

2024

Sustainability Report

LUNAR



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→ Overview

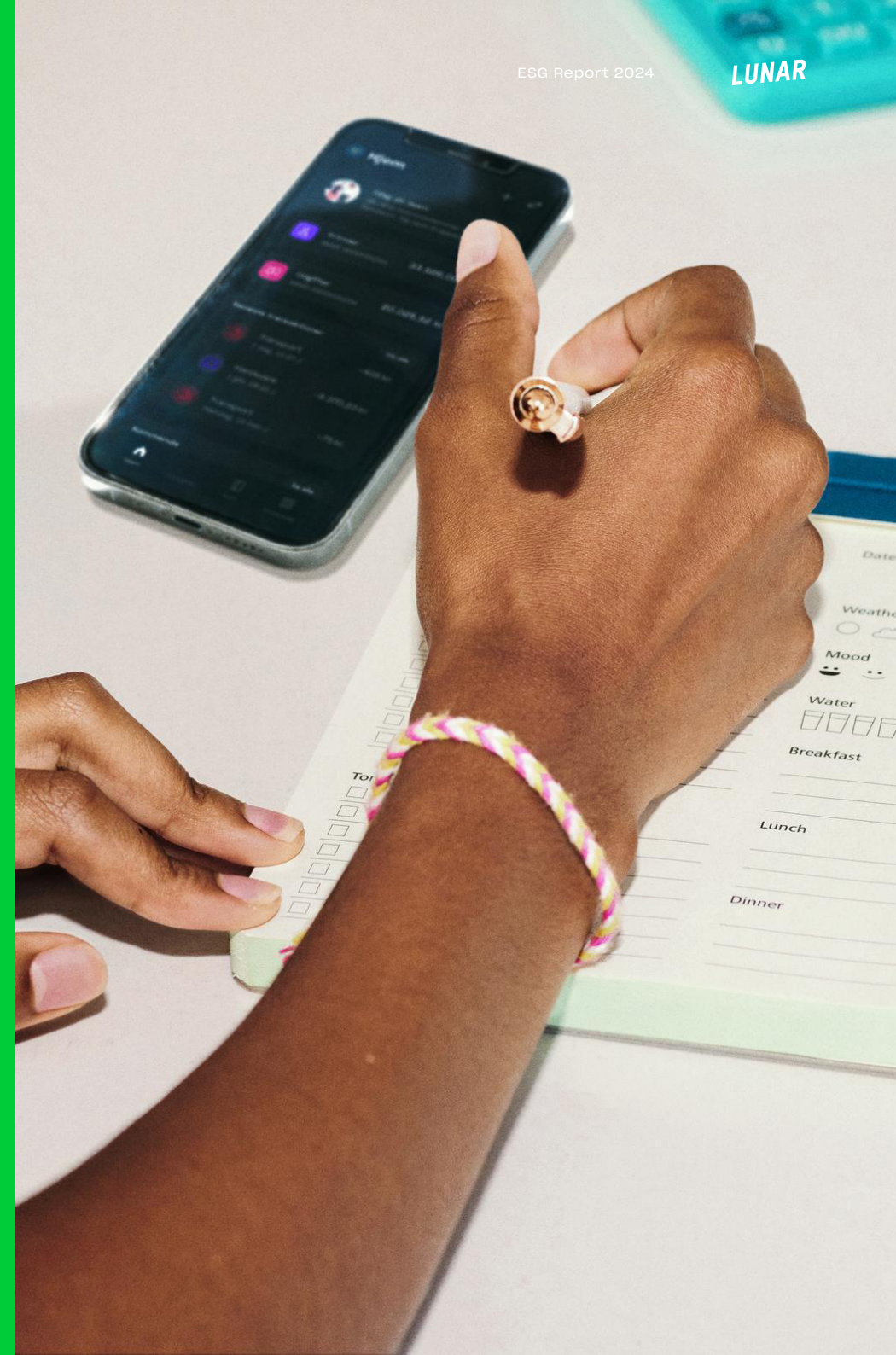
Lunar is a digital challenger bank, empowering consumers and businesses to find smarter ways to save, spend and make the most of their money, and to unlock accounts and payments in the Nordic for our Banking Service customers.

Our responsibility for the well-being of our users, employees and the planet is at the forefront of our mission.

This is Lunar's fourth Sustainability report, covering 2024, and it reflects our approach, metrics, and what we've done in the past – as well as what we are planning to do in the future.

Past

Future





As a digital challenger bank, Lunar was born eco-friendly, with no physical branches and only a few offices. In our ongoing strive to support the well-being of our users, employees and the planet, here are our key highlights from 2024:

- Achieved continuous zero emissions in Scope 1
- Achieved nearly zero emissions in Scope 2, having +85% of all electricity under green energy
- Reduced CO₂e emissions per user by 21% compared to the previous year.
- Increased user base by over 25% while only increasing emissions by 1% compared to the previous year and the 2021 baseline.
- Collaboratively removed 35 tons of plastic from the world's rivers and oceans with the help of our users.
- Attained 40% of the underrepresented gender at the C-level.
- Enhanced the financial health of our users, with a 38% increase in the use of budgeting and goal-setting tools within the Lunar app.

Through our sustainability work we have an ambition to “walk the talk” whenever we can. We know our limits, though – and we always aim for transparency and a humble approach as we recognise our limited ways to reduce, for example, emissions as we are a digital bank focused on becoming the best everyday bank in the Nordics.

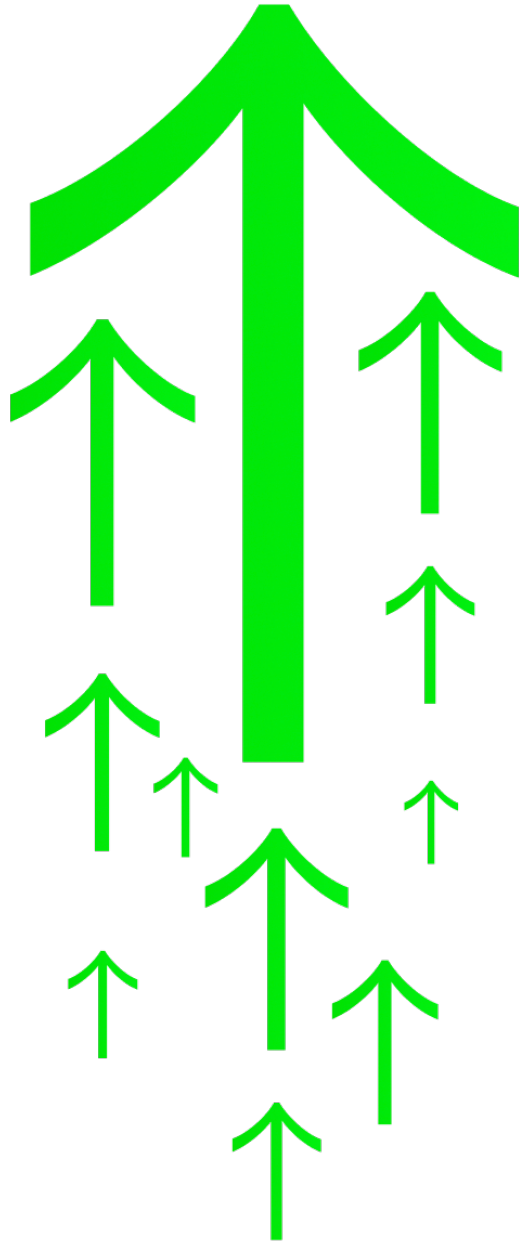
As part of our 2024 efforts on employees, we completed a DEIB audit which revealed a high level of inclusion and a strong sense of belonging at Lunar. However, the audit also highlighted that our demographic remains somewhat narrow, a common trend in the Nordics, requiring mindful interpretation of the results.

