

ESG Report 2024

N26



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About N26 and this report

Creating long-term value

At N26, we are building the bank the world loves to use. As a fully licensed financial institution, millions of customers, employees, regulators, partners, and investors across Europe place their trust in us.

This is why we know that innovation and sustainability must go hand in hand, and that our responsibility goes beyond building products that make everyday banking easy. It means creating long-term value for everyone connected to N26.

Environmental, Social and Governance (ESG) principles are central to how we fulfill this important responsibility. They guide how we manage risks, seize opportunities, and build a bank that is responsible, transparent, and built for the future.

This report reflects our progress in each of these areas, and reaffirms our commitment to embedding sustainability across our business.

“In 2024, we embedded sustainability more deeply into our business and strategy – defining what matters most, setting clear priorities, and aligning our policies and actions accordingly.”

ARND SCHWIERHOLZ
CHIEF FINANCIAL OFFICER

Double materiality assessment

- Assessment methodology
- Process
- Material sustainability matters



Assessment methodology

N26 Group conducted a double materiality assessment (DMA) to identify and evaluate the impacts, risks, and opportunities related to sustainability matters.

To understand what is material, N26 analyzed its corporate context and stakeholders' needs from two different perspectives:

1. **Impact materiality**, which refers to N26's impacts on people and the environment resulting from its decisions and operations.
2. **Financial materiality**, which represents the potential financial impacts on N26's business from external factors.

STAKEHOLDERS' PERSPECTIVES

N26 actively engages with all stakeholder groups as part of its regular due diligence process to better understand and identify impacts, risks, and opportunities.

To identify the most relevant sustainability topics for its key stakeholders, N26 engages directly with these groups through regular channels or their representatives. This helps determine whether they are affected by a given topic and, if so, in what manner.

For the 2024 updated DMA, N26 convened representatives from across the organization to represent each stakeholder group, ensuring a comprehensive understanding of their perspectives.



Process

N26 follows a structured approach to identify and assess material sustainability matters. This process involves three key steps:

1.

ASSESSING N26'S LANDSCAPE

The first step in completing the DMA involves understanding N26's context through a thorough examination of its activities, business relationships, operations, locations, product launches, and regulatory landscape, as well as identifying and understanding the needs of its stakeholders.



2.

IDENTIFYING RELEVANT ESG TOPICS

A structured list of potential environmental, social, and governance (ESG) topics and subtopics is compiled, along with the potentially relevant impacts that N26 has on these topics, as well as the relevant risks and opportunities that these topics pose for N26.



3.


ASSESSING AND DETERMINING MATERIAL SUSTAINABILITY ISSUES

N26 uses specific criteria to evaluate the initial list of ESG topics, considering the perspectives of stakeholder groups to determine their significance. This evaluation results in a short list, which undergoes a final assessment. The outcome is a final list of material sustainability issues for N26.




Material sustainability matters


The following lists the sustainability matters identified and assessed as material as a result of N26's 2024 DMA process.




Climate change adaptation/mitigation




Working conditions for employees








Equal treatment and opportunities for all employees




Information-related impacts for consumers and/or end-users









Social inclusion of consumers and/or end-users




Corporate culture



Corruption and bribery



Anti-financial crime (AFC)
Incidents and prevention, and detection, including training



Artificial intelligence

- Application of AI/ML in AFC, credit risk, security, and related fields to enhance and support existing systems
- Application of AI in chatbots and virtual assistants based on LLMs, possibly to be used both externally and internally

Environment

- Climate change
- Supporting customers
- Our carbon emissions



Climate change

As part of its ongoing commitment to sustainability, N26 has implemented various initiatives to address climate change, with a focus on developing a comprehensive understanding of its greenhouse gas (GHG) emissions.

EMISSIONS FROM PURCHASES OF GOODS AND SERVICES

Since 2024, N26 has taken steps to better understand the emissions associated with purchases of goods and services from all its vendors. This involves compiling a comprehensive list of suppliers and working with its CO2 accounting service provider to analyze emissions across its supply chain.

Through a redesigned request for proposal (RfP) process, N26 has strengthened its ability to assess suppliers' commitment to sustainability and ethical practices before potential engagement. The questions cover areas such as whether potential suppliers actively monitor and report their GHG emissions. Additionally, the supplier onboarding process assesses whether potential suppliers are transparent about their sustainability efforts and performance, requesting comprehensive data to evaluate their ESG practices, such as sustainability reports and public disclosures of reduction commitments.

ASSESSING FINANCED EMISSIONS

In 2024, N26 began preparations to assess the financed emissions related to its investments. This initiative aims to understand the environmental impact of the companies and assets it invests in, ensuring alignment with its climate transition goals.

MANAGING CORPORATE EMISSIONS

N26 is actively managing corporate emissions across its offices through various energy-saving initiatives. These include automated lighting controls, energy-efficient LED lighting, and scheduled power-offs for display screens during non-business hours. The company's support for hybrid work and reduction in office space have also contributed to decreased utility demand. As of the end of the reporting period, N26 is exploring renewable energy sourcing options for its offices.



