

Tomorrow

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# Sustainability Report 2020





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**How can we  
ensure a good  
future for us all?**

**And what role  
does money play  
in that?**

These are the questions that our founders Inas, Jakob and Michael had been asking themselves before deciding to provide their own answers in 2018 with Tomorrow. After all, money has a significant impact on our future. And it is something we can leverage by helping to determine how it evolves.

**“ In the end, it’s always a question of either getting money to work for or against the future. We have chosen to work for the future. ”**

With our sustainability report 2020 we want to show how we make money part of a solution so that it can help to build a better tomorrow for everyone.

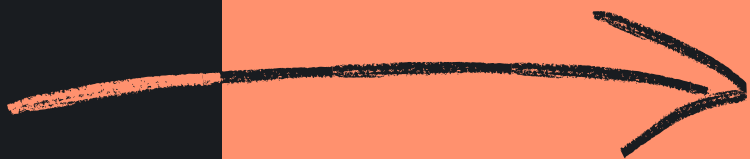


2.7 trillion €

is the amount that bad banks have invested in fossil energies in the last four years.

371.854 billion €

is the amount that the three largest banks operating in Germany have caused in societal costs by releasing CO<sub>2</sub>.



28,279,975 €

is the amount that Tomorrow customers saved in societal costs by reducing and offsetting CO<sub>2</sub> in 2020 alone.

47,232,800,000 €

is the amount that we would be able to save a year in societal costs if everyone in Germany over 18 had an account with Tomorrow.

About Bad Banks

Due to the increasing damages and inflation of 180 euros per tonne of CO<sub>2</sub> equivalent in 2016, the cost rate for carbon dioxide emissions increased to 195 euros in 2020. If current and future generations are weighted equally, the greater allowance made for future damages means that the cost rate will be as high as 680 euros per ton for 2020.

If you want to take responsibility, you have to first lay down the facts. And one of these facts is that banking shouldn't cost the earth. Although this might seem obvious, not everyone sees it that way. This is costing both our planet and us as a society dearly. How long can we afford to carry on like this?

[www.umweltbundesamt.de](#) The environmental damage costs include e.g. reinstatement costs of damaged buildings and other infrastructures, the market value of crop losses and production waste.

[The societal cost are based on: Deutsche Bank, Commerzbank and ING. We used the following resource](#) for our calculation.



# Our mission

- Our values
- Strategy & responsibility
- Objectives
- Business model
- Our partners
- Transparency und dialoge
- Our investments: criteria and process
- Our investments in 2020



# Future will pay you back.

Money makes the world go round. However, it can also often make it turn the wrong way. But it’s important to remember that this dynamic is not a law of nature. Money doesn’t have to be part of the problem; it can be part of the solution – and finance the change that we need in the world so we can all lead a good life in the future.

Tomorrow represents this future. We are committed to a tomorrow in which no one needs to fear a violation of their fundamental rights. In which access to clean water, sanitary facilities, safe housing and medical care come as standard for us all. A tomorrow in which we treat natural resources responsibly and appreciate nature and animals. A tomorrow in which fair company management is the rule rather than the exception. A tomorrow in which technology offers us sustainable solutions, takes tedious tasks off our hands and empowers us to learn new things and pursue meaningful

activities. That is the goal that drives us every single day. And we can reach that stage not only through policymaking but by each and every one of us stepping up and taking responsibility.

We are taking this responsibility by our contribution in finding answers to the multiple crises that we are currently facing together as a society – in particular the climate crisis. We are not meeting this challenge if we associate it primarily with making great efforts or sacrifices. Instead, we need to face it with the end goal in mind: to make people aware that positive change is possible.

Together with around 50,000 customers we had by the end of 2020, we are working to stop money from destroying the planet. Because just like every day has 1,440 minutes in which we can decide to work for positive change, we can also do the same with every euro in our bank accounts.

If the entire German population over the age of 18 opened an account with Tomorrow, we would have been able to save around

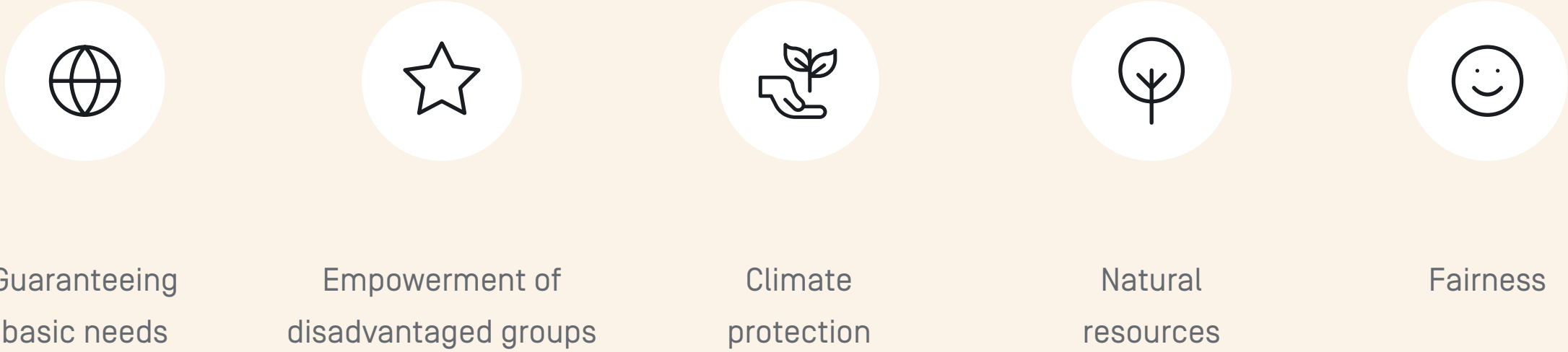
69,460,000 tonnes CO<sub>2</sub>

in 2020. [More than the 2018 emissions of Latvia and Denmark combined.]



Our future depends on how we do business in the future – and how we invest today. Money plays a decisive role in determining what kind of economic activity will prevail. And not only the money handled by the big global players like enterprises or stock corporations, but all our money. Because regardless of whether the funds are sitting in a current account, a savings account or an equity fund, banks use their customers’ deposits to grant loans or make investments. That’s why we need the financial industry for a positive change.

As a sustainable banking provider, we promise our customers that we will only invest their money in industries, projects and companies that have a positive influence on the world. Our definitive guide here are the Sustainable Development Goals of the United Nations, which we have divided into five categories:



These categories are our guidelines for determining which areas we wish to promote worldwide and aim to promote in the future – such as ecological farming, resource-efficient production methods, fair working conditions and gender equality. And we also have clear-cut exclusion criteria in place for business sectors and practices that should be con- signed to the past – such as generating energy from fossil fuels, factory farming, or the sale of arms and ammunition. Our detailed exclusion and support criteria can be found in our **Investment Criteria**. All our investments of customer

deposits, financial products and funding projects are geared towards these criteria.

Sustainability is no longer a niche interest, but it’s still far from being standard practice. Because although more and more companies and products are claiming sustainabili- ty, they are still resorting to greenwashing on a large scale rather than genuinely exploring new avenues. So to bring about real change, we need transparency and simple and effective levers that we can use on a daily basis. That’s why

we use smart technical solutions that help our customers contribute to positive change and protect the environment – in a way that is both uncomplicated and transparent. And we show them in real time how and where their decision to open a Tomorrow account is having a real impact. This is because we believe in the power of self-efficacy. Seeing how our own actions can result in something positive is precisely the motivation that we need to make a change.

Since September 2020, we have been **B Corp** Certified, which makes us part of a global network that doesn’t put

growth before values and is working together to ensure that this ethos becomes the new status quo. Right from the out- set, we have been guided by the example of the zebra rather than that of the unicorn. The term used to describe start-ups that are worth more than a billion dollars and which are usually looking above all for fast growth and profit. If we want to make a difference together, we are firm believers that growth and economic success shouldn’t be seen in isolation from social responsibility. We all want a solid future, after all. So we all need to play our part in that.



# The values that define us

We have defined clear values that serve as the touchstone for decisions. Therefore, back in 2020, we redefined the values that we see as being essential to our mission and our work. The result of this is an interdisciplinary Values Commission, made up of Tomorrow employees from all teams. Once all team members had voted, the values were approved by mutual agreement and are now also part of the onboarding process for anyone who wants to join us in driving forward the Tomorrow mission. Our values were also formulated in English, which is our company language.



## A better Tomorrow for everyone

We aim to shape our common future in a positive way. We are part of the solution to the social, ecological and economic challenges we face as a global society.

## We dare to think big

We strive for great impact and want to grow by scale. By constantly learning and staying adventurous, we aim to change the world.





Transparency is Queen (and King)

By sharing vital information internally and publicly, we hold ourselves accountable for our actions. Thus we ensure fairness and fidelity to our mission.

Let's do this together

We shape Tomorrow as a team. By supporting each other and by being honest and empathic we will reach our ambitious goals.

Welcome to our Community

We engage with our users and further stakeholders at eye level and invite them to actively participate. Their needs help us to guide our actions.

To keep these values firmly in our sights every day, they are part of our weekly meetings in which we reflect on how our current projects are contributing to fulfilling them. We have also trained up value ambassadors from different teams to be role models and designated contacts who ensure that the work we are doing together is centred around our values.



# Strategy and responsibility

## Our fields of action

Partnership agreements regulate the rights and obligations of companies – and serve as a foundation for business decisions. This is why, when Tomorrow was founded, we stipulated in our shareholder agreement that we want to create added ecological and social value for our society. This is yet another way in which we are committed to our mission. To define our fields of action and understand where we are creating value for society, we carried out a large-scale analysis of the value chain, stakeholder interests and industry trends. We decided on a combination of an outside perspective and a stakeholder perspective. Which means that, in close dialogue with our most important stakeholder

groups (our customers, our employees, our business partners Climate Partner and Solarisbank, representatives of our investors and an NGO that operates in the banking sector), we looked at what needs to be taken into consideration in order to create positive added value for society. On the one hand, we analysed sustainability topics that were associated with the opportunities or risks for a company’s business operations, annual financial statement or current situation (relevance for the company) together with sustainability topics that were defined by central stakeholders as being material (stakeholder relevance).

