Klarna Bank AB (publ)
Supplier Code
of Conduct.
Version 2.0
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1. Introduction

Klarna as a bank operates in a regulated industry and in addition to general laws, rules and industry practices, also complies with detailed regulations specific to banks and credit market companies, for instance, the Swedish Banking and Financing Business Act and rules issued by the Swedish Financial Supervisory Authority (SFSA). We are committed to responsible business by ensuring everything we do is ethical and lawful and in a socially and environmentally sustainable way throughout the value chain.

We view suppliers as an important part of our business success and strive to select and work with suppliers who adopt ethical standards, conduct their respective operations in a manner that respects the rights of the individuals they employ, demonstrate a positive impact on the environment and implement appropriate safety and security measures regarding personal data handling in accordance with applicable data protection standards.

Our Supplier Code of Conduct (Code) articulates a vision of responsible business behavior and sets forth the principles that we expect our suppliers and their subcontractors to abide by in the course of their business relationship with Klarna. We will also consider these principles when choosing suppliers. Many of the principles in this Code are about complying with laws, regulations and industry best practices. At Klarna, this compliance is the minimum standard we are expecting and we are happy to work with our suppliers to monitor compliance and improve things further throughout our relationship.

2. Why a supplier code of conduct is needed

We at Klarna rely on our customers and other stakeholders having confidence in us. Only by maintaining this trust can we continue to be a successful company. We also rely on our suppliers to meet such confidence.

 Suppliers shall comply with all applicable laws and regulations including full compliance with this Code. Suppliers must maintain and demonstrate their commitment and compliance to this Code, have in place adequate remedial mechanisms and work to continuously improve its ethical standards. Suppliers must ensure legal compliance through essential training, awareness, operational control and monitoring. There may be instances when the principles set forth in this Code
If that is the case and local law or customs impose higher standards than those set out in this Code, local law and customs should apply. On the other hand, if this Code provides for a higher standard, the Code should prevail, unless this results in illegal activity. Suppliers shall adhere to industry standards, best practices and, where relevant, international standards.

The purpose of this Code is to make it easier for our suppliers to do the right thing by promoting lawful, professional and fair practices that integrate the respect for human rights, business ethics (including a zero tolerance policy for bribery and corruption) and the environment. This Code will;

- Establish the basis for collaboration,
- Describe responsibilities of suppliers in relation to Klarna, and
- Guide suppliers in doing business with Klarna.

3. To whom does the supplier code of conduct apply?

The Code applies to all suppliers to any of the Klarna group companies – in all countries – and all those who do business with or on behalf of Klarna group companies. This means that, as a supplier to Klarna, you are responsible for becoming acquainted with the Code and ask for guidance if necessary.

Note that the term ‘supplier’ covers the supplier and any person or entity (including its subsidiaries, agents, affiliates, employees, consultants, members of the board of directors and subcontractors) contracted by the supplier for the benefit of Klarna. By entering into a business relationship with Klarna and during the term of this business relationship, suppliers are required to ensure that their employees and subcontractors are made aware of and comply with applicable laws and regulations and with the principles set forth in this Code; in particular, suppliers are expected to choose the suppliers they retain in relation to Klarna’s business with appropriate due diligence, communicate the principles set out in this Code (or equivalent principles) to their suppliers and ensure compliance with these principles.
4. Our people

4.1 Non-discrimination and equal opportunity

Klarna is committed to a number of global initiatives which guide our business decisions and form part of our core values. One of those core values is respect for employee’s human rights, as established in the International Labour Organisation’s (ILO) Declaration on Fundamental Principles and Rights at Work and the Universal Declaration of Human Rights (UDHR). National legal standards must be respected in all cases; the stricter legal standard shall always apply.

Klarna is a place of mutual trust and respect that embraces diversity and values everyone for their merits. A place where people are treated fairly, with respect and dignity. We provide our employees with a workplace that supports diversity and where differences are valued. We will not tolerate discrimination or harassment, whether this is based on an individual’s ethnic or national origin, gender, skin color, faith, religion, citizenship, age, disability, civil status, sexual orientation, or any other reason.

We expect our suppliers to adhere to the same standards and that no employee of the supplier will be subjected to corporal punishment, physical, sexual, psychological, or verbal harassment or abuse. In addition, suppliers will not use fines as a disciplinary measure, and any disciplinary actions taken should be recorded.

Suppliers shall not discriminate in the hiring and employment of employees on the basis of race, caste, birth, social or ethnic origin, religion, nationality, age, gender, gender identity or expression, marital status, sexual orientation, disability, maternity or paternity, union membership or political affiliation.

4.2 Health and safety

Suppliers will at all times provide and maintain their employees with a safe and healthy workplace and should ensure that a senior management representative is responsible for health and safety and that appropriate policies and procedures are in place that meet, and preferably exceed, applicable standards and legal requirements.