SUPPORTING EMPLOYEES TO MANAGE THEIR EMISSIONS

N26 partnered with its green employee resource group (Green ERG) to conduct an employee survey on factors relevant to understanding commuting and working-from-home emissions. Employees were then provided with resources on reducing emission, including guidance on working from home and a tutorial on the Earth Hero App. N26 also began providing information on lowering emissions from business and personal travel. These initiatives, which are expected to continue in the coming years, support employees in making sustainable choices that reduce both personal and company-related environmental impacts, further embedding a culture of sustainability within the company.

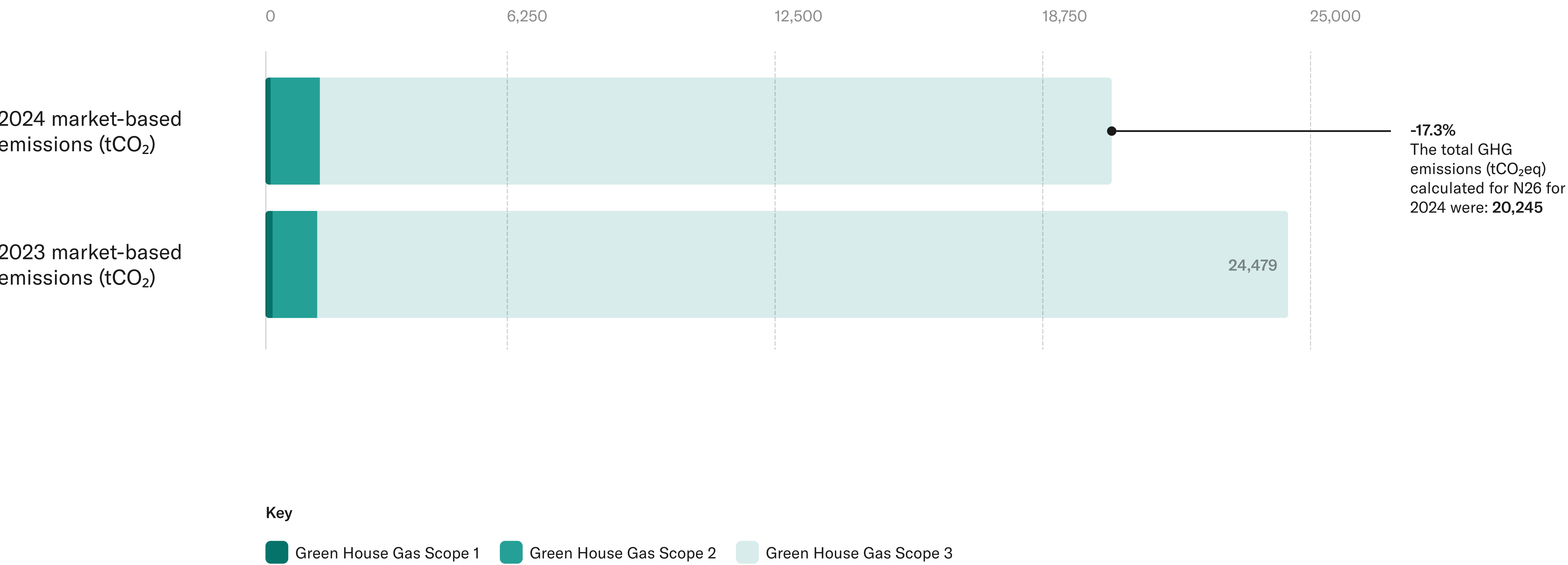
Supporting customers

By offering benefits with sustainable partners and ESG-linked mortgage features, we help customers reduce their climate impact.

N26 is partnering with sustainability-focused companies, including green energy providers, to offer **benefits** such as discounts to its customers. This initiative helps promote sustainable practices within a wider community, thereby enhancing overall environmental impact.



Our carbon emissions



Social

- Our employees
- Equal treatment and opportunities for all employees
- Employees in numbers
- Data protection
- Social inclusion



Our employees



N26 has implemented various measures to create a positive and supportive work environment, reflecting its commitment to fostering a transparent, flexible, and inclusive culture for all employees.

N26's performance management framework, Grow26, facilitates structured goal setting, feedback, and performance evaluations, offering opportunities for learning and career growth.

N26 currently offers all its employees voluntary access to an employee assistance program (EAP) partnering with Likeminded through its anonymous, secure platform. Employees can access unlimited live group workshops, on-demand expert webinars, and a resource library to support their **mental health**. Additionally, the benefit includes 14 individual sessions with professional psychologists and coaches each year.

For **physical health** benefits, N26 offers its employees a discounted gym, sports, or wellness membership plan in select locations, aiming to promote a healthy lifestyle and overall wellbeing.

N26 has a **workplace accident prevention** process, which forms a part of the onboarding process. Employees must also undergo annual mandatory general occupational safety and health in the office training.

Equal treatment and opportunities for all employees

N26 recognizes that fostering a diverse, equitable, and inclusive workplace is crucial to its long-term success and is committed to creating an environment where all employees feel valued and supported, regardless of their background.