While we are working on all the topics raised, the following have been defined as particularly relevant for us by our stakeholders:

- 
- Transparency
  - Sustainable investment products
  - Sustainable suppliers
  - Products for daily finance business
  - Projects conducive to sustainable development
  - Economic resilience as a company

We are putting particular emphasis on these areas and ensuring that they are always an integral part of our annual objectives.



# Objectives and business model

## Objectives

In 2020, one year after our account really took off in 2019, we extended our sustainability concept and created additional processes to ensure the foundations of sustainability management, while Tomorrow continues to go from strength to strength.

For example, by obtaining B Corp certification and scoring over 118 points, we also established our Impact Council, adopted funding concepts, implemented supplier guidelines and introduced internal processes and rules for our social interaction with one another. We audit our sustainability concept on an ongoing basis and will continue to do so in 2021.

On the basis of our materiality analysis, we have set ourselves long-term objectives and developed objectives for 2021. But our mission always remains the same: to make a significantly positive impact by redistributing money in the right direction.

For the next few years, we are setting ourselves the following objectives:

- 1] To take sustainable banking out of its niche and into the mainstream and to attract more than a million users.
- 2] To offer a better product than the banks who are destroying the planet by the consequent focus on the needs of our customers.
- 3] To make a significant contribution to achieving the SDGs by channelling two billion euros into sustainable projects and companies and therefore avoiding five tonnes of CO<sub>2</sub> per user.

To achieve this, we have set the following objectives for 2021 in the business areas we defined as fundamental:



### Transparency

- To establish report structures that meet the requirements of all our stakeholder groups (investors, customers, employees, civil society, etc.)
- To publish our first Sustainability Report
- To be recognised by leading sustainable finance initiatives (in the form of standards and ratings)



### Sustainability in the supply chain

- To join sustainable investment initiatives with our most important business partners
- To launch our own first impact project



### Everyday financial products

- Launch of joint accounts
- To validate and launch at least one more product (such as freelancer accounts, for example)



### Financing sustainable development

- To increase the CO<sub>2</sub> that each user avoids from 1 to 3 tonnes per year
- To invest 30 percent of our customer deposits



### Investment and pension products

- To launch our first investment products that set new standards for sustainability in the industry



### Financial stability

- Expansion of the fee-based products and focus on stable growth



Business model

At the end of 2020, Tomorrow was able to look back on around 50,000 customers and almost 20 million euros in impact investments. We also protected over 14,510,819 trees and 101,530,309m² of rainforest.

Also, we launched our first premium account that offsets as much **CO<sub>2</sub> as the average German emits in a year:** around 11 tonnes. What was once a vision has become a reality – just two and a half years after its launch.

We are busy shaking up the industry while also pursuing our mission: to break sustainable banking out of its niche. Because, although it is moving more into the mainstream, it needs to become standard if money is to be part of the solution.

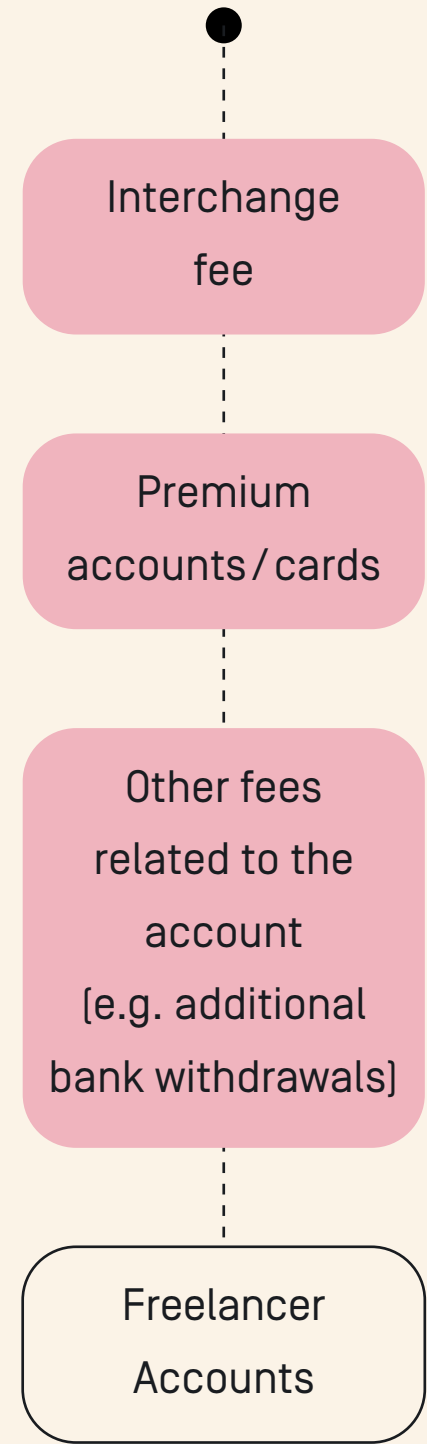
Following on from the milestones we achieved in the early days, we will be fully steering the course towards growth and taking our impact to the next level from 2021. To do this, we are currently working on additional products and features. With Tomorrow Together, we already launched a second premium account at the beginning of 2021.

But our vision extends far beyond mobile banking: we want to establish ourselves as a comprehensive platform for sustainable finances – with sustainable investment products, the first of which will be launched before the end of 2021. In the future we hope to add other features and products to our offer. These will also be selected based on the strictest requirements with regard to potential partners and product transparency.

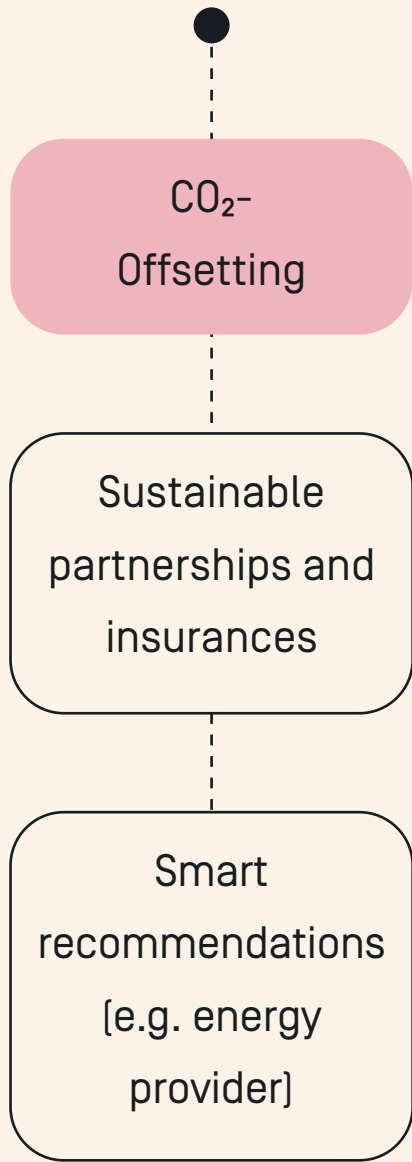
Our sales pillars

The sources of revenue we are building up for Tomorrow include more premium account models, the expansion of our product portfolio (also with sustainable investment opportunities) and a Beyond Banking area with CO<sub>2</sub> offsetting and sustainable partnership programmes.