4.3 Human rights and labor conditions

Being a responsible business means respecting and supporting international standards on human rights, working conditions, the environment and anti-corruption. As a responsible business, we observe a number of international declarations, conventions and guidelines. These include the United Nations’ Universal Declaration
We expect our suppliers to share this commitment and specifically meet the following requirements:

- **Child labor**
  Klarna does not use any form of child labor and requires that its suppliers prevent all forms of child labor. The minimum age for workers shall not be lower than the age at which compulsory education is completed in the respective country or the minimum age for employment, whichever is higher. In addition, suppliers must comply with all legal requirements for the work of admitted juvenile workers, particularly those pertaining to working hours, wages and safe working conditions.

- **Forced labor**
  Klarna’s suppliers must not use any form of involuntary or forced labor, including indentured labor, debt bondage, slave labor, or human trafficking and must never engage in any form of sex procuring. Employees and consultants must have the ability to terminate their employment in accordance with applicable laws, regulations and rules.

- **Wage, benefits and working hours**
  Klarna’s suppliers must pay workers at least the minimum compensation required by local law and provide all benefits required by law. Suppliers must comply with applicable legislation regarding working hours (including but not limited to overtime and overtime compensation) and rest rules.

- **Employment relationships**
  Supplier’s employees should have a clear and coherent contract of employment that must comply with legislation and be especially clear about wages. Employees who are unable to read the contract
should be introduced to a suitable person, who can read and explain the contract to them. Further, the supplier must not terminate an employment without documenting in writing the reason for the termination and any termination must comply with all legal requirements.

- **Freedom of association and collective bargaining**
  Klarna recognizes the importance of open communication and direct engagement between workers and management and expects its suppliers to do the same. Klarna suppliers shall respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, punishment or reprisal. We also expect our suppliers to recognize and respect any rights of workers to exercise their legal freedom of association, including joining or not joining any association of their choice. Klarna suppliers shall also respect all legal rights of workers to bargain collectively.

5. **Our business**

Klarna is committed to the highest standards of integrity, honesty, openness and professionalism in all its activities wherever they are conducted. Klarna is committed to complying with applicable laws and does not engage in any form of corrupt practices, including extortion, fraud or bribery, at a minimum.

We expect our suppliers to adhere to the highest standards of integrity, transparency and corporate governance. Moreover, as a minimum, we expect our suppliers to comply with all relevant legislation and regulations.

Suppliers must not engage in any form of bribery or corruption and must not be associated with any group that supports acts of violence, terrorism, or discrimination.

5.1 **Conflicts of interest**

All Klarna employees owe a duty of loyalty to Klarna. Where our personal, social, financial, or political activities interfere or could interfere with our loyalty to the company, a conflict of interest may exist. Even the appearance of a conflict of interest can be damaging. The same
applies to Klarna’s suppliers, who should avoid situations where a conflict of interest may occur.

Consequently, the interest of Klarna and/or the suppliers on the one hand and the personal interests of their respective employees (or those of a relative, a friend, or a close relation) on the other hand, must be kept separate.

Similarly, Klarna employees are required to disclose to their manager any potentially conflicting relationship with and/or interest in, a supplier before making a business decision or recommendation regarding a supplier.

5.2 Bribery and anti-corruption

Klarna is committed to ethical business practices and has zero-tolerance for corruption and bribery. Klarna does not condone offering or accepting bribes or any other form of improper payment, including so-called ‘facilitating payments’ under any circumstances. In some jurisdictions, offering or accepting inappropriate gifts may constitute a criminal offense punishable by severe prison sentences. Even the appearance of a violation of anti-bribery or anti-corruption laws could cause significant damage to Klarna’s reputation and will be reported to the appropriate authorities at Klarna’s discretion.

Suppliers must act with utmost integrity, honesty and transparency and comply with all applicable anti-bribery and anti-corruption laws.

Consequently, suppliers must ensure that they do not offer or receive any form of inappropriate benefit (gift, favor or hospitality) with the intention to improperly influence a business decision, whether it involves government officials or private individuals.

Should a Klarna employee ask for any improper payment or incentive in breach of this Code, suppliers are expected to notify Klarna. Suppliers are also expected to ensure that all of their reports, records and invoices are accurate and complete and that they contain no false or misleading information.

5.3 Competition and anti-trust

Klarna strives to act at all times as a fair and responsible market participant and expects the same from its suppliers.

Klarna’s suppliers must comply with all competition
and anti-trust laws that apply to their business.

In particular, suppliers must refrain from entering into any understanding or agreement that would hinder unlawful competition either with their competitors or with their own suppliers. This applies to any arrangement that influences prices, terms of sales (including discounts), strategies or customer relations, markets, market shares, customers, or territories (particular care is expected regarding the participation of suppliers in tender procedures). This also applies to the exchange of sensitive information or to any other conduct that unlawfully restricts or may restrict competition.

Klarna purchases all goods and services in a coordinated manner and based on objective factors such as quality, price, availability, delivery, reliability and service. Supplier shall follow the principles of fair competition and shall not engage in bid-rigging or any other limits of unfair competition.

5.4 Anti-money laundering and terrorist financing

Klarna complies with the standards set out in the European Anti-Money Laundering and Terrorist Financing Directives and other applicable national anti-money laundering and terrorist financing legislation.