In 2024, N26 launched its first Diversity, Equity & Inclusion Action Plan. The plan has five pillars:

- A **self-ID campaign**, inviting employees to voluntarily share their diversity factors. This initiative enables the company to implement focused interventions to build a more inclusive workplace and track progress over time
- Integration of DEI lens to **people policies and procedures**
- Partner with **employee resource groups** (ERGs) to provide ongoing guidance around targeted and impactful interventions, while improving membership access to everyone. ERGs at N26: Ethnically Diverse ERG, Green ERG, LGBTQIA+ ERG, Parents ERG, Wellbeing ERG, and Women+ ERG
- Focus on identifying, developing, and growing multiple diverse **talent pipelines**, and aligning these with business and team strategies to achieve better business outcomes that reflect N26's diverse customer base
- With **divisional diversity health checks**, N26 will provide business leaders with data and insights to make better informed decisions around assessing their teams' diversity

PEOPLE POLICY

N26's People Policy establishes guidelines for effective people management across the organization, incorporating diversity, equity, and inclusion (DEI) elements in 2024. Key DEI elements stated in the policy are the following:

- A diversity, equity, and inclusion statement expressing a commitment to fostering a diverse, equitable, inclusive workplace. This dedication extends to all aspects of N26's people practices
- Creating inclusive job descriptions, encouraging applications from candidates of all ethnicities, gender identities, sexual orientations, disability statuses, neurodiversities, and generations
- Appointing inclusion officers at N26 to act as points of contact for employees on disability inclusion-related topics, ensuring equal opportunities and protected rights to participation
- Provision of reasonable facilitations to support employees with disabilities and ensure they can perform their roles effectively
- Ensuring equal access to development and training opportunities to help all employees grow and advance, using annual professional development budgets, independent of any additional training N26 may organize
- Supporting (including financially) and encouraging the formation of employee resource groups (ERGs) to provide a platform where groups with special interests and needs can connect, grow, and advocate for diversity and inclusion within N26
- Delivering DEI sessions and initiatives to increase awareness and foster a culture of inclusivity, led by the talent management & DEI teams within the People function



Employees in numbers

The figures in the following graph represent headcounts at the end of the reporting period.

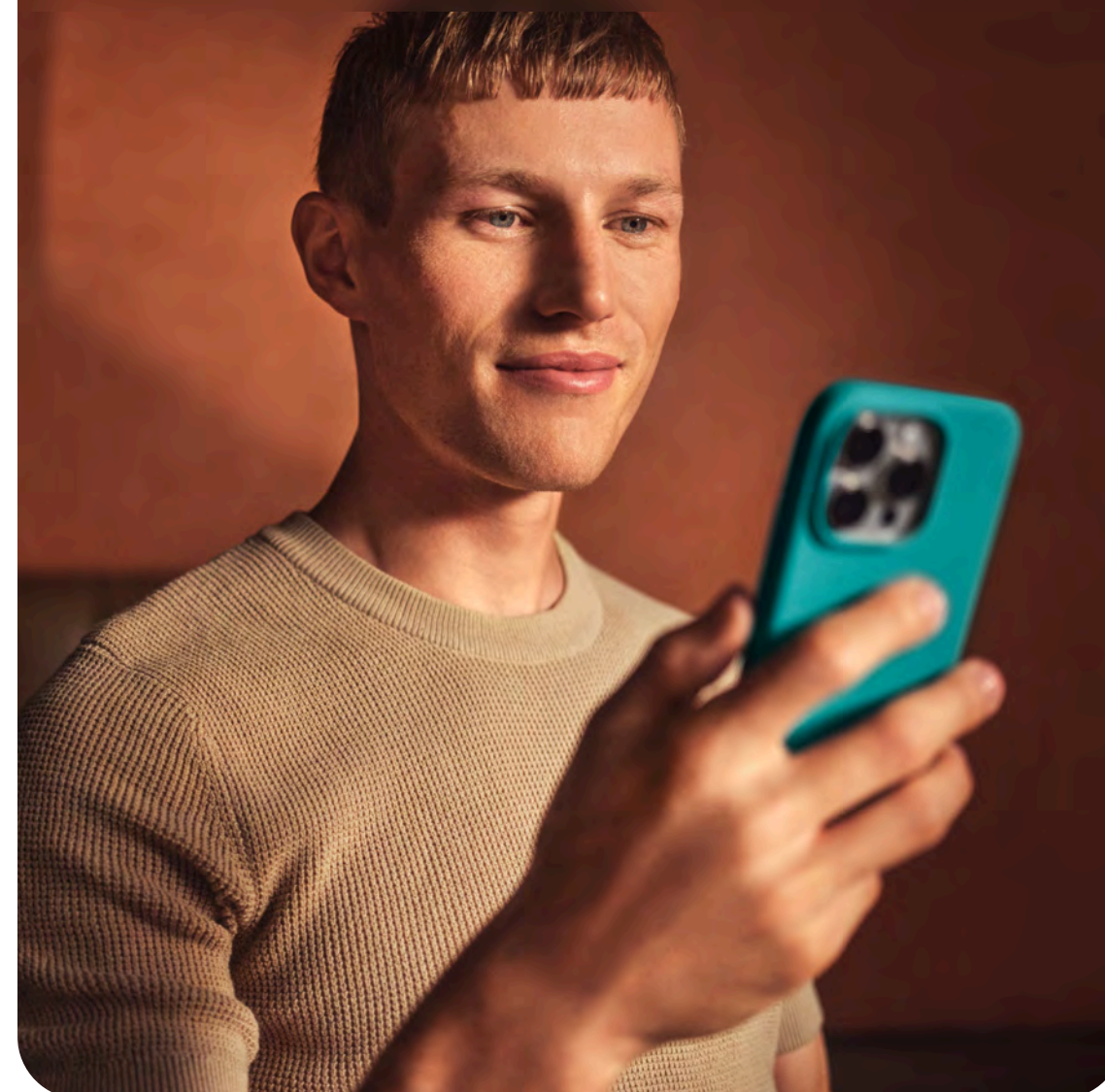


*N26 defines top management level as employees in senior leadership positions (levels 5 and above). The scale ranges from 0 to 10, with 0 covering interns and working students and 10 representing the top level of executive leadership.