One key takeaway was the need for greater leadership awareness of DEIB. Moving forward, we’ll focus on education and awareness initiatives to further strengthen and advance our DEIB agenda across the organization, also, considering the upcoming outcome of Lunar’s double materiality assessment.

Lunar also puts great effort into promoting financial health and the underbanked through our products and general activities, as shown further in section Social initiatives, specifically regarding financial awareness, fighting financial crime, money muling and spoofing, and our 2024 campaigns created to support financial health.

Strong corporate governance is central to our business, helping us stay ahead in a regulatory environment that will soon require meeting new sustainability reporting standards, and also for compatibility purposes and to meet our clients and users expectations.





Going forward

Lunar is poised for exciting advancements in its sustainability journey. Having already reached significant milestones in 2024, we are setting our sights on even more ambitious targets for 2025 and beyond.

Despite recent regulatory changes that have eased requirements for sustainability and due diligence reporting, Lunar is committed to embracing key elements of these directives. These will shape our sustainability focus and lay the foundation for future priorities.

Our forward-looking strategy includes conducting a double materiality assessment, mapping our value chain, and establishing structured targets alongside a comprehensive decarbonisation transition plan. These initiatives will bolster Lunar's commitments to the Environmental, Social, and Governance aspects.

Stakeholder engagement plays a key part in refining the sustainability strategy for Lunar. We are dedicated to actively involving the perspectives and expectations of our internal and external stakeholders, including business partners, suppliers, users, investors, and regulators.

As we move forward, Lunar will explore opportunities within Scope 3 emissions, aiming for decarbonisation. These initiatives will culminate in a decarbonisation transition plan, set to be developed in 2025, and organized into a roadmap toward carbon neutrality across our operations and value chain.

Together with our stakeholders, Lunar will forge a future that is not only sustainable but also inclusive and impactful for our users, employees and the planet.

ESG fact sheet

	2021 (baseline)	2022	2023	2024
Number of FTEs, average	279	538	438	449
Number of users, average	353.370	513.050	731.667	907.500
Scope 1 CO ₂ e emissions (tons)	0	0	0	0
Scope 2 CO ₂ e emissions (tons)	170	103	75	50
Scope 3 CO ₂ e emissions (tons)	2.725	3.380	2835	2804
Total CO ₂ e emissions (tons)	2.895	3.483	2910	2854
Emissions per FTE (tons)	10,3	6,47	6,02	6,53
Emissions per user (kg)	8,19	6,79	3,98	3,14
Women in board (%)	25%	38%	0%	12,5%
Women in C-level (%)	14%	40%	45%	40%

Main targets:

- Emissions per user: 2025 target - 2.82 kg (-10% vs. 2024)
- Emissions per user: 2030 target - 2.19 kg (-30% vs. 2024)
- Women in board: 2025 - target 40%
- Women in C-level: 2025 - target 40%

→ Environmental

Lunar is a digital challenger bank that operates without physical branches, significantly reducing its operational emissions. However, our operations and technology still contribute to key climate challenges, particularly concerning greenhouse gases and global warming.

We are dedicated to continually assessing and enhancing our carbon footprint and its impact, collaborating with external experts to minimize the impact throughout our entire value chain.

We recognize our responsibility to combat climate change and are committed to involving our users, employees and partners in our mission to positively impact the environment.

mpact on the environment.



Three commitments



01

Measure, reduce, remove

Every year we team up with independent climate experts to measure, reduce and remove CO₂e from our operations. Lunar's CO₂e baseline includes our total emissions in Scopes 1, 2 and 3, and we continue to reduce and remove our emissions from all scopes.



02

Leverage community engagement

We engage our community by continuing to partner with Project Blue, our initiative to support life below water. We also want to introduce more products that will enable our customers to take climate-friendly actions.



03

Boost employee engagement

We engage our employees through internal educational content and by introducing them to our sustainability-related work and strategies. We also encourage our employees to make more environmentally friendly choices and help Lunar reach its sustainability goals.

From 2025 onwards, Lunar's Three Commitments will be reevaluated and improved, considering the new materiality assessment and sustainability matters' priorities.

C02e: Measure

Lunar is fully committed to measuring and reducing our direct and indirect C02e emissions as well as removing C02e.

To fully understand our 2024 C02e emissions we once again teamed up with independent sustainability experts The Footprint Firm, who analysed our data and delivered our C02e baseline for 2024.

We measure both our direct (Scope 1) and indirect (Scopes 2 and 3) C02e emissions, according to the GHG protocol methodology.

C02e footprint 2024

→ Scope 1

Scope 1 includes direct GHG emissions from sources owned by the organisation. Lunar has no such emissions.

Direct emissions:

0 t. C02e in 2024

(unchanged from 2023)

→ Scope 2

Scope 2 includes indirect emissions like heat and electricity consumption for the running of our offices in Denmark, Norway and Sweden.

Indirect emissions:

50 t. C02e in 2024

(-33% compared to 2023)

→ Scope 3

Scope 3 accounts for 98% of Lunar's total C02e emissions. Scope 3 covers all other indirect emissions, including purchased goods and services such as business travel, IT services and hardware, to name a few.

Indirect emissions:

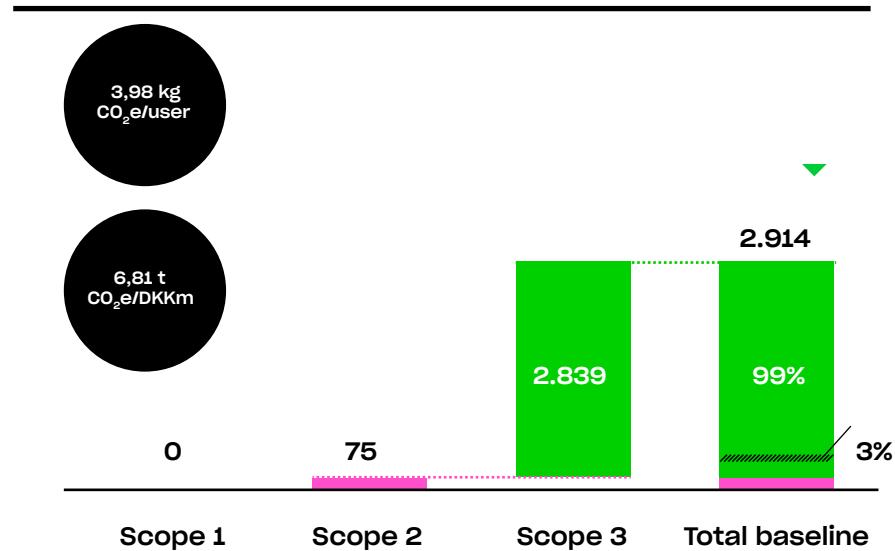
2.804 t. C02e in 2024

(-1% compared to 2023)