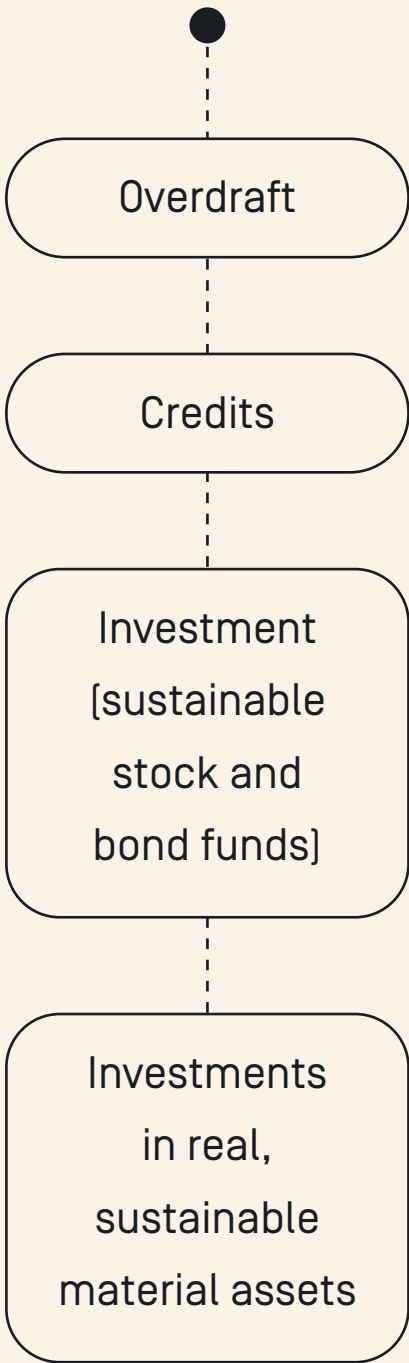
Accounts and cards



Platform products

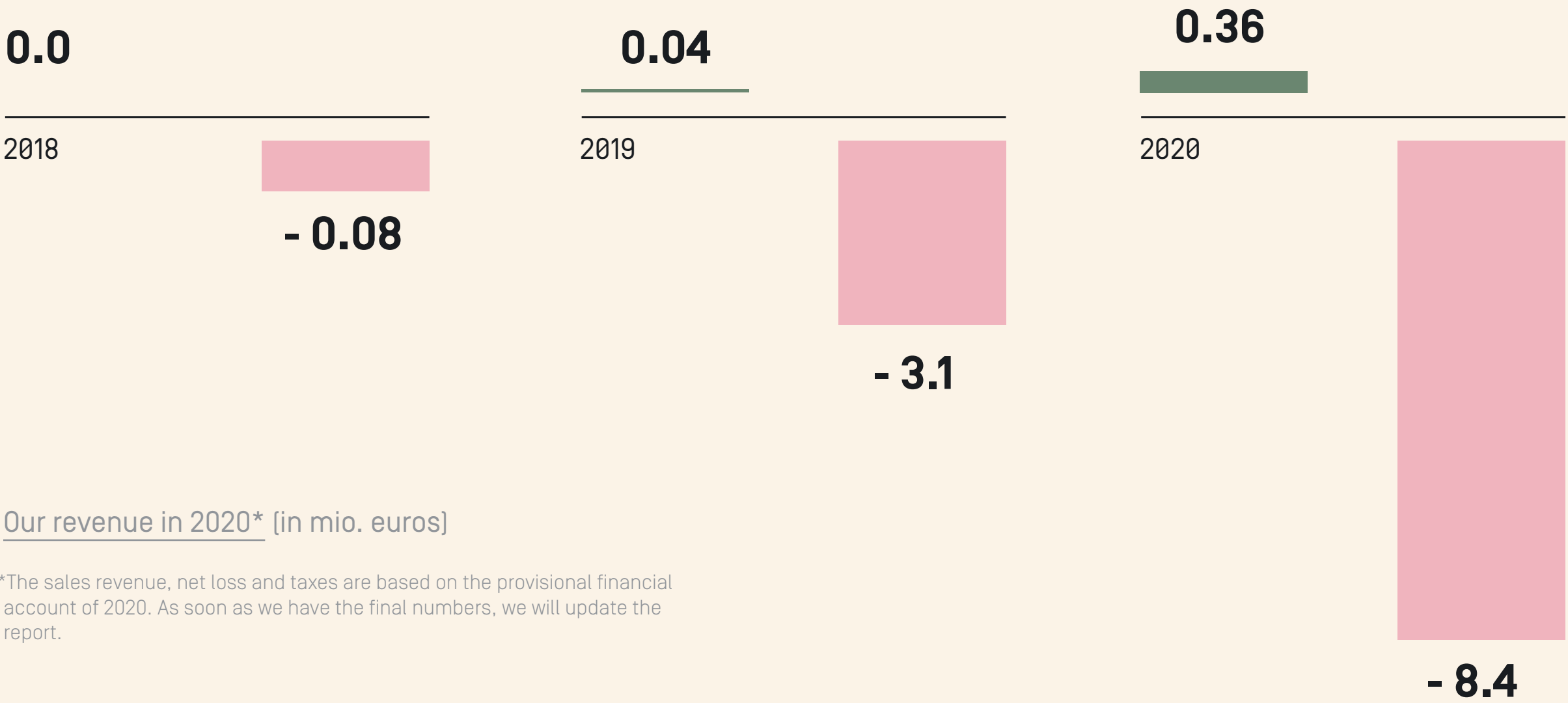


Credits and investment



☐ in planning  
☒ already implemented





Our revenue in 2020\* (in mio. euros)

\*The sales revenue, net loss and taxes are based on the provisional financial account of 2020. As soon as we have the final numbers, we will update the report.

The distribution of the money

We have established various levers to make money part of the solution. Firstly with our impact investments, where some of our customer deposits are directed to and allocated to either a social bond or one of the green bonds. And also with our use of the interchange fee: for transactions with Visa, retailers pay an interchange fee to the cardholder’s financial institut. That is a globally established system –

and a source of income for many banks. We want to make a difference here – so instead of pocketing the money for ourselves, we use the fees for global climate protection projects. That means they don’t go to Tomorrow, but to a forest conservation project in Portel, Brazil. So every card payment helps to protect the rainforest and, in turn, to preserve valuable habitats for people and animals.

But to get to that stage, the first step for us was to take the money into our own hands and invest it: in developing

the platform and a fantastic team and in our infrastructure. Specifically, we have spent just around €8.4 million on this so far. 28.5 percent of these funds have gone towards staffing costs, 29.5 percent to banking costs, 13 percent to marketing and 29 percent to other costs. Alongside this, we have generated just €359.000 in revenue. We are confident of being able to build up a business model over the next few years that is sustainable in every sense of the word – including financially. The cornerstone of this is our stream-

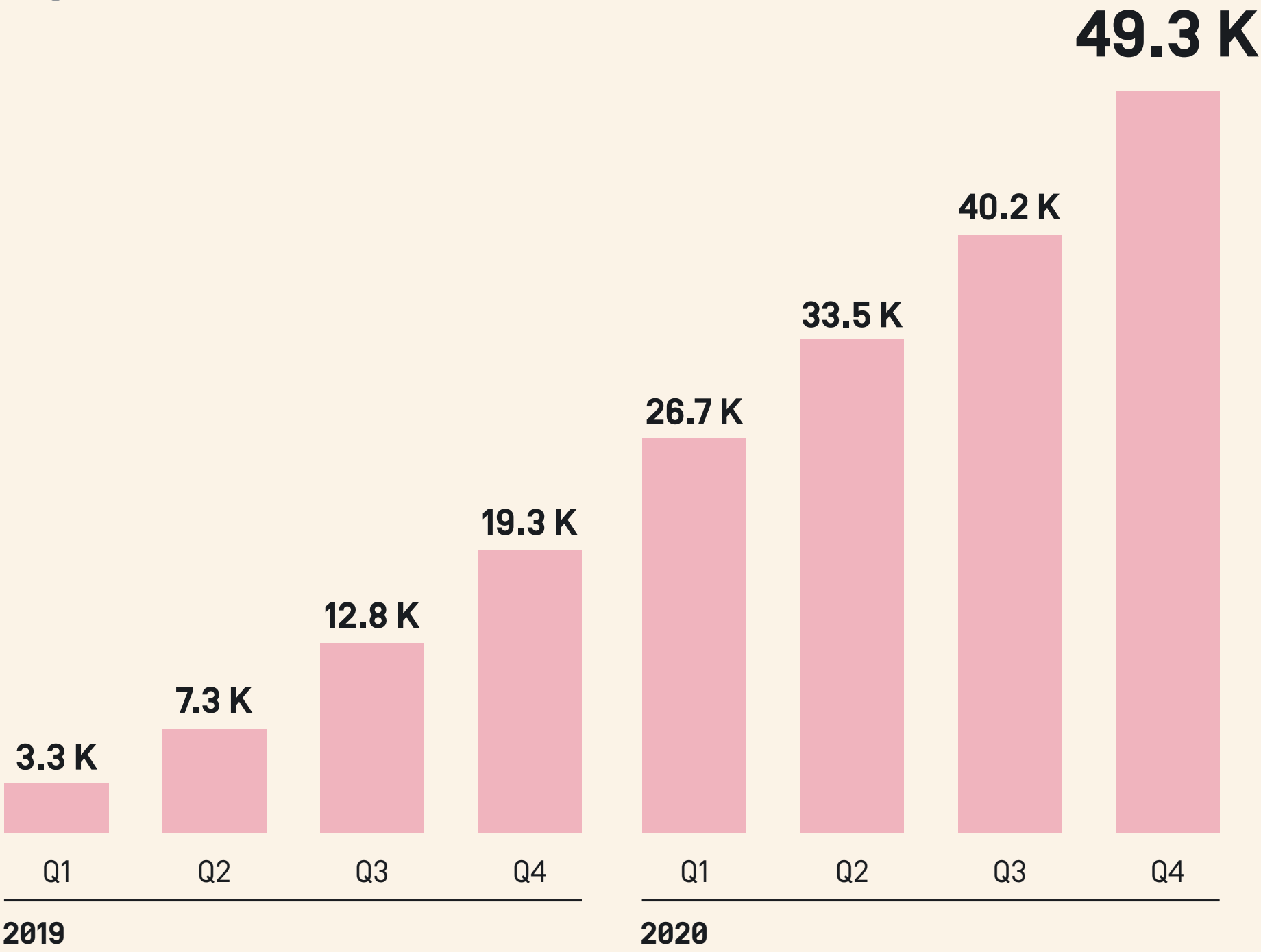
lined cost structure. This also includes our banking costs for Solarisbank, which makes its banking licence and core banking systems available to us, allowing us to concentrate fully on our platform technology and our customers.

The technology platform that we developed for Tomorrow is in a position to provide a large number of customers with state-of-the-art banking services. Because the more of us there are, the more we can achieve.



Customer growth per quarter in 2020

Together with around 50,000 customers till end of 2020, we are contributing to positive change. There are currently around 288 million people aged between 15 and 64 living in Europe. Around 23 percent of these are interested in sustainability, which means that the potential for the sustainable banking segment is around 66 million customers. Which is an enormous market. And yet, not even 0.4 percent of people in Europe have opted to open an account with a sustainable bank. Everyone else’s money is still being used by conventional banks to work against the future and change.



288 million  
addressable population

66 million  
market  
potential

1.5 million  
sustainable banks’ customers

64.5 million  
untapped market  
potential

Market potential

People want to be part of the solution rather than part of something that is destroying the environment. And most of us realised a long time ago how much of a risk the climate crisis poses for us as a global society.

<sup>1</sup> Source 1 (2020, September 03) [statista](#)

<sup>2</sup> Source 2 (2020, September 03) Mean value from the 3 studies minus a deduction for conversion losses; [zeb-consulting](#)

<sup>3</sup> Source 3 (2020, September 03) [forum-ng](#)



73 %

of consumers are prepared to change their consumer behaviour to reduce their negative impact on our environment.

\*According to an international study by NielsenIQ in 2018

83 %

of respondents from Germany see environmental and climate protection as the biggest challenge of our time.

\*According to a recent study by Pricewaterhouse Coopers about sustainable finances from 2020

81 %

of respondents from Germany feel that it is important for their own bank not only to offer sustainable products but also to be geared towards sustainability criteria itself.

\*According to a recent study by Pricewaterhouse Coopers about sustainable finances from 2020



In other words, the interest is there and the potential customers, too. What has been lacking up to now was ultra-convenient mobile banking that offers clear sustainability credentials. But Tomorrow has changed all that.