Data protection

N26 embeds strong data protection practices across policies, people, and processes to safeguard customer information.

N26's data protection policy, based on data protection principles and applicable legal requirements, provides a standard for the processing of personal data. This policy guides N26 Bank and the Group in processing customers' personal data to a consistently high standard, taking into account the principles of lawfulness, fairness and transparency, purpose limitation, data minimization, accuracy, integrity and confidentiality, and accountability.



N26 is committed to fostering a culture of privacy and compliance through ongoing data protection training and awareness initiatives. These will equip employees with the knowledge and skills to handle personal data, and requests related to personal data, responsibly.



N26 has implemented structured processes for efficiently and timely handling data subject requests (DSRs) through a tool which is designed to sustainably support the exercise of data subject rights by streamlining request management, reducing manual intervention, and ensuring efficient use of resources.



Social inclusion

N26 has designed its digital banking product with accessibility and inclusion at the forefront.

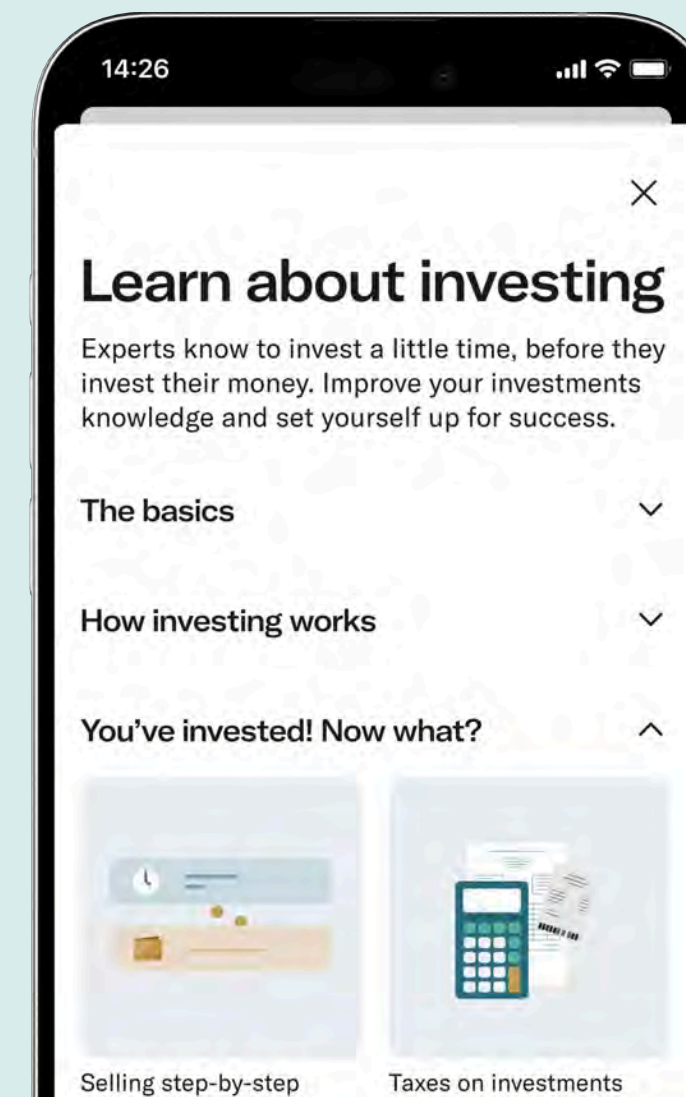
INCLUSIVE BY DESIGN

Banking with N26 is fully digital and available in five languages, enabling customers – including those with mobility, health, or language barriers – to manage their finances independently without ever visiting a branch. N26's digital banking app has been designed to be inclusive and accessible for users with diverse needs, including those with visual impairments or motion sensitivity. In addition, N26's Standard account is offered at no cost, which helps N26 put essential financial services within reach for all potential customers across the markets it serves.