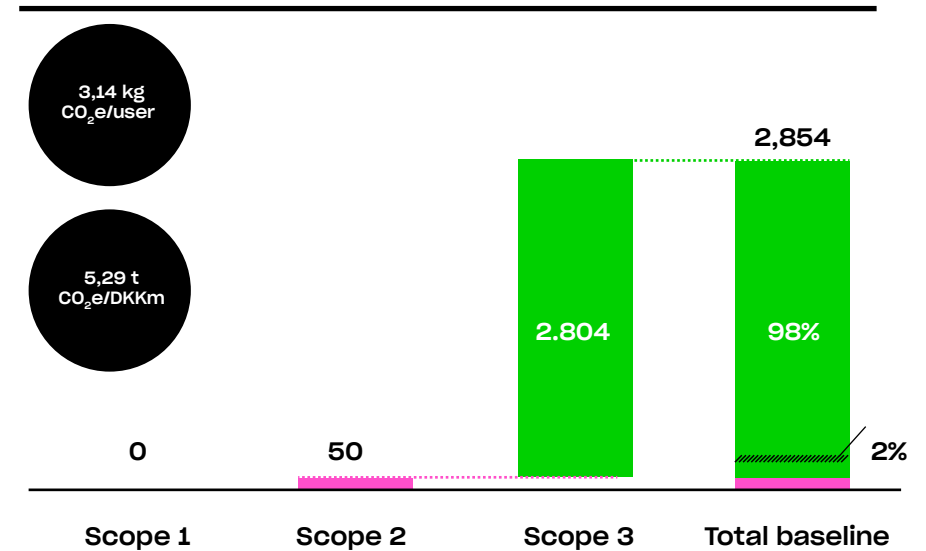
CO2e Footprint

Lunar’s overall emissions decreased by 1.9% compared to 2023 and 1.4% compared to its 2021 baseline

In 2023 we calculated Lunar’s CO2e inventory
tCO2e



In 2024 the exercise was repeated, and improvements were made
tCO2e



Lunar made significant advancements in its carbon footprint calculation in 2024. Several technical aspects were enhanced, and there was substantial improvement in data management, gathering, and maturity.

Some key areas highlighted in previous years were adjusted due to improved data quality applied to the calculations, and technical improvements in key emission factors such as cloud data and purchased services, were implemented for 2024, as well as for previous years.

Despite growing the number of users by more than 24% and revenue by +110 mDKK, Lunar also decreased its total overall emissions by 1.9% compared to 2023 and 1.4% compared to its 2021 baseline. The flat development in 2024 despite user growth was due to a significant decrease in scope 2 of 70%.

This led to the emissions per user decreasing from 8.2 kg in 2021 to 3.1 kg in 2024, reflecting a 61% reduction. The reduction from 2023 to 2024 amounted to 21%.

The emissions reduction was mainly observed in categories such as general purchases of goods, hardware, business travel, employee meals, and services like advertising. Specifically, the cloud services category was heavily impacted by the availability of better data and the use of more modern and appropriate emission factors. Calculations were adjusted for previous years to provide a better comparison basis, ensuring that the results in 2024 accurately reflect technical reality.

Reduction targets

One of our targets is to directly reduce CO₂e emissions per user, with an initial aim of 10% by the end of 2025 – compared to 2024 levels – and 30% by 2030.*

CO₂e emissions per user:

2021 - 8,19 kg CO₂e/user

2022 - 6,79 kg CO₂e/user

2023 - 3,98 kg CO₂e/user

2024 - 3,14 kg Co₂e/user

Targets:

2025 - 2,82 kg CO₂e/user
(10% reduction from 2024 level)

2030 - 2,19 kg CO₂e/user
(30% reduction from 2024 level)

Reduce

*In 2025 we aim to adjust our 2030 targets due to data and emission factors observed in past years, and also to include new elements from our double materiality assessment.

CO₂e: Reduce

Lunar's customer base is undergoing rapid growth. As a natural consequence, we're also growing in terms of other parameters, such as customer support and services. Because of this, we measure both total and relative emissions. We are a user-obsessed company, so for us it makes sense to consider our impact relative to our user base, with an aim to be the low-emission choice within the financial services industry.

That's why we look at our "CO₂e emissions per user".



Lunar: Leading the Way in Emissions Efficiency Among Nordic Banks

Lunar’s operations are estimated to avoid around 11,000 tonnes of carbon emissions each year compared to the other banks we analyzed. This estimate is based on the fact that Lunar’s operations are significantly less carbon-intensive per client than those of the other banks.

Our emissions are respectively 33%, 42%, 67%, and 71% lower than those of the other four banks ranked in positions 2 to 5, considering the ratio of emissions per client.

Lunar’s presence in the Nordic industry, providing banking services to nearly 1,000,000 clients, avoids the equivalent of 10,803 tonnes of CO2e from these four legacy banks as an average, due to its market share and more sustainable operations, representing a sustainable management and operational model for the industry.

	Bank	CO2e kg per client	Var%
1	Lunar	3.1	
2	Bank 1	4.7	-32.99%
3	Bank 2	5.4	-42.13%
4	Bank 3	9.7	-67.51%
5	Bank 4	10.9	-71.19%

Lunar’s operations in the Nordic region avoids approximately 10,800 tonnes of CO2e emissions, thanks to its sustainable practices compared to four major legacy banks.

Reduction initiatives

We regularly evaluate our providers (Scope 3). Wherever possible we will prioritise companies that provide environmental product disclosures as well as low-emission products and services.

Renewable and Sustainable Energy

In 2024, Lunar consumed approximately 350 MWh of electricity. This amount of energy usage is equivalent to around 174 tons of CO₂ emissions.

These emissions can be compared to the annual electricity usage of 23 homes, planting and growing 5,800 tree seedlings for 10 years, 110 round-trip long-haul flights (e.g., New York to London), or 580 round-trip short-haul flights (e.g., Copenhagen to Oslo, Berlin or Brussels).

These emissions could have been avoided if the electricity had been sourced from renewable sources like wind and solar, rather than traditional power plants.

While Lunar cannot directly control the type of electricity delivered through our sockets, we are committed to offsetting our consumption by investing in renewable energy. T

hrough The 0-Mission, Lunar subscribes to a solar park and thereby, green and renewable energy offset its scope 2 electricity emissions by 85% in 2024. The solar park supports the expansion of green energy production in Denmark, helping to phase out fossil fuels and biomass from the power grid.

Additionally, the solar park hosts 20 hectares of new forest, planted with native species to enhance biodiversity and provide habitats for various wildlife. A particular emphasis is placed on species that fix nitrogen in the soil, such as white clover, bird's-foot trefoil, and vetch, which contribute to improved soil structure and an increased presence of beneficial microorganisms.

Procurement process

As part of our efforts to reduce our carbon footprint, we have begun developing a decarbonization strategy. A key component of this strategy is the management of our suppliers, ensuring that their carbon reduction targets and key activities are thoroughly considered.

This initiative marks the first step in developing our Sustainable Procurement process, which we aim to fully implement by 2025. Our objective is to introduce innovative tools and processes that will enhance the accuracy of data regarding our indirect carbon emissions related to procurement. By using activity-based data, we can minimize the risk of overestimating our emissions.

Business Travel

To reduce business travel emissions we launched a travel guideline to limit business travel – especially air travel – and we continue to encourage our employees and consultants to limit business travel as much as possible.

Employees' Commuting

The internal surveys to investigate our employees' commuting habits in 2024, reported that 60% of our employees continue to either walk or bike to work.