# Our partners



Solarisbank

Banking partner



Evergreen

Investment advisor for investment products



Climate Partner

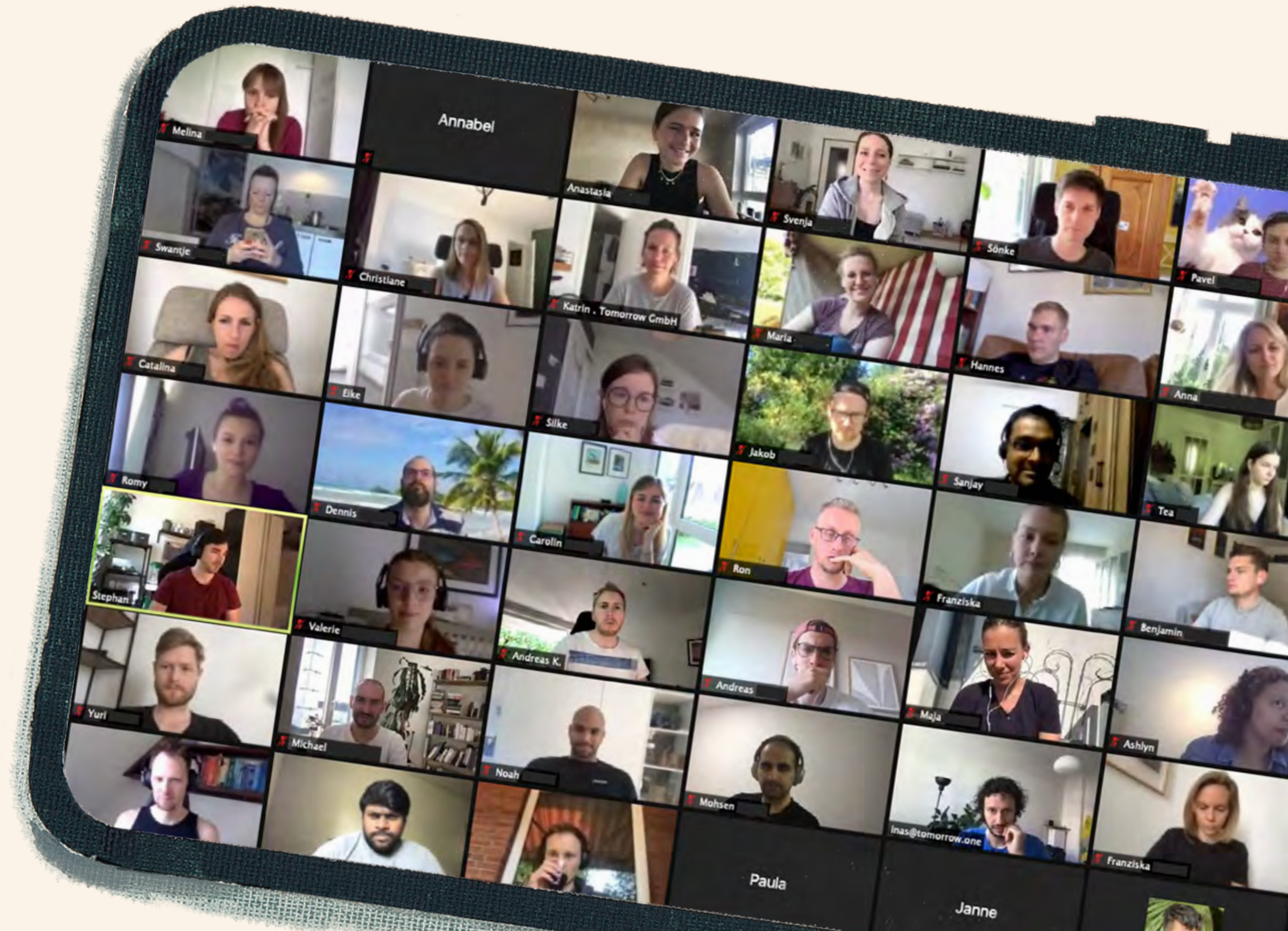
Climate protection projects



# Class of Tomorrow

## Day-to-day business

With Tomorrow, we stand up for what we believe in and publicly voice our values. This has enabled us to build up a team of highly motivated people who are not only fully behind our mission but also play an active role in shaping it.





# Transparency and dialogue

For us, it is important to put our ethical and ecological values into practice every day and to meet the requirements of all stakeholders. Here at Tomorrow, we see stakeholders as including our customers, our community, our team, our investors, business partners, NGOs and also our environment. And for that we have established different instances of transparency. After all, we can only make a difference together when we exchange knowledge and experience but also remain open to criticism.

This is why we have created different spaces for dialogue to facilitate interaction with our customers and our community.

## Community Forum

Our Community Forum has established itself as a platform for lively discussion, with several hundreds of people taking part. In our **Machine Room**, which provides an overview of the products we are currently developing, they can also find out about our plans and have their say on the processes. The results, ideas and requests that come up on these platforms are regularly checked by our Business Development team and incorporated into our plans.

## Meetups

We invite our customers and anyone else who is interested to our regular analogue and digital meet-ups to chat to us about current issues – like the benefits of offsetting CO<sub>2</sub>, how to develop and structure a social business or about our plans and new product innovations. They are also welcome to contribute their ideas or voice their criticism here directly. In 2020, we organised ten meet-ups with around 2,000 participants in total.



Impact Council

The supervisory body for our sustainability performance is always our Impact Council – a committee made up of four external experts from the realms of civil society and science, with whom we hold four meetings every year. As our independent regulatory body, they check the sustainability performance of Tomorrow at regular intervals and review whether our current strategies are helping us meet the objectives we have set ourselves.If we want to achieve our objectives, we all need to pull together as a team. This is why we have also developed internal systems with a view to ensuring maximum transparency.

Onboarding

Every new team member undergoes an in-depth onboarding process during which our various business divisions are introduced one by one: from customer support to marketing, development, finance, business development, data protection and sustainability. A meeting with our founders is also an integral part of this process. This ensures that every new team member knows and understands from day one why Tomorrow was founded, what our mission is, how we live and breathe our values and what exactly they entail.

Impact Meeting

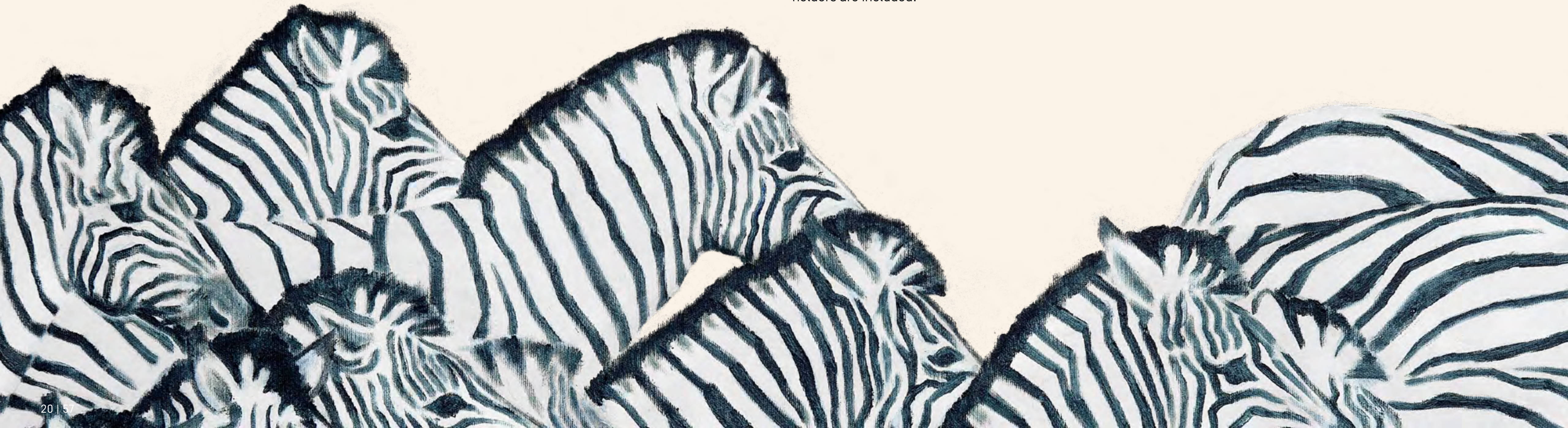
And every two weeks we have an Impact Meeting to which all employees are invited. This is where we sit down together to discuss our sustainability-related projects, the selection processes and how to make headway with them. But also how we can make our day-to-day office life more sustainable and which other sustainability-related topics and questions can inspire us. The participants communicate the results of the meeting to all teams and are available to answer any questions.

When it comes to major decisions and new products, we have team-spanning project groups made up of representatives from all departments – including from the Impact Team. This ensures that we always maintain our broad perspective and guarantee that all relevant stakeholders are included.

Team Huddle

Every week we also have our Team Huddle, a format all Tomorrow employees take part in. This is where we keep each other up to date on the latest news regarding all our teams’ projects, the challenges facing Tomorrow and all things sustainability.

This constant flow of transparency between the teams ensures that everyone is always in the loop, that we can pool our strengths to work on the targets we have set ourselves and that everyone understands recent decisions and current projects.





# Our investments: criteria and process

## The criteria for our investments

Sustainable banking is defined by how money is working and by the impact that can be achieved by joining forces with customers in this way. For the sake of our climate and our global society. Here at Tomorrow that means we don't invest a single cent in projects, companies or partners who are working against our future. This includes industries such as coal, armaments or factory farming, all of which we give the widest of berths. But it's not only important to us to avoid outdated industries, but also to carefully select forward-looking, sustainable projects based on clearly defined criteria.

In 2020, our investments were still limited to the capital that our Tomorrow customers had deposited into their accounts. In 2021, we will be launching our first ever sustainable investment products. As soon as our range of products grows, these products too will be subjected to the previous selection process, plus additional criteria for the individual areas. We pay particularly close attention to ensuring that the criteria also apply to the key links in the value chain – from the parent company to their main suppliers, customers, financial backers and project developers. The process for all current and future projects is as follows:



Without exception, all of our investments go through this process and are therefore selected because of their positive impact.





Our investments in 2020

Our investments for 2020 were limited to the capital that our Tomorrow customers deposited in their accounts. Based on the same investment criteria, we selected the following investments:

| Name                     | ISIN         | Amount         |
|--------------------------|--------------|----------------|
| NRW Bank Green Bond 2016 | DE000NWB0AC0 | € 8,563,946.70 |
| NRW Bank Green Bond 2018 | DE000NWB0AF3 | € 1,495,346.80 |
| KCD Mikrofinanzfonds III | LU1106543249 | € 47,500.00    |
| NWB SDG Housing Bond     | XS2002516446 | € 6,194,400.00 |
| NIB Environmental Bond   | XS1815070633 | € 3,762,858.50 |

As we are not yet investing in individual companies, there hasn't been any dialogue about social and ecological matters with any individual companies so far. However, we are in close consultation with the institutions regarding their impact reporting. We subscribe wholly to the active ownership approach, which enables investors to raise issues at shareholder meetings or directly with companies themselves. We will also be reporting transparently on our

participation in and contributions to voting proceedings but have yet to take part in any.