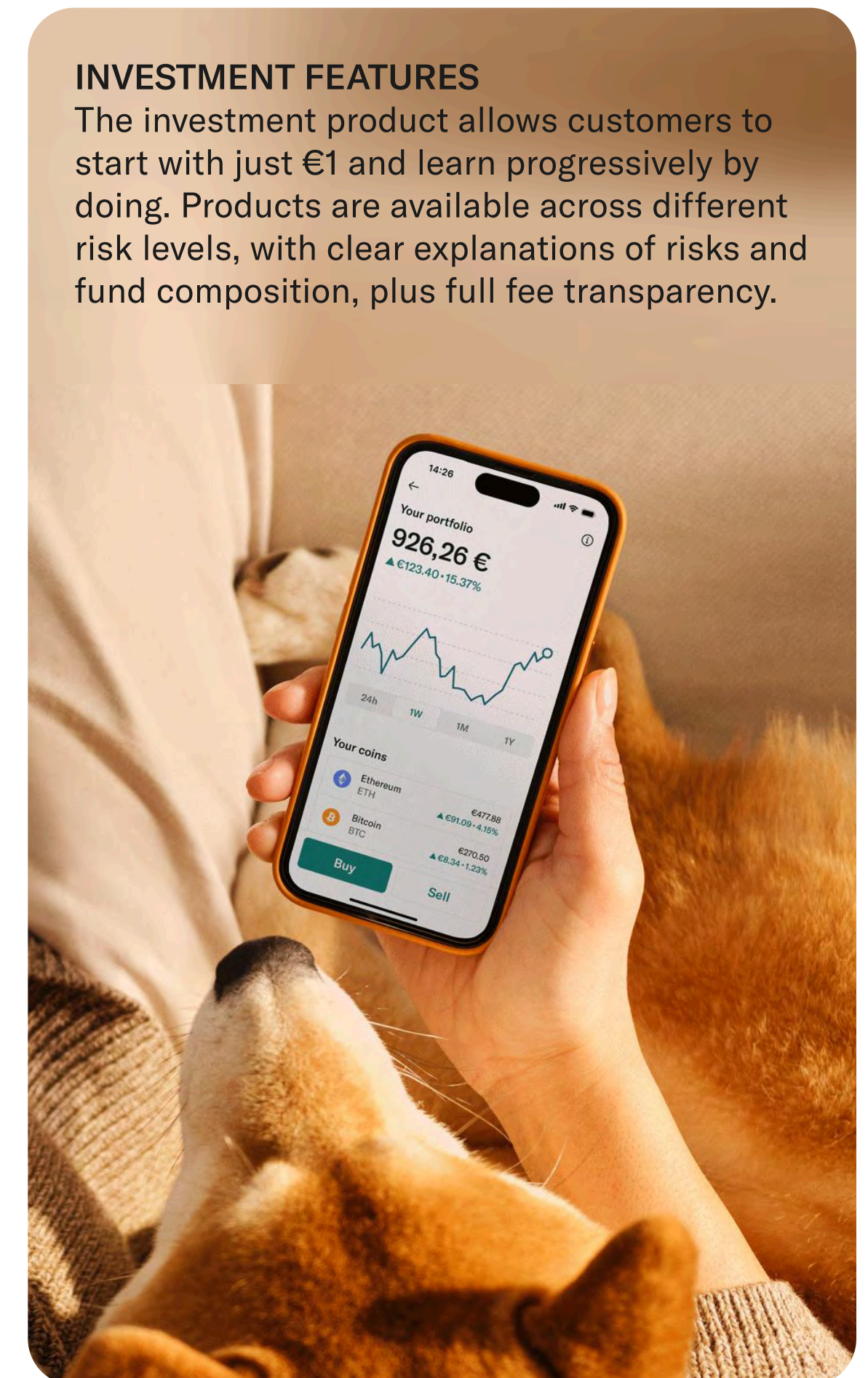
FINANCIAL EDUCATION

N26 provides financial education through a learning hub in its app to enhance users' investment knowledge. It covers essential topics such as starting small, understanding the differences between stocks and ETFs, and diversifying assets – empowering new investors to make more informed decisions as they embark on their investment journey.