With this in mind we will continue to encourage Lunar employees to lead greener work lifestyles by, for example, commuting to the office via car sharing, public transport or bike, having started a collaboration with Cyklistforbundet in Denmark to improve uptake of the latter.

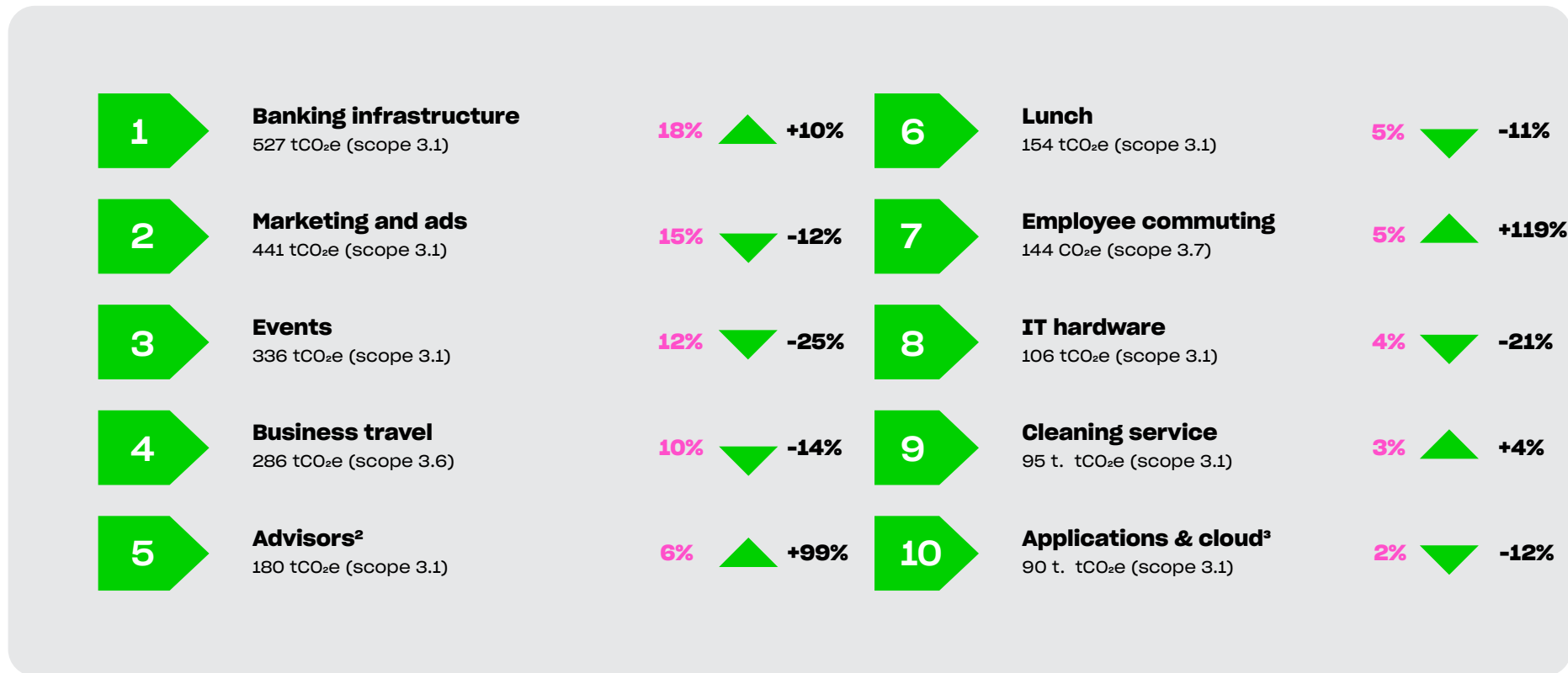
Many conditions must be met in order to land such good placement (parking conditions, safety conditions, etc.) and, in the coming years, we will remain dedicated to making it easier for employees to choose commuting to the office via bike.



10 categories were identified as the largest emitters, accounting collectively for ~86% of Lunar's footprint

Lunar's 2024 top 10 categories

▲ x % increase ▼ x % decrease % change in CO2e vs. 2023



Source: The Footprint Firm, April 2024

C02e: Remove

Removal strategy

We remain committed to reduce all of our emissions, and every month we offset emissions based on our baseline measurement. We do this to encourage further reductions and to make up for the C02e we cannot yet reduce. Therefore, together with Klimate.co, we've put together a portfolio of carbon removal solutions ranging from tree planting to direct air capture, the likes of which will also help us develop and support the carbon removal industry.

In 2024 we removed 402 tons of C02e, enough to cover around 15% of Lunar's total emissions.

The C02 removal methods we invest in, and their percentage mix:

Forestry (72%)

Trees absorb C02 by way of photosynthesis, with carbon being stored in the roots and surrounding soil for approximately 50-70 years.

Biochar (14%)

Biomass is heated to high temperatures before being turned into carbon-rich biochar. In this method, carbon is stored in the final product, biochar, before being added to soil to be used for agricultural purposes.

Enhanced weathering (4%)

The mineral olivine – a great absorber of C02 – is applied to rocks along coastlines where it dissolves into the sea, thereby increasing the ocean's uptake of C02.

Aquatic Biomass Sinking (3%)

A form of ocean blue carbon where seaweed, a form of biomass, absorbs carbon through photosynthesis. The absorbed carbon then sinks to the bottom of the ocean where it decays.

Bio-oil (2%)

Biomass is heated at a high temperature and in an airless environment to create a carbon-rich liquid. This liquid – an oil – can then be placed underground in old oil wells to safely store and remove carbon. Bio-oil also has the potential to be used as a green energy source.

Direct Air Capture (1%)

Fan-like machines that pull C02 from the air. The carbon is then added to minerals that can be buried deep beneath the earth's surface.

We will continue to improve our portfolio as we decarbonise and, if possible, invest in more permanent carbon removal solutions

→ [Online certificates:](#)

Community engagement

Engagement

We want to engage our community in doing something good for the environment. Specifically, to help protect the world's oceans and life below water.

Project Blue

Lunar has built a product that empowers users to help protect the world's oceans and fight against plastic pollution. Project Blue shows our users that it is easy to offer support every time they use their Lunar card by triggering automatic donations within a set spend threshold.

Partnerships

In 2024, Project Blue engaged in two impactful partnerships:

- Seven Clean Seas removed 35,000 kg of plastic from Indonesian rivers and oceans during the year, contributing to a total of 120,000 kg removed throughout our partnership under Project Blue
- Danmarks Sportsfiskerforbund's Kysthjælper project, which focuses on ocean restoration in Denmark. Project Blue supported the establishment and expansion of rock reefs in Limfjorden, which serve as vital foundations for marine life, providing habitats for small animals and promoting seaweed growth that enhances oxygen production in the ecosystem



Boost Employee engagement

Lunar understands the importance of high employee engagement and strives to activate it through different activities.

Educate and inspire

We consider our employees as important stakeholders in our mission to reduce our climate impact. We encourage Lunar employees to lead greener work lifestyles, e.g., via car sharing, using public transportation and biking whenever possible.

Waste management

Lunar also produces e-waste whenever we renew our hardware and devices. Thus, to further minimise our CO2e impact and support our strategic sustainability agenda, we're also taking an active approach to re- and up-cycling our e-waste.

