergarten No. 65 in Sofia. Each organization received 7,528.65 euros.
- For the 2021 annual donation, the employees chose the following three organizations: “Dunkelziffer e. V.”, “Der Wünschewagen” and “Erstkontakt e. V.”, which each received EUR 10,700.
- The donation amount for the 2020 financial year of EUR 10,600 went to the non-profit association “Freunde alter Menschen e. V.”.
- For the 2019 financial year, a donation of EUR 11,600 was made to the “Kinder-Hospiz Sternenbrücke” foundation.

Campaigns in Sofia, Bulgaria

Local initiatives and non-profit and charitable organizations are also supported at the Sofia location.

For the fifth year in a row, the employees of our branch in Sofia took part in Bulgaria’s largest Christmas gift campaign: “Teddy Bear”, which makes the wishes of disadvantaged children come true. In December 2024, numerous gifts went to the family-like accommodation center for children “Lale”, Lovech and to the center for public support “St. Martha” in the city of Belene to fulfill children’s wishes and give them a wonderful holiday.

Our branch in Sofia is taking part in the Martenitsa campaign for the fourth year in a row. This campaign takes place every year on March 1 and aims to raise funds through the sale of tradition-

al Martenitsi bracelets (red and white jewelry) and greeting cards made there. The money raised directly supports the activities of Karin Dom.

Karin Dom is a non-profit organization that works to improve the quality of life and equal opportunities for people with disabilities in Bulgaria. Its mission includes the social inclusion of children with special needs and their families through professional services, advocacy and public awareness.

Every year on May 24, the day of the Cyrillic alphabet, the Varengold team in Sofia collects money for the purchase of books, which are then donated to the St. Ivan Rilsky orphanage and the 65th municipal kindergarten. In 2024, the books were also received with joy by children aged 3 to 5.

Governance.

In order to shed light on the topic of sustainability from as many different perspectives as possible and provide impetus, a cross-divisional ESG team made up of employees from various departments was put together back in 2017.

Since mid-2023, a formal ESG function has also been established in our Bank, for which an ESG manager is responsible. In the 2024 reporting year, this function was located in the Regulatory & Securities Compliance department to ensure compliance with regulatory requirements.

Varengold Bank originally fell under the scope of the EU Corporate Sustainability Reporting Directive (CSRD) and would have been required to report from the 2025 financial year. However, the reporting obligation was initially postponed for two years as part of the omnibus procedure. With the current proposal to raise the thresholds to 1,000 employees, Varengold Bank has also been temporarily excluded from the scope of application. Regulatory developments will continue to be closely monitored. Particular attention is being paid to the further development of internal data collection processes and ensuring high data quality in order to meet future requirements and provide a transparent sustainability report.

The ESG team and the ESG manager are continuously working on integrating sustainable practices into the Bank. At the same time, awareness of sustainability and responsible action is being raised among all employees. Our aim is to embed the corporate value of sustainability at all employee levels in the long term.

The legal obligation for banks to take sustainability risks into account as part of risk management also requires strategic anchoring. As part of the further development of ESG risk management, the ESG function was assigned to the Group Risk department in mid-2025 to enable greater integration into the Bank-wide risk and management environment.

Business Relationships and Investments

Varengold Bank is an internationally active institution, which is why our customer relationships extend not only across various sectors, but also across numerous countries. The Bank closely monitors the development of its business partners in all relevant areas, including sustainability.

Our environmental, social and governance (ESG) questionnaire forms the database for an ESG scoring model that helps the Bank to manage and align the customer portfolio in all business areas from an ESG perspective. In addition, the ESG aspect is already included in the internal rating assessment of customers.

In addition to the customer survey, the 2024 ESG questionnaire was sent to all existing customers in the Marketplace Banking division with a request to complete it. A revision of the questionnaire is planned for 2025 in order to take current regulatory requirements into account and to collect data for the assessment of sustainability risks and for the planned creation of a climate transition plan.

The implementation of software to quantify ESG risks was put to the test in 2024. The resulting data was used to assess the Bank's customers in terms of their impact on the environment and their vulnerability to physical risks. A software solution is currently being sought that also takes into account transitory risks. The process of implementing sustainability aspects in the business processes of customer onboarding, as well as in the review of existing customers, is taking place gradually. By analyzing the associated process changes and their effects, it must be ensured that the promotion of the sustainable development of our portfolio is anchored in the best possible way.