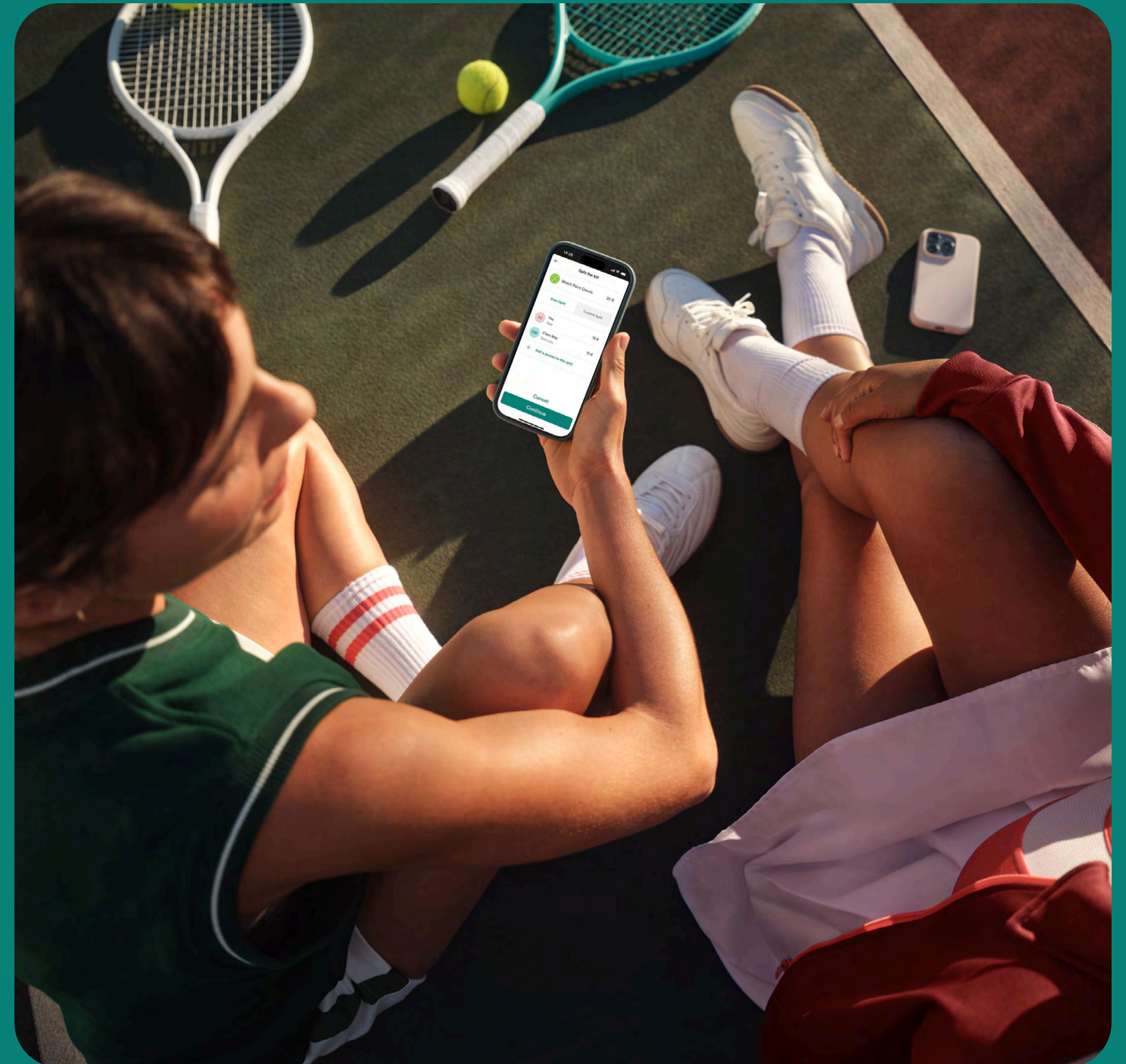
INVESTMENT FEATURES

The investment product allows customers to start with just €1 and learn progressively by doing. Products are available across different risk levels, with clear explanations of risks and fund composition, plus full fee transparency.



Governance

- Corporate Culture
- Measures against Corruption & Bribery
- Anti-financial crime (AFC) measures
- Artificial Intelligence



Corporate Culture

N26's corporate culture is guided by several key policies and procedures.

The **code of conduct** outlines the fundamental principles for ethical behavior.

The Group **Conflict of Interests Policy** manage potential conflicts of interest ethically.

The **Whistleblowing Policy** and **N26 Speak-up tool** enable employees to report unethical or illegal conduct.

N26 ensures that all employees are familiar with these policies and procedures through mandatory training, conducted at least annually, covering topics such as the whistleblowing policy, anti-bribery and corruption policy, and conflict of interests policy.

Measures against Corruption & Bribery

The code of conduct at N26 explicitly prohibits any behavior that may constitute bribery or corruption, and reminds employees that anti-bribery and corruption training is mandatory. Employees are directed to additional resources for further information, emphasizing N26's commitment to maintaining a culture of integrity and compliance.

N26's **Anti-Bribery and Corruption Policy** provides a clear framework for preventing, detecting, and addressing bribery and corruption. To reinforce this policy, the company **mandates annual training** for all employees, ensuring they are equipped to identify and prevent such practices.

N26 conducts an annual risk assessment to identify business functions and activities that are at a higher risk of bribery and corruption. The company has implemented targeted measures and procedures to identify, mitigate, and report such incidents to Group Compliance. The effectiveness of these controls is regularly evaluated to ensure they adequately mitigate related risks.

N26's 'Speak-up' tool enables employees to report suspected bribery and corruption, with reports handled according to the **Group Whistleblowing Policy**. Notably, no incidents of corruption or bribery were identified in 2024, and the company received no convictions or fines related to anti-corruption and anti-bribery laws.



Anti-financial crime (AFC) measures

N26 is actively engaged in preventing and combating financial crime, implementing measures to protect its customers and the financial system.

In addition to its policies and procedures, N26 operates transaction monitoring systems to differentiate between legitimate and illegitimate transactions.

N26's binding code of conduct is a key component of the Group's anti-financial crime (AFC) framework. It acts to outline the guiding principles for ethical and compliant behavior by N26, by requiring all employees to be vigilant and contribute to efforts for preventing or counteracting financial crimes (e.g., money laundering, terrorist financing, internal and external fraud, targeted financial sanctions violations).

N26's **Group AFC policy** outlines key legal and regulatory requirements that employees must comply with in their daily duties. The policy is further detailed through downstream procedures, work instructions, and processes, providing a comprehensive framework for anti-financial crime efforts.

N26 maintains a zero-tolerance stance on breaches of sanctions, protecting the Group from financial and reputational risks. The **Group Sanctions Policy** defines the principles for managing sanctions risks across N26 and its subsidiaries, ensuring compliance and mitigating potential regulatory issues.

N26's **Global Fraud Prevention Policy** establishes principles and standards for managing fraud risk, outlining the minimum requirements for the Group's fraud management framework.