As part of our current vendor collaboration with IT hardware supplier Atea, we ensure that end-of-life devices including monitors, smartphones and laptops are collected when necessary. Atea then conducts a quality assessment of each device and carries out a security-compliant data wipe. If the device can be repurposed, it is then sold via Atea's external partners. If not, the device is recycled via standard recycling facilities.

In addition to ensuring each device is used to its full extent before being sent to Atea for re- and up-cycling, we always strive to procure and utilise hardware/devices from brands that actively contribute to the sustainability agenda based on a range of factors: their choice of

materials, their manufacturing and recycling processes, the end-to-end supply chain flow, energy and power consumption, etc.

Eco-friendly offices

Lunar was born as a digital-first bank with no physical branches. Of the few offices we do have, we're on a constant journey to make them more sustainable, with an aim to continue choosing more innovative and sustainable solutions for our entire set-up.

Sustainable furniture & reusing

Among some of the ongoing changes we've made in both our Copenhagen and Stockholm offices are the introduction of: non-electric elevation tables, table tops made of recycled e-waste, plastic and wood waste, curtains made of plastic waste collected from beaches, high stools made of coffee bean waste, meeting chairs made of household waste, outdoor furniture made of old fishing nets, acoustic boards and room dividers made of recycled plastic waste, and bulletin boards made of eelgrass.

Our employees are important stakeholders to reduce our climate impact

→ Social

Lunar's social responsibility spans far and wide and we aim to have both an internal and external impact with our activities.

For our employees, we continue improving equality, well-being and diversity across the organisation with a special focus on recruitment, fair development and growth opportunities, equal representation in management positions, and minimising the gender pay gap.

For society, we take responsibility by working to prevent financial crimes, improve financial health and support the underbanked.

Social

Responsibility



Three commitments



01

Diversity, Equity, inclusion and Belonging Strategy

Lunar is committed to cultivating a DEIB mindset throughout the organization. Our focus will be on ensuring at least 40% representation of underrepresented genders at both management and board levels, while also increasing diversity across racial, ethnic, and neurodiverse groups. We'll prioritize unconscious bias training and refine our equity-driven recruitment practices to actively reduce bias. The insights from our DEIB audit will be used to drive awareness and educational initiatives, ensuring that we address areas for growth. Leadership development will be a key area of focus, equipping our leaders to foster an inclusive, supportive environment where all employees feel valued and empowered to contribute.



02

Measure and minimise gender pay gap

Lunar commits to annually reporting the gender pay gap across the entire organisation. Moving forward, we will continue working towards minimising the gap.



03

Social Initiatives

Lunar commits to social initiatives towards safeguarding our users towards financial crime and towards financial awareness by developing tools that promote financial health, such as our saving goal, budgeting and subscription management features.

From 2025 onwards, Lunar's Three Commitments will be reevaluated and improved, considering our new materiality assessment and sustainability matters priorities.



DEIB Mindset and Strategy

Diversity and equality management

Our people shape us as a company and we believe that diversity fosters creativity and innovation. For us, diversity is not just about demographics such as gender, ethnicity and age. Diversity is about our ability to secure a diverse set of competences and skills where none of the demographics named above should play a part. At Lunar we want to hire, develop and retain employees based on professional skills, education, critical thinking, life skills, people skills, personality and potential.

Equal foundations

To ensure that we continue to focus on having a diverse range of competences and personal skills across our teams, we need to base our organisation on equal foundations. For this we require a short-term strategy, especially at the management level.

We've set appropriate targets for the currently underrepresented gender at the Board of Director level and C-level.

By the end of 2024 the Board of Directors in Lunar Group stands at 12.5% (0% in 2023) for the underrepresented gender, while Lunar Bank is at 25% (unchanged compared to 2023). While there's still work to be done, we're making steady progress. Moving forward, our focus is on aligning competencies with a strong pool of underrepresented gender candidates to create balanced boards in the future. We're dedicated to continuing this evolution and prioritizing gender diversity in our leadership planning and succession strategies.

In 2023, we were at 45% for the underrepresented gender at the C-level in Lunar Group, and after expanding and restructuring our management team in 2024, we're currently at 40% for the underrepresented gender. We're committed to maintaining a gender-balanced leadership team, while ensuring that competencies remain a key focus in our recruitment and talent development efforts.

BOARD OF DIRECTORS TARGET:

A distribution of at least 40% of the currently underrepresented gender by the end of 2025.

MANAGEMENT TARGET (C-LEVEL):

A distribution of at least 40% of the currently underrepresented gender by the end of 2025.

Diversity, equity, inclusion and belonging

At Lunar, we've evolved our focus from Diversity & Inclusion to a broader commitment to Diversity, Equity, Inclusion, and Belonging (DEIB). This shift helps us take a more holistic approach, recognizing that traditional D&I efforts alone may not fully address deep-seated societal biases. By prioritizing belonging, we aim to create a culture of psychological safety and openness—where every team member feels valued, heard, and empowered to contribute their unique skills.

Our DEIB initiatives are woven into every stage of the employee experience, from recruitment to career development, ensuring consistency in how we uphold our commitments. In 2024, we launched a DEIB audit to evaluate our workplace climate, using the insights to strengthen our approach and drive meaningful improvements.

The audit showed a strong sense of inclusion and belonging at Lunar but also highlighted that our team remains relatively homogenous—something often seen in the Nordics. We recognize this as an area for growth, both in recruitment and in how we interpret feedback. The audit also pointed to the need for greater DEIB awareness at the leadership level, as leadership influence plays a key role in shaping the broader organizational culture.

Looking ahead to 2025, we are making awareness and education our priority. Strengthening knowledge and engagement at all levels will be central to driving progress and ensuring our DEIB efforts continue to evolve.

Recruitment

At Lunar, we are committed to considering all qualified candidates in our hiring process, regardless of ethnicity, religion, gender, age, or disability status. Our approach prioritizes competencies and potential over just experience, ensuring we find the best fit for each role based on skills and growth capacity.

We continuously evaluate and improve our recruitment process. In 2022, we introduced measures aimed at reducing unconscious bias, such as not using cameras during initial interviews and anonymizing job applications. However, after reviewing their impact, we found these measures didn't quite deliver the results we expected and, in some cases, even posed challenges.

As a result, we've decided to focus on making unconscious bias a key consideration for hiring managers during the recruitment process. In 2024, we began integrating it into the broader discussion of what it means to hire the right candidate for Lunar. By taking a more mindful approach, we aim to help and train managers recognize and address biases naturally throughout the process.

In addition to this, we are refining our recruitment approach to include a framework focused on our values and behaviors. This framework helps us assess how candidates align with Lunar's culture, ensuring a better sense of belonging and inclusion. By emphasizing values-driven recruitment, we're strengthening our commitment to building a diverse and collaborative team that shares a common vision.

Ultimately, we aim to create a recruitment process that goes beyond just skills and experience, ensuring that new hires align with Lunar's values and culture, and contribute to a positive, inclusive workplace.

Development & Growth

In 2024, we continued to build on the foundation laid in 2023, further refining our approach to employee development and growth at Lunar. As we mentioned last year, adapting to a more structured framework was a new endeavour for us, and we're pleased to see significant progress. Our Growth Tool, now evolved into the Growth Journey, plays a central role in this transformation. This journey is designed not only to define and measure core competencies but also to align with our values, ensuring that the way we behave and act at Lunar reflects what we believe is important for personal and professional growth.