Nor have we granted any loans so far. As soon as our investments increase, we will – as well as reporting on all the securities in our portfolio – report more on climate risks in accordance with the Task Force on Climate-related Financial Disclosures [TCFD].



# Impact investments and climate protection projects

- Green bonds
- Social housing bond
- Microfinance fund
- Our climate protection projects



# Green bonds

The climate catastrophe is one of the **biggest threats** to social justice and will significantly change the very foundation of our lives. To avert it, we urgently need to make the switch to renewable energies. In 2020 we invested in two NRW Bank green bonds and a Nordic Investment Bank environmental bond. Green bonds or environmental bonds are fixed-income securities that differ from other bonds in that they stipulate that funds are to be used for environmental purposes. The green bonds that we invest in mainly

do this through energy-efficient building refurbishments, by developing renewable energies and through the infrastructural development and renaturation of degraded land. They are therefore helping to reduce CO<sub>2</sub> emissions and, in turn, to protect the climate. Examples of how funds are being used include the financing of hydrogen-powered buses, the renaturation of the Emscher River in Germany's Ruhr Region and the construction of wind and solar parks.





# Social housing bond

For us, the right to safe and affordable housing is fundamental to social co-existence and inclusion. This is why we invest part of our customer deposits in the NWB Bank's SDG Housing Bond, which promotes social housing cooperatives that finance the construction of social housing in the Netherlands. One positive social effect of providing people with affordable housing is that households with lower incomes will have money left over to spend on other important services and needs, such as food, healthcare, energy,

education, transport, sport and other social activities.

This means that people are in a better position to look after themselves and participate fully in [local] society.

The associations supported by the SDG Housing Bond also work closely alongside social and caregiving services to ensure that their tenants – especially elderly people and those with disabilities – will have access to adapted housing and the services they require to live a good life.





# Microfinance fund

Compared to the other bonds, the KCD Microfinance Fund only makes up a small part of our customer deposits. Yet this investment also makes a big impact. This is because, together with our customers, it enables us to help people (in Eastern Europe, in particular) to take out microloans and secure their livelihoods by starting up their own businesses.





# Our climate protection projects

Climate protection projects form the core of our investment activities. It is through these projects that we direct money to the Global South, where we are contributing to sustainable development. What all projects have in common is the purchase of CO<sub>2</sub> certificates via our partner Climate Partner to help avert the climate catastrophe – the greatest threat to the global population’s basic needs.

You will find the detailed projects on the following pages.



Interchange fee – Forest protection in Portel, Brazil

The area of forest we are protecting in Portel, Brazil, is home to indigenous peoples. This project aims to continue preserving the rainforest and to officially secure the corresponding land rights for the Ribeirinhos, the inhabitants of the Amazon. This means that the area is no longer classified as unutilised and that agricultural operations can no longer legally occupy it. Because according to Brazilian law, the Ribeirinhos are entitled to the ownership rights to the forest that they inhabit and cultivate.

However, they often don't know how to obtain these rights – which is where this project comes in, providing legal assistance to help them secure ownership. The Ribeirinhos are also trained in how to monitor the forest and stand up for their rights, as illegal logging is a major problem in Brazil.

If required, they are also given assistance in cultivating their land more efficiently and sustainably. For example, this allows Brazil nuts to be processed into oil and then sold at a higher price. The communities also recently set up beehives as an additional source of income. So this project not only protects and supports the rainforest, but also the people who call it their home.

Zero – Clean drinking water in Uganda

Water is a human right, the essence of life and essential to ensuring that basic needs are met. Drinking contaminated water is one of the leading causes of death in sub-Saharan Africa. The heavy smoke that develops when the water is boiled leads to eye and respiratory diseases, especially in women and children who are often responsible for carrying out this task. Our climate protection project combats both problems and also cuts down on CO<sub>2</sub> emissions in the process.

The Improved Kitchen Regimes programme consists of a variety of small projects, including in Uganda. With the involvement of the communities, defective wells are tracked down, repaired and maintained. This gives people access to clean drinking water that doesn't need to be boiled first. It also avoids CO<sub>2</sub> emissions that would occur during the boiling process, usually on an open fire or inefficient stoves. And as a result, it also improves the living conditions of the people and protects local forests. As existing wells are being repaired, the project has a recycling effect and promotes the responsible use of resources.



Thanks to these projects, in 2020 we were able to:

**19,562,464 kg CO<sub>2</sub>**  
were avoided

**76,381,478 m<sup>2</sup>**  
of forest were protected

**12,880,559 trees**  
were prevented from being cut down



**4,411,310 kg CO<sub>2</sub>**  
were avoided

**4,587,762 litres**  
of clean drinking water were secured

**269,090 hours**  
of time were saved because it is no longer necessary to find firewood for boiling contaminated water



Zero – Biogas plants in Vietnam [fully financed since November]

In Vietnam, building small biogas plants in households is making an effective contribution to protecting the climate. The plants are filled with organic waste like animal dung, which ferments in the absence of oxygen. This creates biogas, which families can use in gas cookers to purify their water, to cook or to power gas lamps. The project also improves the health and social situation of people in poverty by giving them access to clean and affordable energy. In addition, it reduces the need for firewood, thereby counteracting the massive levels of deforestation in Vietnam.

Connecting the biogas plants with latrines and regularly using animal dung improves the sanitary conditions on farms and reduces groundwater contamination. A by-product of the fermentation is natural dung, which is cheaper and better for the soil than synthetic fertilisers.

Zero – Forest protection in Tambopata, Peru

50 percent of the Zero climate protection contributions are directed back into protecting the forest as this is an important way to stabilise our global CO<sub>2</sub> budget.

In this project, 400 local families are working together to protect 300,000 hectares of primary rainforest in the Amazon region. The forest is their livelihood and home to countless animal and plant species. But because more and more new roads are being built, illegal logging is also on the rise. This project is giving families the rights to the land and with it also sustainable sources of income, such as the harvesting of Brazil nuts. This helps to discourage them from illegal logging. The smallholder farmers receive microloans, assistance with marketing and transporting their products and even instruction in further processing them, e.g. producing soap and oil.

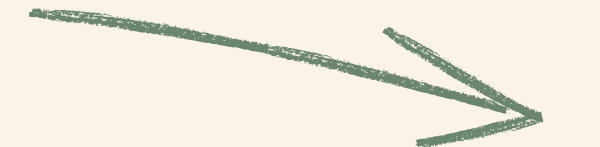


2,311,275 kg CO<sub>2</sub>  
were avoided

600,932 kg  
of firewood were avoided

774,277 €  
that would usually be spent on firewood by  
the local population were saved

889,841 m<sup>2</sup>  
of forest were protected



6,722,586 kg CO<sub>2</sub>  
were avoided

14,612,567 m<sup>2</sup>  
of forest were protected





104,269,828 €

in customer deposits



14,510,819

protected trees



4,587,763 litres

of clean drinking water




19,450,000 €

in impact investments



101,530,309 qm<sup>2</sup>

of protected forest



41,923,873 kg

of offset carbon emissions



**“ Thanks to the project we can take care of our forest and ourselves. Everything’s going to be better from now on. ”**

— Felicitas Ramirez from the community of Alegría



# Company culture

- Trust and fair play
- Equal rights and diversity
- Commitment and stakeholders
  - Our customers
  - Civic engagement



# Always giving our all. But never at the expense of others.

Sustainability is not only reflected in Tomorrow's business model and climate protection projects, but also in the way we act as a company and work together as a team. For us, a good working atmosphere and a corporate culture based on trust are the key to success. Most important of all is that there is no place for any form of discrimination within our company. We have a zero-tolerance policy when it comes to discrimination, regardless of whether it is based on age, gender, sexuality, religion, background or employment type.





We also welcome an open exchange of views and opinions and have established a variety of internal formats to facilitate this. Such as our regular Retro and Development Meetings, where we come together in larger and smaller groups to look back on past projects and quarters or to talk about individual development within the company. And once a month our founders hold an ‘Ask Us Anything’ session, where any team member can ask anonymous questions that are then answered in front of the whole team.

These formats pave the way for dialogue and also allow existing decisions to be questioned if necessary. This means that everyone at Tomorrow is given the opportunity to have their say and develop their full potential with the full support of the company. We offer all employees space for creativity, including in Hackathons where we cover different topics, involve the team in setting fundamental objectives, communicate transparently and disclose all data that is relevant to good decision-making.

Every day, we endeavour to create the best working environment for our team, living and breathing a culture of feedback and joint discussion. To create a basis for this as well, all team members take part in a communication workshop, which covers topics like constructive feedback. And for their personal and professional development, all employees are also allocated three days a year [regardless of the costs] so they can advance their skills according to their needs. That also includes management training sessions that prepare our employees for upcoming managerial positions. Our employees can also take part in coaching sessions on a wide range of topics. And in the future, we plan to have specially trained representatives who are elected by the

team and will be on hand as a designated contact to provide assistance with any issues that might come up.

As well as facilitating the dialogue aspect, we regularly develop methods for measuring our activities, both externally and internally. To gauge the job satisfaction of our ‘People of Tomorrow’, we carry out our anonymous ‘Happiness – Check In’ survey once a quarter. This questionnaire is based on the Employee Net Promoter Score and measures the satisfaction of all employees. At the end of 2020, we achieved a score of 70 on a scale of -100 to 100. For orientation purposes: a score of 50 is classed as excellent. Our score means that around 95 percent of respondents are satisfied or very satisfied with Tomorrow as an employer. As well as this, everyone has the opportunity to have their say on further structural improvements at Tomorrow and how they can be addressed. The topics are then summarised, prepared, implemented as far as possible and made accessible to the entire team.