Varengold Bank has outsourced individual areas of business operations. Outsourcing is the responsibility of a central outsourcing management team. The outsourcing is evaluated, classified and documented there, also with regard to the ESG aspect, which will become more important in the future. The outsourcing arrangements within the meaning of “Minimum Requirements for Risk Management” (MaRisk) are regularly assessed in order to identify potential difficulties for cooperation partners at an early stage. The results enable an assessment of future operational risk potential and provide a further perspective on this risk category.

In addition, in September 2024, the Supervisory Board and the Board of Directors of the Bank decided to expand the business in the area of ESG financing with a special focus on the energy transition in addition to Marketplace Banking. Varengold Bank has already been financing projects with a focus on the energy transition since 2022, particularly in the construction of photovoltaic systems in Bulgaria. Examples include:

- Financing the construction of battery storage power plants
- Financing the construction of solar parks
- Financing the construction of an age-appropriate residential complex

Compliance

Legally compliant behavior is the basis for the trust of customers, employees and shareholders. Varengold Bank is committed to compliance with laws and guidelines as well as the prevention of corruption, fraud and other criminal acts. As a German credit institution, the Bank complies with the requirements of BaFin and adheres to the German Banking Act (KWG), the German Securities Trading Act (WpHG) and the General Data Protection Regulation (GDPR), among others. Due to its international business, the Bank also attaches particular importance to the prevention of money laundering and terrorist financing, taking into account embargoes

and financial sanctions. In addition to the legal requirements, the ethical and social standards placed on us are also complied with through the “Code of Conduct”.

The risk culture of Varengold Bank AG is anchored in the business strategy, in which the continuous optimization of processes for the risk management and compliance management system are set as a goal. Compliance culture, as an elementary component of the risk culture, is exemplified by the Board of Directors and managers.

Both the Compliance Officer (WpHG/MaRisk) and the Bank’s Money Laundering Officer report directly to the Board of Directors. In addition, Varengold Bank has a Data Protection Officer, who ensures the protection of personal data through consultation and monitoring, and an IT Security Officer, who ensures the technical protection of confidential data. The compliance employees submit regular reports to the Board of Directors and the Supervisory Board. The information is forwarded to the internal audit department, which completes the “three lines of defense” model: (1) each business area in its own and process responsibility, (2) compliance in a control and advisory function and (3) internal audit and external auditing.

The Regulatory & Securities Compliance (RSC) and Anti-Financial Crime (AFC) Compliance departments work to ensure ongoing compliance with internal and external regulations and guidelines. On the one hand, RSC deals with securities and regulatory issues, tax compliance and, in the 2024 reporting year, ESG issues. AFC, on the other hand, is responsible for all issues relating to money laundering, terrorist financing, sanctions and embargoes as well as fraudulent activities.

In addition, our internal control system (ICS) ensures the functionality of all key business processes and serves as a monitoring tool to protect the company and its stakeholders from harm.

Code of Conduct

The Code of Conduct is a binding code of conduct for the employees of Varengold Bank, which serves as a reliable framework for responsible and respectful behavior.

The Code of Conduct contains principles and specific practical tips to make it easier for all employees to understand. The fixed components include the risk and compliance culture, the ethical and social principles, the guidelines for dealing with insider information and the handling of suspected cases of money laundering or corruption. These have been supplemented by topics such as professionalism, communication and transparency in order to comply with regulatory requirements and the Bank's current business strategy.

Training

The Bank's employees are made aware of currently relevant compliance issues in regular training sessions. In addition, employees develop a comprehensive understanding of compliance through annual participation in web-based training courses in the areas of money laundering and fraud prevention, compliance with MaRisk and WpHG, tax-related topics, data protection and IT security. This learning program is rounded off with annual training on occupational safety.

In addition, short videos on understanding ESG issues and other compliance topics were posted on the Bank intranet in 2024 as part of the internal #complianceexplained campaign, including ESG risks, EU taxonomy and the publication of the ESG strategy and ESG exclusion criteria.

AFC (Anti-Financial Crime) and ABC (Anti-Bribery & Corruption)

Varengold Bank has firmly established a program consisting of AFC and ABC for the prevention and avoidance of money laundering and corruption.

In the AFC area, written guidelines and procedures have been implemented to prevent money laundering, terrorist financing and other criminal acts. The measures implemented meet the requirements of all local regulations for the prevention of money laundering, terrorist financing and financial crime in the countries in which the Bank operates.

In addition, sustainability risks require special consideration of aspects of money laundering prevention. For this reason, it is planned to include ESG risks in AFC's risk analysis. The prevention of corruption and bribery (ABC) is managed by the RSC. Principles and standards are defined here. Varengold Bank has a zero-tolerance policy and is committed to combating corruption and bribery.