This year, we've further aligned roles and responsibilities with growth opportunities by refining the competency framework. This includes clear expectations for behaviours and competencies at different job levels within the organization, helping employees understand how both their skills, contributions and behaviours contribute to their career progression.

A key focus has been the recognition that behaviours are just as important as core skills. While our overall goal is to make behaviours a measurable part of performance in the future, for now, we're emphasizing awareness—particularly that these behaviours are equally important as technical skills, especially at higher levels. In fact, as you progress in your career, being an advocate for these values

and embracing the underlying behaviours might become even more important than technical expertise itself.

The improvements we've made were steered by feedback from our DEIB audit, which highlighted that employees felt the current approach to pay lacked transparency—especially in how growth and contributions were linked to compensation. This feedback played a key role in driving the refinements we've made, with the goal of making the connection between contributions, behaviours, and pay much clearer.

We've also worked to align these refinements more closely with our salary bands to ensure that pay is equitable and reflects both individual performance and growth.

By integrating behaviours alongside core skills, we are fostering a more inclusive and supportive environment that empowers employees to grow holistically at Lunar. This shift is an essential part of our commitment to long-term development and creating a culture where everyone can thrive.



Peakon: Our employee engagement tool

Peakon is a valuable tool for measuring engagement at Lunar, providing ongoing insight into our employees' engagement levels. Rather than relying solely on annual feedback sessions, we view feedback as an ongoing dialogue, one that takes place throughout the year, supported by tools like Peakon.

Our aim is to foster psychological safety across all aspects of the organization, whether it's in one-on-one conversations with managers or with peers. While we strive to create a safe and open environment, we recognize we cannot guarantee this at all times. To support employees in discussing sensitive topics, we introduce various tools that encourage open and honest conversations.

Through Peakon surveys, employees have an anonymous platform to express their level of engagement and provide feedback. This insight is invaluable, allowing us to make informed decisions and act accordingly.

The surveys consistently maintain a high participation rate of around 80%, and results are widely reviewed and applied across the organization. Employees also have the opportunity to provide free-form comments, which we follow up on, either through in-person discussions or continued anonymous dialogue.

Moving forward, connected with our broader growth journey, we aim to expand our perspective on engagement beyond just Peakon. While it continues to serve as a guiding star, we plan to integrate other elements such as the Cosmic Checkpoint - Reflect & Review and 1:1 conversations with managers.

This expanded toolkit will allow us to gather a more holistic view of engagement and foster a deeper sense of belonging, inclusion, and growth. By broadening our approach, we aim to create a more inclusive and supportive environment that encourages continuous feedback and empowers all employees to thrive at Lunar.





Well-being and balance

The health and well-being of Lunar employees is of great importance, and solid core components of our company culture.

As an organisation we focus on giving our employees the ability to maintain a healthy lifestyle at work so they can take their daily performance to the next level. At Lunar, we prioritise physical and mental health as we believe both are essential for maintaining a lasting and sustainable healthy corporate culture.

As a whole, our focus centres around three areas: Exercise, Mind, and Food & Nutrition. For Exercise Lunar offers a variety of free classes at our offices including the likes of padel tennis, boxing, running, crossfit and yoga. The vast majority of classes are scheduled during working hours, and we also have in-house gyms. We don't have set workout plans as we like to change them together with each office.

To support the Mind component, Lunar offers meditation, coaching and mindful walks.

Lunar also believes that our employees need the right fuel to both thrive and deliver their best in the workplace. We therefore support the Food & Nutrition component together with our in-house chefs who cook multiple times a day for employees, providing breakfast, lunch and afternoon snacks. For employees working late, dinner is also served. We also empower and inspire employees to make overall better choices by offering healthier options.

Measure and minimise gender pay gap

At Lunar, we view transparency as a catalyst for meaningful change. While not legally required, we report our gender pay gap data, understanding that revealing these disparities is the first crucial step toward addressing them. As we progress toward gender equality, we recognize the significance of this journey, especially in light of the EU Pay Transparency Directive, which is expected to be implemented by member states by 2026.

Our analysis for 2024 shows that women at Lunar on average earned 15% less than their male colleagues. Unfortunately, the progress we had hoped for, as described in our 2023 report, has not materialized as expected, in fact, the gap has actually widened by around 5%. This is a setback, but we're taking proactive steps to address it.

While we have calculated the gender pay gap as the difference between female and male employees, our aim is to ensure that our overall compensation philosophy is based on objective criteria such as competency level, performance, and value-driven behavior. This ensures that if we observe gender pay gaps going forward, they are not due to gender itself but rather explainable through these unbiased criteria. Strengthening this approach also aligns with the upcoming EU Pay Transparency Directive.

In 2024, and continuing into 2025, we're working to refine our salary bands using more extensive data and external benchmarks. This will help us address outliers more effectively and ensure that salary setting remains fair and unbiased. While there is still work to be done, closing the gender pay gap remains a priority, and we're committed to continuously improving our approach to achieve true pay equity at Lunar.



Social initiatives

Consumers Financial Health initiatives

Financial awareness

Financial awareness is an integral part of Lunar's social commitment. By continuously including relevant educational content in our own channels, such as the Lunar app and social media, we aim to raise awareness and educate users on financial empowerment.

Fighting financial crime

Preventing financial crime continued to be a prime focus for Lunar in 2024 with an overarching ambition to have a smart, automated and efficient setup. We have during 2024 taken several steps towards fulfilling our ambition to better support our customers but also protect them and the society. As an example we have enhanced our onboarding process balancing the considerations to identify unwanted activity but also supporting financial inclusion by offering banking services to industries that are being excluded from many banks.

Money muling and spoofing

Money muling remains a growing societal issue where young people in particular face a risk of being recruited as money mules, especially via social media. Also, spoofing has grown in risk as cybercriminals increasingly use sophisticated methods to impersonate trusted sources, making it harder for individuals and organizations to detect fraudulent activities.

Lunar continuously enhances our controls to prevent and protect our customers from being misused by criminals both by building prevention and detective controls to stop the transactions but also to educate our customers not to aid criminals in the movement of funds.

Lunar supports financial health for both consumers and business customers through various activities.

2024 campaigns created to support financial health for our consumers and users:

At Lunar, we are committed to making banking more inclusive, transparent, accessible and personal. Through strategic partnerships, PR campaigns, and industry engagement, we drive awareness on financial literacy, AI in banking, and smarter money management. By leveraging innovation and education, we empower customers to take control of their finances with confidence.

Partnership With Andra Farhad (SE)

Lunar partnered with financial key opinion leader Andra Farhad to spotlight financial literacy and inspire more young Swedes to take control of their finances. The ambassadorship focused on accessible education through social content, a national youth survey, and a well-attended webinar addressing gender-based economic inequality and practical strategies for building wealth. Together, we created engaging content that made financial knowledge more relatable, actionable, and relevant.

[Raising Awareness on AI in Banking and Customer Communication \(Nordic\)](#)

At Lunar, we believe AI can transform banking by enhancing customer experience and financial understanding. In 2024, we launched a PR campaign surveying over 1 million Nordic customers on AI's role in banking, sparking discussions in the press and on social media across the Nordics. The initiative highlighted how AI can make banking more accessible, transparent, and personalized, while improving communication. By driving public dialogue, we empower customers to navigate their finances with greater confidence.

In 2024, Lunar launched a PR campaign around the introduction of its GenAI Native Voice Assistant—the first of its kind in European banking.