# Trust and fair play

One of our five core values at Tomorrow is “Let’s do this together”. However, this doesn’t mean that individual needs are forced to take a back seat, but rather that everyone from the team contributes their own unique skills and strengths to help bring out the best in our company.

For us, **trust and flexibility** are the bedrock of the work we do together. Because of this, our team is largely free to structure their working hours as they choose – this means that working at Tomorrow can be adapted to fit around their individual situations. With our system of trust-based working times, employees themselves are responsible for ensuring that they work the number of hours set out in their contract. In 2020, working parents were under enormous pressure on two fronts: dealing with the coronavirus pandemic while

also having to look after their children during working hours. Because of this, we came up with individual and flexible solutions for parents in such situations, in some cases with full pay.

We also believe that it’s important to **take breaks and strike a healthy balance** during working hours – for example, by coming together with others for a relaxing break, sports or after-work events. All of these are activities that we have elected to provide for our team and there is no obligation whatsoever to take part. As of 2021, we will also be introducing a trust-based system for annual leave that goes beyond the statutory annual leave entitlement of 20 days for full-time positions. This aims to provide our staff with enough time off to meet their individual needs. Even before this,

our employees were entitled to more annual leave than the minimum required by law.

We believe in the power that comes from a community. So it goes without saying that our staff have the right to freedom of association and collective bargaining. We will never interfere with assemblies or resolutions.

We are in the process of setting a **complaints system** to facilitate direct criticism. Our entire workforce can and should devote attention towards issues that are important to them. This also includes collective bargaining and fair pay. Tomorrow GmbH (as employer) and our founders (as managers) will never discriminate against an individual because they lodged a complaint or because they are a member of or hold a leading position in an employee representative body or trade union.

The **lowest salary** at Tomorrow is currently 67 percent above the statutory minimum wage. We are also committed to matching salaries to our employees’ individual remits and qualifications. At the end of 2020, we also introduced a transparent remuneration concept for the entire team (up to and including the founders), which is in keeping with our growth and the attributes of a fast-developing company. The pay grade levels for all areas and the conditions that need to be met are clear and can be readily understood by all employees. We also conduct annual analyses on pay equity with a view to determining whether we meet our goal of transparent remuneration.

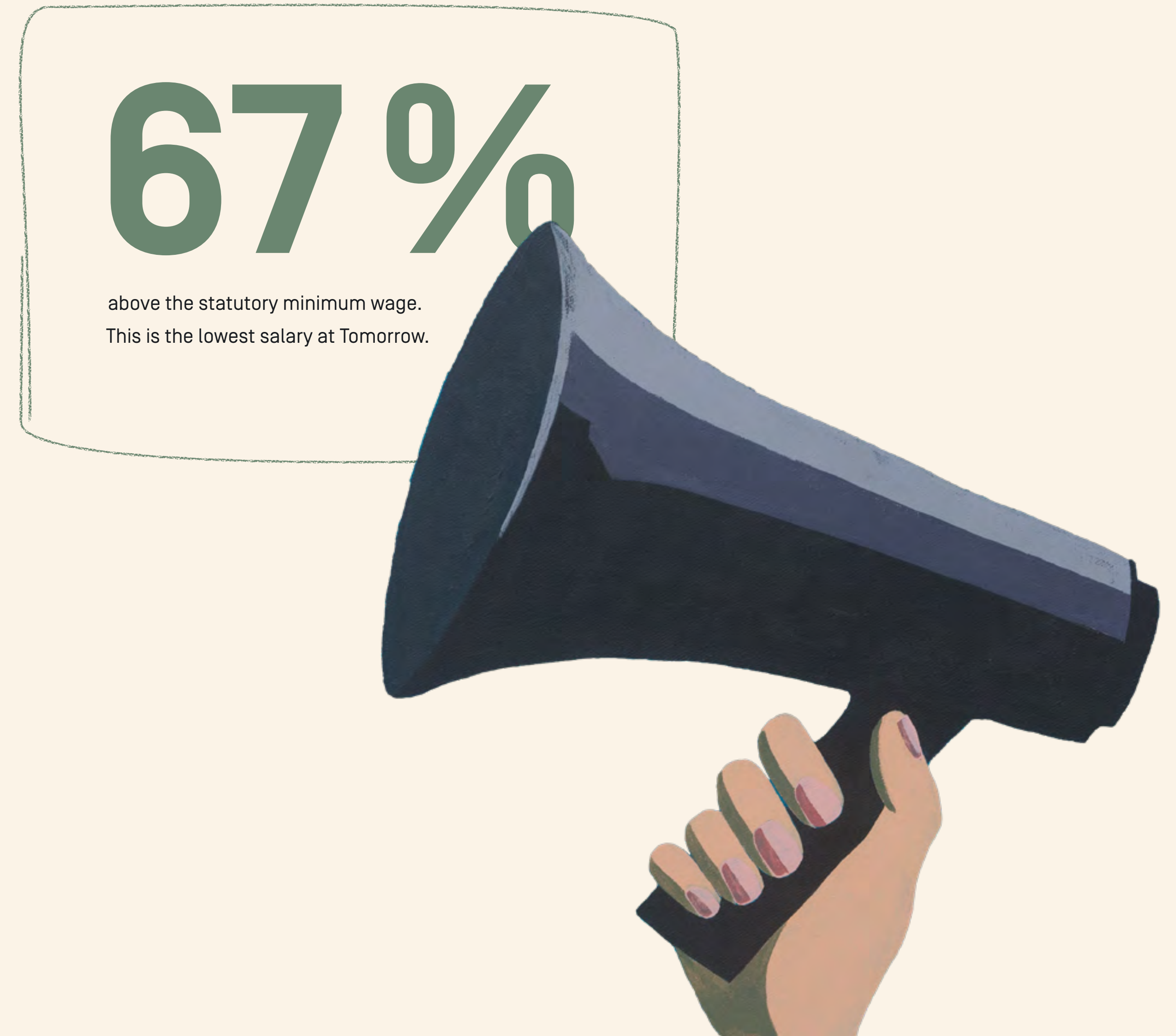
If we see any evidence of inequality, we work together with our employees to improve our processes and systems in the interests of ensuring fair pay.



As part of our **Virtual Stock Ownership Plan [VSOP]**, permanent employees are also offered a stake in Tomorrow in the form of share equivalents. In addition, we help employees with their private pension arrangements by providing an optional company pension scheme with an employer contribution of 15 percent.

**Income equality** is an indicator that wealth is distributed fairly throughout the company. At present, the factor between the lowest and the highest total annual salary is 3.2. This includes all permanently employed members of staff up to and including our founders/directors.

A **bonus system** is a major factor that determines pay, particularly with banks. This is not the case with Tomorrow, however, as it does not fit with how we see people. We believe that people are driven by more than a purely financial motivation and that narrowly defined individual targets are not conducive to vision, foresight or flexibility. We feel that it's important to critically examine targets and processes and want to make sure we aren't losing sight of this because of a blinkered focus on annual targets. For this reason, there are no individual target agreements or bonuses at Tomorrow, regardless of position or duration of service. There have been no bonus payments to date.





# Equal rights and diversity

We are working for a better tomorrow for us all. This includes allowing everyone at Tomorrow to be themselves. We see diversity as a valuable asset to a company. After all, the more diverse our team, our outlook and our knowledge, the better we become in all respects.

We see diversity as including the following dimensions:



Here at Tomorrow, everyone has the right to work in a professional atmosphere that is free from discriminatory practices and promotes equal treatment when it comes to employment opportunities, contracts, pay, perks, benefits, work assignments, access to training, work progress, advancements or retirement. We have a clear zero-tolerance policy for all forms of discrimination and physical, psychological or sexual harassment. As part of our onboarding process, new

- Gender
- Gender identity or expression
- Sexual orientation
- Ethnicity
- National origin
- Immigration status
- Age
- Marital status
- Socioeconomic situation
- Pregnancy, childbirth or related conditions
- Physical or mental disability
- Medical condition
- Political opinion
- Union membership
- Creed or religious persuasion

team members are informed about our commitment to diversity and our anti-discrimination policy. To extend this further, we will not only train ‘confidants’ but are also currently working on implementing an extensive whistleblowing and complaints management system. [Read more about this in the section on ‘Fairness’].

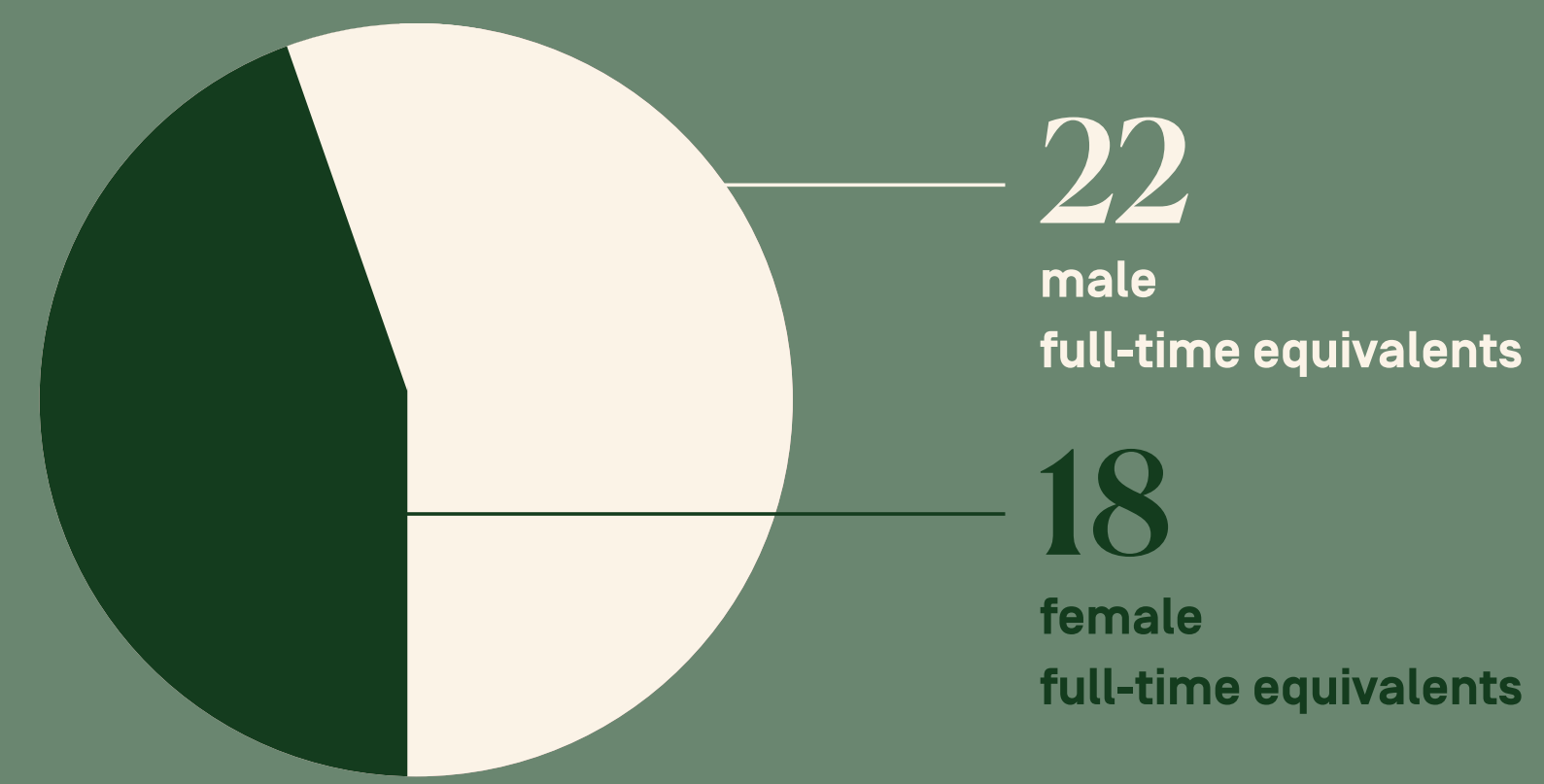
Quotas are central to any discussion on diversity. At the end of 2020, the gender split among managers was 71 percent men and 29 percent women. We will also be setting a target for a gender quota at management level in 2021. This is because we are well aware of our duty to ensure equal opportunities and that active steps are needed to establish this.