The measures also include guidelines for the correct behavior of employees when dealing with public officials, when accepting gifts and invitations, charities, donations and conflicts of interest.

In addition, all employees have the opportunity at any time to report suspicious events or cases of fraud to the compliance function anonymously and in confidence via a whistleblowing system.

Internal Guidelines

To ensure that employees act in accordance with the law, internal guidelines are maintained and constantly updated in all areas. These provide clear instructions and expectations for all employees, promote compliance with legal regulations and support the implementation of corporate objectives. These measures demonstrate the Bank's commitment to improving its compliance standards and ensuring that all legal requirements are met.

As part of a compliance optimization process, all of the guidelines in this area were reviewed and updated, including the Group AML (Anti-Money Laundering) & CFT (Counter-Terrorist Financing) Policy, Group Anti-Fraud Policy, Group

Anti-Bribery & Corruption Policy and the Group Whistleblowing Policy.

In addition, the framework of the Bank's written regulations was updated to ensure a uniform definition when creating work and process descriptions.

Risk Management

The achievement of Varengold Bank's corporate goals requires that consciously calculated risks are taken in the market environment. These risks are managed using a structured risk management system that complies with the regulatory requirements of the German Federal Financial Supervisory Authority (BaFin), in particular the "Minimum Requirements for Risk Management" (MaRisk).

The central instruments of risk management are:

- The risk-bearing capacity concept, which describes the Bank's ability to bear potential losses from risks without jeopardizing solvency or liquidity.
- A comprehensive limit system that defines individual upper limits for key risk types based on risk-bearing capacity.
- Monitoring and control processes that are adapted to the respective business activities and ensure ongoing risk monitoring.

Potential risks must be recorded transparently and in full at an early stage and managed within defined risk tolerances. These tolerances are derived from the Bank's risk-bearing capacity potential and are reviewed regularly. A well-founded decision on the approval of a risk can only be made if there is sufficient transparency. Such decisions are always made by the Management Board on the basis of a balance between the expected earnings potential and the capacity to bear the respective risk.

As part of operational risk management, the Bank has also systematically analyzed non-financial risks, particularly in the areas of corruption and fraud. Identified scenarios include insider trading, internal fraud or the loss or theft of sensitive company data, external data misuse or cyber-attacks, as well as breaches of confidentiality obligations, duties of care or conflicts of interest.

Preventive and reactive measures have been developed for these risk scenarios in order to reduce their probability of occurrence and limit their potential impact. The appropriateness and effectiveness of these measures is regularly assessed through internal and external audits. Integrated risk control ensures that risks are systematically identified, assessed, managed, monitored and communicated, in accordance with regulatory requirements and taking into account the Bank's strategic objectives.

Outlook.

Despite numerous global crises such as ongoing wars, geopolitical tensions and economic uncertainty, sustainability remains a key issue for the financial sector. The effects of climate change, growing social expectations and new legal requirements make it clear that sustainable action is an integral part of corporate strategy. This aspect is becoming increasingly important, particularly in risk management. BaFin regularly emphasizes how important a structured approach to sustainability risks is for the stability and future viability of financial institutions.

At the beginning of 2025, the EU Commission presented proposals in the so-called omnibus package to make sustainability reporting more targeted and practical. The aim is to reduce the burden on small and medium-sized enterprises in particular in order to strengthen their competitiveness. The German government also supports this approach and is preparing corresponding legal amendments.

The regulatory framework remains in flux. The transposition of the EU Sustainability Reporting Directive (CSRD) into German law, originally planned for July 2024, has been postponed. Following the recent elections in February 2025, implementation is expected over the year. Among other things, it is planned that in future only companies with more than 1,000 employees will be obliged to report. The extension to smaller capital market-oriented companies is to be postponed for two years. In addition, the reporting standards are to be simplified in order to achieve a better balance between costs and benefits.

The EU Taxonomy Regulation's requirements are also subject to review. In the future, not every company that is subject to the CSRD will automatically have to disclose information on the taxonomy. The reporting obligations are to be made more targeted and easier to understand.

We closely track these developments and use the time gained to enhance our internal processes and more firmly integrate sustainability into our risk management. Long-term economic success requires viewing ecological and social challenges as integral to corporate responsibility and actively shaping responses to them.

Hamburg, 12 August 2025

The Board of Directors of Varengold Bank AG



Matthias Wargers



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Corporate Governance

Varengold Bank AG is registered with the Federal Financial Supervisory Authority (BaFin), Graurheindorfer Str. 108, 53117 Bonn, Germany; Tel.: 0228/4108 – 0) under number 109 520 and published on the website www.bafin.de.

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