We expect our suppliers to support and to cooperate with Klarna to ensure compliance with the aforementioned legislation. Any payment by Klarna to a vendor, supplier or other third parties must be made to a bank account titled in the name of the contracted vendor, supplier, or other third party.

5.5 Confidential information

Klarna respects the confidential information of others and includes specific confidentiality clauses within its supplier contracts. We will never seek to obtain or disclose confidential information of other companies, whether brought to our attention directly or from third parties, and we expect our suppliers to act in the same manner.

Should a supplier have interactions with a competitor of Klarna, the supplier must not share any of Klarna’s sensitive information with the competitor and vice versa, even via third parties. Suppliers are also expected to compete fairly and ethically for all business opportunities. They must ensure that all statements, communications and representations to Klarna are accurate and truthful.
All suppliers, service providers, consultants and others who provide services to Klarna shall sign a confidentiality undertaking. A non-disclosure agreement shall be concluded or entered into between the supplier and Klarna.

### 5.6 Data protection

Klarna complies with the data protection standards set out by the European data protection legislation and/or other applicable national data protection legislation. Klarna implements strict security and safety measures to protect the data of its suppliers, employees and customers alike. Personal data may only be collected, used and shared if it is necessary for certain legal purposes, for example to fulfill an agreement or if we must fulfill a legal obligation.

We will only work with suppliers who can demonstrate similar standards with regard to the protection of personal data.

Personal data is defined as any information relating to an identified or identifiable natural person; an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of that natural person.

In addition, suppliers performing a processing activity on behalf of Klarna are required to comply with the agreed-upon specific contractual provisions in a Data Processing Agreement to be concluded separately. In particular, suppliers have a responsibility to protect personal data from improper disclosure, theft, or misuse at all times and must immediately report to Klarna any incident that involves Klarna’s personal data.

### 6. The environment

Klarna seeks to comply with all relevant environmental legislation in the countries in which we are based and we are committed to continually improve our environmental performance through various campaigns and initiatives across the company.

We believe that suppliers should seek to minimize any potential impact on the environment when providing goods and services to us and demonstrate
continuous improvements in environmental performance. As a minimum, we expect suppliers to seek to comply with applicable environmental legislation, regulations and directives to protect and improve the environment, and to have developed, reviewed and recorded processes to ensure their compliance. We encourage our suppliers to have action plans in place to continually improve their environmental impact including but not limited to the following areas:

- **Waste management**
  Minimize waste through careful purchasing and efficient use of natural resources and recycle as much waste as possible.

- **Greenhouse gas emissions**
  To reduce the overall greenhouse gas emissions through effective reduction measures.

- **Energy**
  Reduce the carbon footprint and save energy across all offices including but not limited to improving and upgrading to more energy-efficient IT equipment and facilities.

- **Transport**
  Encourage employees to use sustainable transportation, reduce travel when possible and replace with video conferencing (and/or try to offset air emission via a registered organization).

- **Environmental awareness**
  Raise employees’ awareness of their individual and their company’s overall impact on the environment and encourage their participation in initiatives aimed at improving any environmental impact.

Where appropriate, suppliers must also comply with additional environmental requirements specific to the products and services supplied to Klarna. Any specific requirements will be set out in the individual contract between Klarna and the supplier.

7. Our supplier

We look forward to engaging with our suppliers in order to improve our performance with regard to social and
Klarna expects suppliers to maintain reasonable records of initiatives and progress in these areas and Klarna may from time to time request to access relevant documentation and raise reasonable inquiries.

We encourage suppliers to contact the Klarna Procurement Team at any stage of the contractual process. The team is available to discuss any of the above areas with suppliers.

8. Implementation

Suppliers shall strive to keep accurate, timely, and relevant information on performance and progress and make it available to Klarna upon reasonable request.

The supplier shall implement this Code into its operations and ensure that this Code is complied with at all times for the duration of the engagement with Klarna.

9. Consequences of violations

Suppliers agree that a breach of any of their obligations or undertakings under this Code is a material breach of contract.

If a supplier does not meet the expectations and standards Klarna will;

- As a first step, encourage the supplier to take necessary remedies, including implementing appropriate corrective actions within a reasonable time, so as to remedy the violation and to prevent similar occurrences in the future. Corrective measures for critical deviation must be implemented without undue delay. Upon Klarna’s request, the supplier shall provide documentation to Klarna supporting its fulfillment of this Code, for Klarna’s review.

10. Audit right

In addition to any audit right set out in any agreement entered into with Klarna, suppliers agree;

- That Klarna (either directly or through an independent third party appointed for that purpose) may verify and assess suppliers compliance with this Code by conducting an audit at any time, subject to prior
written notice. If Klarna reasonably believes that prior notice will interfere with Klarna verifying whether the supplier has complied with its obligations or undertakings under the Code, the supplier will permit an audit without prior notice.

- To provide Klarna with all relevant information and allow Klarna and its representatives access to their premises for the purpose of performing such an audit.