We describe our concepts and processes as dynamic – this means that they grow with us and need to be adapted to the latest changes and needs. In addition to our planned quota system, we work regularly together with all team members to identify and overcome any structural barriers for individual development that might exist at Tomorrow. To this end, a diversity taskforce, whose job it will be to analyse this area and check for any shortcomings, will be introduced at Tomorrow in 2021 and there will be support from external consultants for that topic.



47%  
women

53%  
men



Our workforce at Tomorrow

We feel that it’s important for everyone at Tomorrow to be able to structure their work according to their own individual needs. The numbers refer to the status of 60 employees at the end of 2020.



# Participation and feedback

## Our customers

We actively include our customers in the development process of Tomorrow. We not only find feedback extremely valuable but also make a point of channelling it into our processes. As described in detail in the chapter on corporate culture, we have established various spaces to ensure ongoing interaction. Such as a **Community Forum** where people can ask questions, share ideas or offer criticism. In our **Machine Room**, we also publish information about the features and products we are currently working on and the new developments we have in the pipeline. This is also where people have the chance to speak up on issues that are important to them personally. We have additional feedback channels via ratings and reviews in the respective App

Stores, Google and TrustPilot, in social media and through our support team.

We also receive additional direct and valuable feedback in the form of surveys conducted in the app or via newsletters. And then there are our Meet-Ups, for which we regularly invite stakeholders to our offices or offer them digital alternatives for interacting about all kinds of subjects. We collect all ideas and suggestions received via the various channels and incorporate them into our innovation management activities.

It is equally important for us to create an inclusive app that anyone can use easily. Here, too, we take on board the feedback from our community. Right now, we are gearing our activities towards Apple's guidelines for inclusive apps and

facilitating responsive design. We are also working on better voiceover functions for people with visual impairments. And we are helping to provide barrier-free access to financial services because our customers bank with us exclusively via smartphone and can reach our support both via telephone and chat.

In a traditionally male-dominated sector, we set particular store by also focusing on diversity among our customers and by not intentionally excluding anyone. This is why we conduct regular gender distribution analyses to ensure that our marketing is aimed at a diverse target group and therefore contributes to a healthy gender balance. We are proud of having achieved an average ratio of almost 50:50 for over a year now.

What a great app! Not only is it clear and simple to use, but also gives you a direct overview of how your card payments are protecting the rainforest, as well as showing you the CO<sub>2</sub> footprint of certain purchases. Brilliant!

Mo Ma, Google Play Store

I'm going to keep it short and sweet: Tomorrow is the best bank, imo! For anyone looking for a bank that fights the climate crisis, rather than fuels it, Tomorrow is one of the best options out there. (Btw: you are protecting the rainforest with every payment you make :-))

Felix, Twitter

As I mentioned in the title, I can genuinely recommend the Tomorrow bank to everyone. Designed to make everyday use simple and quick, it offers a great overview, options for saving and – something that is especially important to me personally – very open and honest communication. Thank you for making this kind of banking possible!

An impressed student,  
Apple Store





## Engagement

We are politically aware and deliberately use our reach to help draw attention to topics that are socially relevant and can help bring about positive change. For instance, we regularly use our social media channels to support petitions or appeals by various organisations such as Fridays for Future on the subject of racism or for tax on feminine hygiene products. We draw attention to grievances and abuse just outside European borders, share in-depth articles or studies on socio-political or ecological issues and launch fundraising campaigns directly from our app. For instance, when the coronavirus crisis hit in 2020, our community raised almost €23,000 to help Doctors Without Borders improve healthcare for refugees in Moria and other camps. From 2021, each team member will have a time budget of five days a year to devote to voluntary work. They can decide for themselves which projects to work on – as long as they tie in with our company’s values.

We put our weight behind climate protection, attend climate strikes together, support Entrepreneurs for Future, write articles for the **Magazine** section of our website on current debates and position ourselves as climate action

leaders with a view to inspiring other entrepreneurs and assuming responsibility. Getting involved in social entrepreneur and social start-up networks (Send e.V.) and local initiatives such as ‘Hamburg muss handeln’ (Hamburg needs to act) is second nature to us. We regularly take part in panel discussions and organise knowledge transfers at universities and in podcasts. We will never tire of talking about our mission, working for a sustainable tomorrow or taking a clear stance.



Even though we haven’t been part of any official political efforts to date, we may well do so in the future in order to highlight the need for sustainable banking and climate protection.



# Carbon footprint

- Standards and requirements
- Emissions management

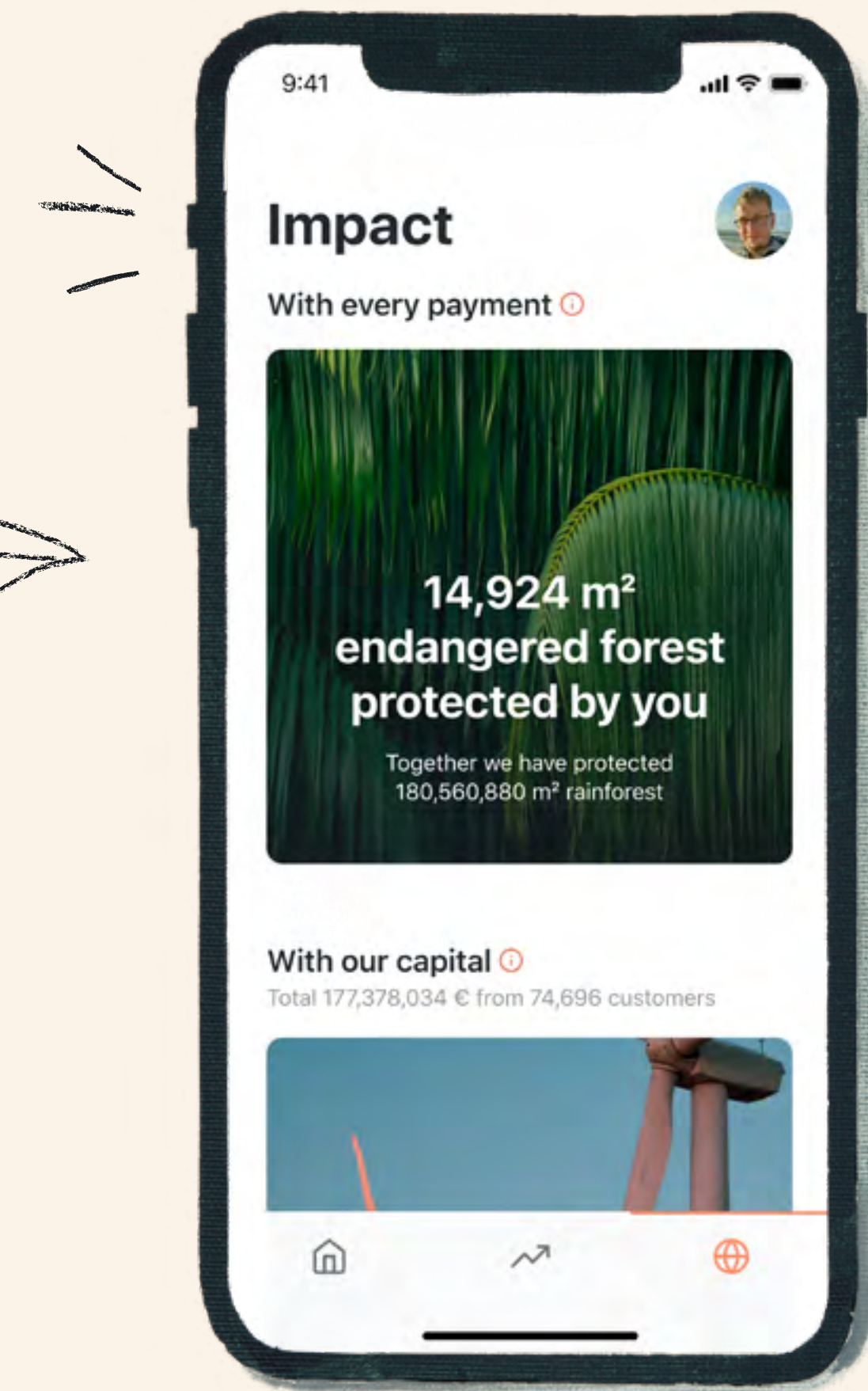


# Standards and requirements

Tomorrow was founded with a view to establishing transparency and participation in the finance sector. For us, it is the basis for working together with our customers towards positive change. We therefore see it as our duty to share knowledge about finances and the steering effect of money. After all, this is the only way that our customers and our community will be able to make decisions that are based on solid information and facts. In many cases, conventional banks are anything but transparent when putting their customers' deposits to work. And for the most part, this is geared towards the bank's needs and interests rather than theirs. In keeping with the notion of "giving power back to the first financiers", we allow our customers to see exactly how their

money is being invested and what impact it is having. That's why we disclose in real time – both on our app and our website – the value of our customer deposits and how they have been invested, how many Tomorrow customers there are and how much CO<sub>2</sub> they are offsetting through the interchange fee and our Tomorrow Zero premium account. With the information we make public, it's always possible to see what projects we are supporting and what their outcome is.