Artificial intelligence

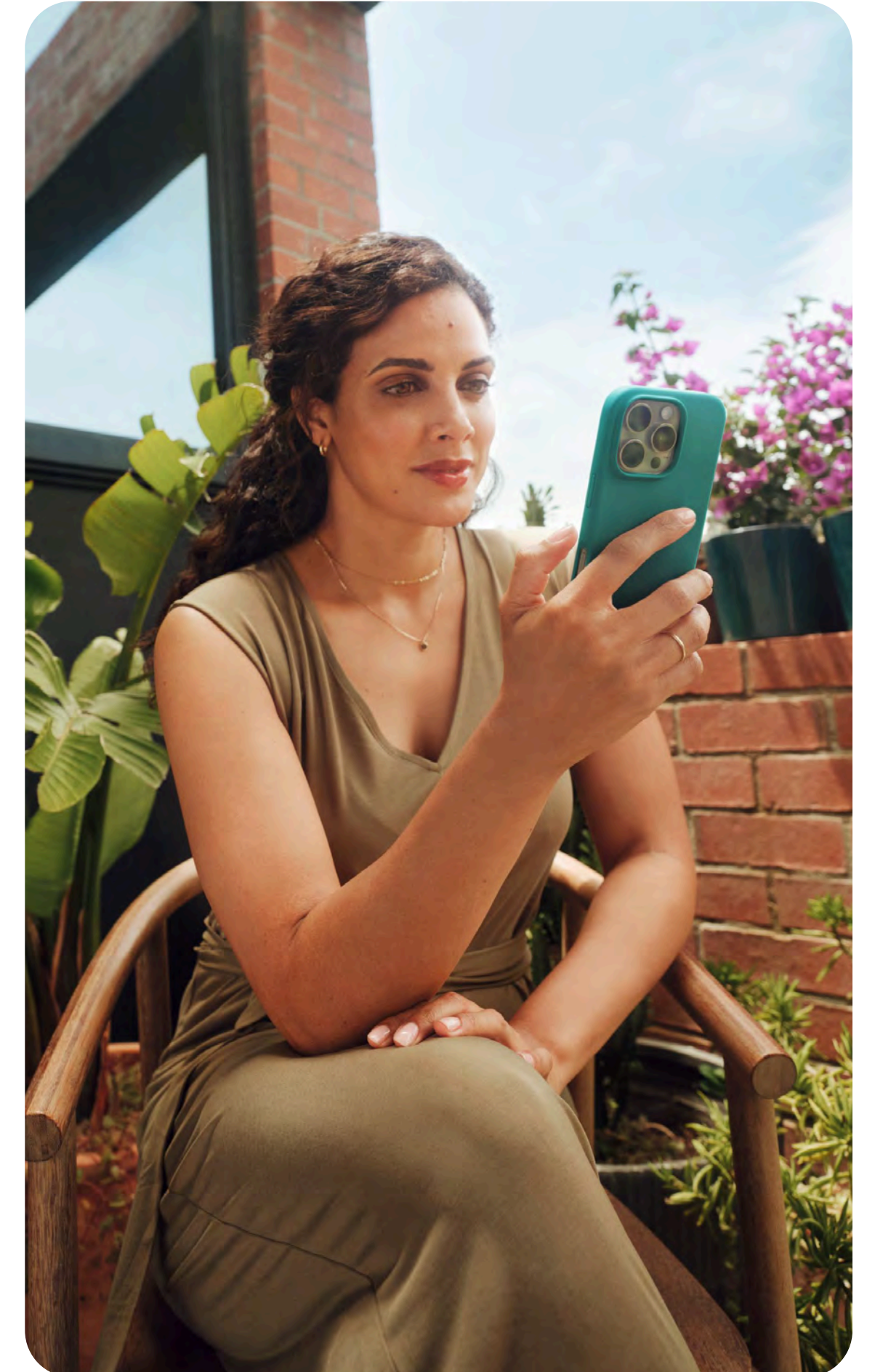
N26 acknowledges the growing significance of artificial intelligence in enhancing operational efficiency and customer experience, and has established an AI strategy to guide responsible AI adoption across its operations.

The following action items have been defined as a result of the AI Strategy:

- Promote fairness and reduce human biases through adherence to predefined ethical standards
- Enhance operational efficiency without compromising ethical standards
- Ensure transparency in AI decision-making processes
- Protect data privacy and adhere to data security regulations
- Align AI practices with regulatory and legal requirements in all relevant jurisdictions

N26's AI Strategy aims to harness the potential of artificial intelligence while mitigating risks and ensuring responsible development and deployment.

To achieve this, the company has established an AI Ethics Committee, which oversees the ethical use of AI technologies, ensuring that AI systems operate within the bounds of fairness, transparency, privacy, and ethical responsibility.



Appendix



Appendix

Summary of the 2024 Green Asset Ratio — Turnover-based

	TOTAL (GROSS) CARRYING AMOUNT	EU TAXONOMY ELIGIBLE	EU TAXONOMY ALIGNED
Financial undertakings	3.156	578	179
Non-financial undertakings	18	1	1
Households	1.089	1.089	199
Local governments financing	1.702	82	0
Total covered assets in both numerator and denominator	5.966	1.750	379
SMEs and NFCs (other than SMEs) <i>not subject to NFRD disclosure obligations</i>	0	–	–
Non-EU country counterparties <i>not subject to NFRD disclosure obligations</i>	60	–	–
Derivatives	0	–	–
On-demand interbank loans	71	–	–
Cash and cash-related assets	2.991	–	–
Other categories of assets <i>(e.g. Goodwill, commodities, etc.)</i>	299	–	–
Total assets excluded from the numerator for GAR calculation <i>(covered in the denominator)</i>	3.421	–	–
Total assets in the denominator	9.387	–	–
Green asset ratio (GAR)	4,03%	–	–

*Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation
**Numbers shown in EUR million

Summary of the 2024 Green Asset Ratio — CapEx-based

	TOTAL (GROSS) CARRYING AMOUNT	EU TAXONOMY ELIGIBLE	EU TAXONOMY ALIGNED
Financial undertakings	3.156	557	169
Non-financial undertakings	18	6	5
Households	1.089	1.089	199
Local governments financing	1.702	82	0
Total covered assets in both numerator and denominator	5.966	1.735	373
SMEs and NFCs (other than SMEs) <i>not subject to NFRD disclosure obligations</i>	0	–	–
Non-EU country counterparties <i>not subject to NFRD disclosure obligations</i>	60	–	–
Derivatives	0	–	–
On-demand interbank loans	71	–	–
Cash and cash-related assets	2.991	–	–
Other categories of assets <i>(e.g. Goodwill, commodities, etc.)</i>	299	–	–
Total assets excluded from the numerator for GAR calculation <i>(covered in the denominator)</i>	3.421	–	–
Total assets in the denominator	9.387	–	–
Green asset ratio (GAR)	3,97%	–	–

*Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation
**Numbers shown in EUR million

Appendix

Health and safety metrics

N26 has established companies in Germany, Austria, Spain, Italy, France, the Netherlands, and the UK. Coverage of health and safety is applied to each location according to local regulations as all coverages are mandatory by law and set for all companies equally (statutory).

GENDER	2024 (HEAD COUNT)
Percentage of own workers who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%
Number of fatalities in own workforce as result of work-related injuries	0
Number of fatalities as result of work-related injuries of other workers working on undertaking's sites	0
Number of recordable work-related accidents for own workforce	3
Rate of recordable work-related accidents for own workforce	0.20%

Anti-bribery and corruption training

N26 has established annual mandatory training for all employees as one of its primary measures to prevent bribery and corruption. This training covers key topics, including relevant definitions, applicable regulations, the importance of compliance for N26 and its employees, and real-life scenarios that may arise during professional activities. Its goal is to equip employees with the knowledge to identity and address situations that could lead to bribery or corruption effectively.

TYPE	DETAILS
Training coverage Employees receiving training, including members of the management body	98.4% (for group-wide mandatory training)
Delivery method and duration Computer-based training	Approx. 30 minutes
Frequency How often training is required	Annually

*Less than full completion is attributable to employees on extended leave or delayed completion, with the People Team monitoring and following up on such cases

Appendix

Employee breakdown

	FEMALE		MALE		UNDISCLOSED*		TOTAL	
	2023	2024	2023	2024	2023	2024	2023	2024
Number of employees	575	561	939	893	17	47	1531	1501
Number of permanent employees	564	555	931	889	17	47	1512	1491
Number of temporary employees	11	6	8	4	0	0	19	10
Number of non-guaranteed hours employees	-	-	-	-	-	-	-	-
Number of full-time employees	547	525	915	876	14	44	1476	1445
Number of part-time employees	28	36	24	17	3	3	55	56

*Not declared or no information disclosed
All figures shown as head count

Collective bargaining and social dialogue

COVERAGE RATE	COLLECTIVE BARGAINING COVERAGE*	SOCIAL DIALOGUE**
0-19%	Germany	Spain
20-39%	-	-
40-59%	-	-
60-79%	-	-
80-100%	Spain	Germany

**Employees – EEA Countries with significant employment (at least 50 employees by head count representing at least 10% of the total number of employees)
**Workplace representation – EEA Countries with significant Employment

Appendix

Greenhouse gas emissions by scope

	2023	2024	CHANGE	CHANGE (%)
Gross scope 1 GHG emissions (tCO ₂ eq)	163	117	-47	28.8%
Gross market-based scope 2 GHG emissions (tCO ₂ eq)	1,072	1,187	115	10.8%
Gross location-based scope 2 GHG emissions (tCO ₂ eq)	570	617	47	8.2%
Total gross indirect scope 3 GHG emissions (tCO ₂ eq)	23,243	18,941	-4,303	-18.5%
3.1 Purchased goods and services	†	15,952	N/A	N/A
3.2 Capital goods	†	146	N/A	N/A
3.3 Fuel and energy-related activities (not included in Scope 1 or 2)	†	233	N/A	N/A
3.4 Upstream transportation and distribution	†	-	N/A	N/A
3.5 Waste generated in operations	†	70	N/A	N/A
3.6 Business travelling	†	1,543	N/A	N/A
3.7 Employee commuting	†	963	N/A	N/A
3.8 Upstream leased assets	†	34	N/A	N/A
3.9 Downstream transportation	†	-	N/A	N/A
3.10 Processing of sold products	†	-	N/A	N/A
3.11 Use of sold products	†	-	N/A	N/A
3.12 End-of-life treatment of sold products	†	-	N/A	N/A
3.13 Downstream leased assets	†	-	N/A	N/A
3.14 Franchises	†	-	N/A	N/A
3.15 Investments	‡	‡	N/A	N/A

† Data reported for 2024 onwards
‡ Data reported for 2025 onwards

Thank you

Any questions? Please reach out to
sustainability@n26.com