The campaign highlighted how AI-driven voice technology makes banking more accessible and stress-free for everyone, regardless of financial background or digital skills. With 24/7 availability and patient, instant guidance, the AI assistant empowers users to manage their finances with confidence. By reducing wait times and simplifying complex tasks, the initiative reinforced Lunar's commitment to improving financial health for all customers.

[AI Voice Assistant PR Campaign \(Nordic\)](#)

The Bank Smarter on Black Friday campaign offered a guide, designed to help customers make more mindful financial decisions during the shopping frenzy. The campaign encouraged smarter spending habits by providing tips on recognizing real deals, avoiding impulse purchases, and considering savings instead. With a practical guide, Lunar helped users navigate Black Friday with confidence, whether that meant securing a great deal or choosing to save instead.

[Bank Smarter on Black Friday \(international\)](#)

Promoting financial health at industry events

At Lunar, we promote financial health through innovation and industry awareness. Our top executives such as CTO, Kåre Kjelstrøm and CCO, Mats Persson Bergious, regularly speak at industry events like BankTech 2024, Sifted Summit 2024, Nordic Fintech Week 2024, MoneyLive 2024 and more, championing AI-driven hyper-personalization in banking. The focus on tailored insights, proactive alerts, and seamless automation that helps drive smarter, more accessible banking, influencing the broader financial ecosystem and making financial management easier for all.

Financial Health initiatives for entrepreneurship

One of Lunar's main objectives is to help entrepreneurs grow their businesses. By inclusive entrepreneurship we mean that any kind of entrepreneur no matter their gender, race or background is welcome at Lunar.

We have a high rate of entrepreneurs born in countries other than the Nordics and 30% of all Lunar Business customers are female entrepreneurs. As part of our commitment to inclusive entrepreneurship we also want to support the underbanked. This includes giving everyone equal opportunity to control their finances. In Denmark, where new entrepreneurs struggle to get a business bank account, Lunar offers one at an affordable price with no negative interest on up to 10 million DKK, as well as multiple other services such as a payment solution for websites.

Lunar also remains committed to the start-up community. We regularly organize, participate in and speak at events such as Lunar x Antler entrepreneur sprints and Nordic Fintech Week. We also support initiatives such as Danish Creative Industries (DCI) – an organisation on a mission to help creative entrepreneurs scale up their businesses as well as partnering with and actively participating in the Foundation for Entrepreneurship's annual Danish Entrepreneurship Championship.

We also engage with entrepreneurs through partners in Sweden, and our CCO also serves as the chairman of the Swedish Fintech Association. In Denmark, we collaborate with, e.g., IværksætterNetværk (IVN) and Copenhagen FintechLab with the aim of guiding, advising and inspiring entrepreneurs. To make sure we capture feedback in an efficient way, Lunar has also established a panel for entrepreneurs and start-ups.



2024 campaigns supporting financial health for our entrepreneurs:

Lunar launched a campaign with Froda to raise awareness about smarter financing options for small businesses, highlighting a new digital lending solution developed with Visa. This fully digital process cuts approval times from months to minutes, making it easier and more affordable for entrepreneurs to access capital. As part of the campaign, Lunar and Froda hosted a breakfast event during Nordic Fintech Week, where Lunar's CCO, Mats Persson Bergius, and Froda's CEO, Oliver Moheni Skoglund, discussed how BaaS and embedded finance are breaking down financial barriers. By combining technology and partnerships, Lunar is committed to empowering small businesses with faster, more transparent financing.

[Founder of Tomorrow x Froda PR campaign](#)

Founder of tomorrow PR initiative

Entrepreneurs across the Nordics encounter many challenges that reflect systemic inequities and outdated practices. Many face stereotypes, financial access gaps, and rigid banking systems that fail to meet their evolving needs. These barriers disproportionately affect small business owners and underrepresented groups and are part of a broader societal issue that extends beyond finance, as the inability of traditional banks to adapt to modern entrepreneurial needs risks stalling economic growth, innovation, and inclusivity. Addressing these barriers is essential not only for individual success but for fostering a more dynamic and equitable entrepreneurial ecosystem

In Q4 Lunar conducted a survey with the aim to challenge the outdated media image of a successful entrepreneur—a middle-aged man in a suit—drive public awareness and highlight the “Founders of Tomorrow” - the true entrepreneurs: diverse small business owners who serve as the engine of the Nordic economy. With the initiative Lunar demonstrated the gaps non-traditional entrepreneurs face and how we address these challenges with digital-first financial solutions, making it easy for anyone to start a business.

→ Governance

Good corporate governance is of the utmost importance to us, and trust, transparency, accountability, independence and ethical behaviour guide our decision-making and reporting processes.



Three commitments

**01**

Sound relationship with authorities based on ethical behaviour

To ensure integrity and transparency at Lunar we strive towards a sound collaboration with relevant governing authorities and to base all our actions on ethical behaviour.

**02**

Meeting ESG requirements for reporting

Adopting some elements of the Corporate Sustainability Reporting Directive, on a voluntary basis amidst evolving regulatory changes.

**03**

Evaluating ESG risks

Key aspects such as the double materiality assessment and the identification of risks and opportunities within our value chain will be a central basis for ESG risk evaluation moving forward. Additionally, it will become integral to our strategy and product approval process.

Overall ESG Governance

Independence

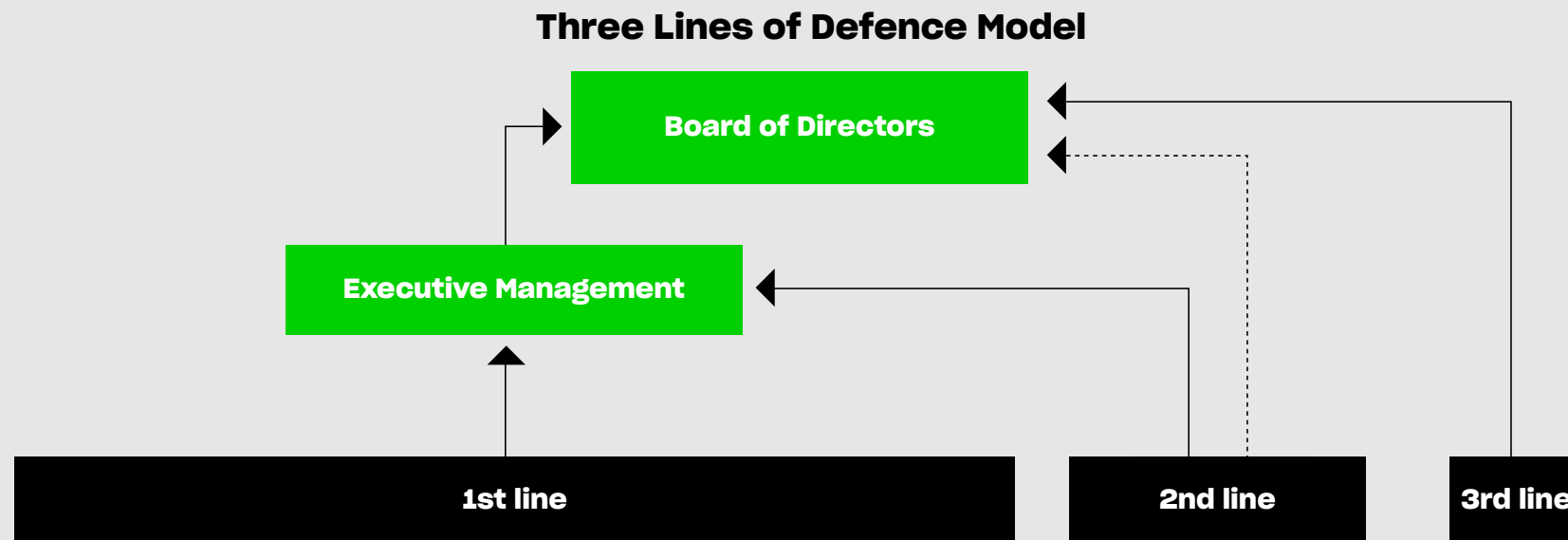
At Lunar we ensure independence by operating according to the “three lines of defence” model, to give autonomy in the decision making and to support objectivity in the governance processes.

Three Lines of Defence Model

- 1st line owns and manages the risks that come with the activities, products and services of Lunar and they perform relevant controls and reporting on the risk levels
- 2nd line provides oversight to ensure that 1st line operation adheres to the risk appetite approved by the Board of Directors and reports to executive management and the Board of Directors
- 3rd line independently assesses work carried out by 1st and 2nd line and reports to the Board of Directors.

To ensure a risk-based approach at Lunar, yearly risk assessments are performed in the 1st line, whereas the 2nd and 3rd line perform controls and monitoring activities to ensure objectivity and transparency related to risk-taking initiatives in the group.

In conclusion, the three lines of defence model serves as a fundamental framework for ensuring robust risk management and compliance within Lunar. By delineating clear responsibilities across operational, risk management, compliance, and internal audit functions, this model enables proactively identifying, assessing, and mitigating risks while maintaining regulatory compliance and safeguarding stakeholder interests.



Sound relationship with authorities based on ethical behavioural behaviour

Ethical Behaviour

Lunar strives to embed ethical behaviour in all actions. Furthermore, as a digital bank that continues to challenge the Nordic banking sector a sound relationship with authorities like the Financial Service Authorities is fundamental.

Based on a profound understanding of our risk picture, Lunar has defined a set of actions to further strengthen our efforts within this area. Some of the actions taken to ensure this are described below.

Healthy corporate culture

To support Lunar's growth and ensure compliance with regulatory requirements, a strong corporate culture is key. The Board of Directors has, therefore, adopted a policy for Healthy Corporate Culture which sets the criteria for how business functions ensure a sustainable culture and environment for all employees.

Financial crime prevention

Fighting money laundering and financial crime is at the core of running a bank, and we have ramped up these efforts through the use of technology and relevant recruitment. It is crucial for us to remain in full control and stay one step ahead in terms of financial crime prevention as we create a scalable and agile set-up in the Nordics. That is why we use technologies like AI and machine learning, as well as provide adequate training for all employees.

All relevant employees at Lunar have completed a mandatory e-learning course on general anti-bribery and corruption regulations. This course must be retaken on an ongoing basis.

Conscience in partnerships

ESG is an attribute for Lunar when entering new relationships. When considering new relationships with vendors or suppliers they will be subject to a light ESG assessment during the selection process.

Whistleblower arrangement

Among other things, this includes an arrangement whereby employees can anonymously report their concerns.

Employee engagement

As a means of monitoring and responding to employee engagement, Lunar uses Peakon – a tool that anonymously measures key metrics on a quarterly basis. Via Peakon, employees are also encouraged to communicate any wishes they might have about their workplace.

Data and AI ethics vision

Lunar believes data and AI ethics is about responsible and sustainable use of data and AI powered tools. It is about doing the right thing for people and society. Lunar wants to become an industry disruptor by utilising our ability to apply data to offer superior products and services without compromising on ethical boundaries.

Sound relationship with authorities based on ethical behavioural behaviour

To support these efforts, we have established a Policy for Data and AI ethics. Furthermore, to minimise risks and increase data quality related to our processing of data, as well as increase control and trust, we have initiated a data governance project.

The data governance framework is about managing data effectively, accurately, and securely. This involves identifying and assigning roles and responsibilities, setting and adhering to data standards, monitoring data quality, managing data incidents, and ensuring that any changes to processes or technology take data implications into account.

Meanwhile, compliance with regulatory requirements is a key part of governance, and with our data governance framework governance goes hand in hand with our data ethics principles on multiple points. For example, privacy, a key ethical principle, is protected through data governance processes such as monitoring data quality and managing data incidents. Transparency, another ethical principle, is achieved through clear assignment of roles and responsibilities and adherence to defined data standards.

Leveraging on technological progress

At Lunar we strive to offer our customers the best possible solutions in a safe, sustainable and effective manner. To do so we recognise that we can leverage the progress of artificial intelligence (AI) to increase the quality and speed of both internal repetitive tasks and answering user enquiries.

We are introducing multiple AI initiatives that will support our overall mission. These initiatives contain, among other things, a user-facing chatbot that can support our users to gain a proper overview and control of their finances in a safe and sustainable manner. However, acknowledging that such initiatives do not come without risks, why our internal AI Standard Operating Procedure set the ground for internal AI governance and will ensure continuous monitoring and testing of relevant initiatives.

Tax policy

Lunar has a tax policy explaining our stance on various areas within the tax domain, which can be found on Lunar's website. This includes, but is not limited to, our cooperation with tax authorities, framework for advisory services, efforts to counteract tax evasion by customers, and our disclosure that we do not have activities in countries listed by the EU or OECD as non-cooperative jurisdictions (tax havens), etc.

Sound relationship with authorities based on ethical behavioural behaviour

Meeting ESG requirements for reporting

In 2025, Lunar is set to proactively adopt certain elements of the Corporate Sustainability Reporting Directive, despite uncertainties around eligibility and enforcement timelines.

Our commitment to align with industry standards ensures transparency and comparability, allowing us to demonstrate to our shareholders, employees, users, and partners how we address critical material topics and navigate the evolving landscape of EU directives like CSRD and CSDDD.

By integrating parts of these directives into our strategy, we will ensure that our materiality outcomes drive our focus and decision-making moving forward. Lunar is dedicated to enhancing our processes, data management, and transition plans over the next two years, positioning ourselves as a leader in sustainable practices and regulatory compliance.

This strategic alignment will not only strengthen our sustainability initiatives but also reinforce our dedication to long-term growth and impact in the industry.

Evaluating ESG Risks

At Lunar we have initiated steps to eventually enable us to evaluate the ESG risks. These steps include the product approval process, where we aim at safeguarding our customers by ensuring all risks are known and handled prior to launching new products and ESG related questions asked to new partners to support our selection process.

Product approval process

Prior to the introduction of new products, Lunar subjects each to an elaborate approval process. This is done to ensure the products we offer have been considered from a holistic perspective ensuring considering all related risks, including ESG. The objective of our product approval process is to ensure that our products are safe, suited for their purpose, and comply with both regulatory requirements and our own risk appetite. Relevant risk areas are assessed by 1st line stakeholders and risk owners and, subsequently, by 2nd line before being forwarded for approval to the relevant level of authority – depending on the product's potential risks to Lunar and its surroundings.

Due diligence process for selection of partners

We seek strategic partnerships to offer our customers the best possible solutions. Potential partners are carefully assessed based on offerings, strategic fit, and ESG considerations, together with financial and non-financial risk impact.

LUNAR