We are currently working on identifying new measurement parameters (in addition to carbon dioxide and euros) with which we can show our impact even more transparently





and set ourselves even more measurable targets. Until we have come to a final decision here and in cooperation with our Impact Council, we will base our activities closely on the Sustainable Development Goals. In our monthly Impact Reporting, which we began in mid-2020, we report on our most recent impact for each of the 17 goals. And about how we have contributed to climate protection each month and the other ways in which we have worked towards our mission.

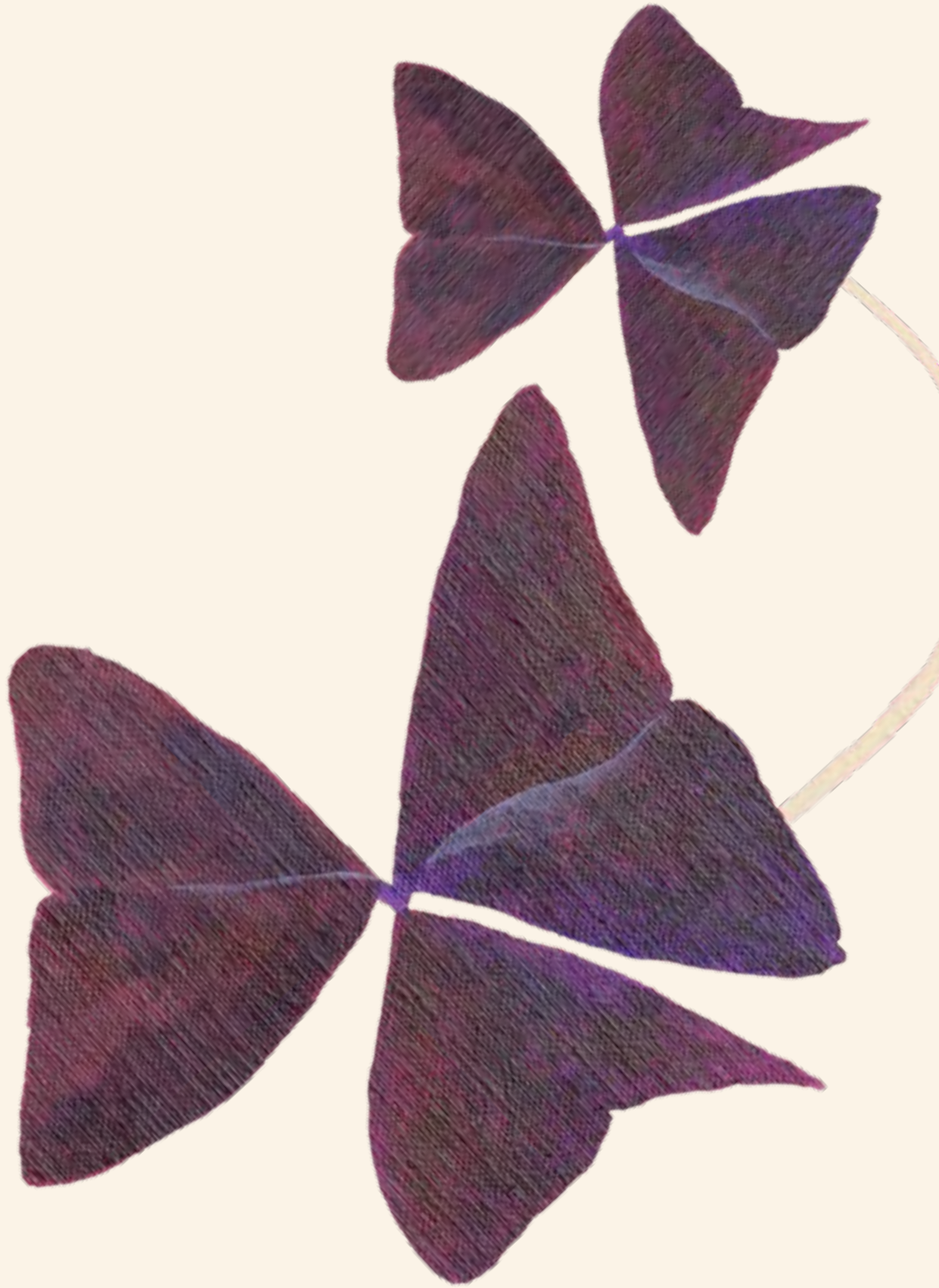
For the investment products that we have lined up for 2021, we will publicly disclose the compatibility with Paris Climate Agreement targets at all times – with a particular focus on CO<sub>2</sub> equivalents – and the securities (companies and bonds) contained in these products. The same applies for any form of interaction and contribution to social and ecological topics [e.g. in the form of voting or shareholder engagement].

While we as a company are climate-neutral and are constantly reducing our carbon footprint (more on this under ‘Emissions management’), it’s important for us that our portfolio of suppliers and partners should also comply with the Paris Climate Agreement’s two-degree target. We will also be reporting transparently on the extent to which these targets have been achieved.

Insofar as possible, we audit all our suppliers based on their sustainability performance and always select the option that comes closest to our own values. However, all suppliers are required to comply with legal requirements and recognised norms – such as human rights, environmental standards and fundamental labour laws such as the core labour standards defined by the International Labour Organisation.

When choosing our suppliers, we apply our investment criteria and supplement these with stricter and clearly defined requirements, relating to data protection and corruption, for instance.

In the past, we have looked into social and ecological concerns together with Climate Partner, Evergreen, Solarisbank and other partners. Together with our building cleaning service provider, we have also created processes that now guarantee that only ecological cleaning products are used and that all cleaning staff receive fair pay for their work.





# Emissions management

We are a certified climate-neutral company and use only green electricity. In addition to that, our offices are largely paper-free and we offset our emissions regularly and check how we can reduce them further. For offsetting emissions, we always use climate protection projects that are certified according to the Gold Standard and generate energy via alternative methods. The two-degree target is a benchmark towards which we work in our everyday activities and our investments.

Here, we make a distinction between the emissions balance of our business operations and that of Tomorrow, which also factors in the impact of our investments, our customers and our donations.



How do we cause emissions?



Material usage

As a service provider, our use of materials is minimal. Our in-house work is paper-free, which means that we don't use any materials apart from our hardware. However, we send debit cards to our customers and occasionally also post to our employees, for example during the coronavirus pandemic. The amount of greenhouse gas emissions produced as a result of this are estimated at 1764.5 kg.

In future, we also want to focus more on our working materials in the form of technology and hardware and are working on a measuring and reporting concept for 2021.



Waste

We reduce waste in our office wherever we can. Drinks come only in glass bottles, zero waste consumables are purchased wherever possible, our locally produced fruit is delivered unpackaged by Frischepost and our milk packaging is recyclable. As well as this, team members were rarely in the office in 2020 on account of the social distancing requirements during the coronavirus pandemic. This means that we are producing no more waste than a normal household: in 2020, The greenhouse gas emissions caused by our waste were estimated at 1.5 kg.



Water

Since water is a human right, we feel that it's particularly important to use it sparingly. As we rarely used the office as a team in 2020 – and even then only used water in normal household quantities – our water consumption in 2020 was 35m³ litres and the emissions caused by this were estimated at 23.9 kg.



Energy consumption

Due to the absence of our office, our energy consumption has decreased compared to the previous year, despite our increasing number of employees. Although we only use green electricity for our office buildings and therefore have zero greenhouse gas emissions, our work (also in the home office) of course causes emissions elsewhere. To take responsibility for this, we have decided to offset the emissions caused by our Zoom meetings. As well as those of our servers, which we need to host our app.

Our total energy requirement is therefore:  
Office: 6.248 kWh  
Server (estimated): 523.38 kWh

Emissions caused by home office and Zoom meetings amount to: 2,602 kg.



Our investments

In 2020, our investments were made solely from our customer deposits. As explained in the ‘Guaranteeing basic needs’ section, we are participating investors, which means that it is difficult to produce a detailed statement on the exact amount of emissions that we caused or avoided. While the Green and Environmental Bonds cut down on CO<sub>2</sub>, the SDG Housing Bond causes CO<sub>2</sub> by operating residential units and buildings.

The NIB Environmental Bond and NWB SDG Housing Bond only report at total portfolio level. When scaled down to reflect our share, the emissions caused by the SDG Housing Bond and the emissions reduced by the Environmental Bond roughly cancel each other out.

NRW Bank is a best-in-class example when it comes to impact reporting and, based on an investment of one million euros, reports on the total CO<sub>2</sub> reduced every year.

This amounts to a reduction in CO<sub>2</sub> emissions of 6,388,899 kg for 2020 through our investments of customer deposits.

The climate footprint of our business operations

In all years up to and including 2020, we offset our ecological footprint and achieved climate-neutral status. You can read **here** how we achieved this and which projects were involved. Our footprint increased compared with 2019 because our workforce more than tripled and our customer base grew from 19.300 in 2019 to around 50,000 at the end of 2020.

The coronavirus situation also forced us to close our office from the beginning of March to the end of June 2020 and again provisionally as of mid-December. The emissions caused by our home offices and the associated Zoom meetings therefore account for the greatest share of our total carbon footprint.

We are constantly working on reducing our emissions. Accordingly, we have set ourselves the clearly defined target of not allowing our footprint to increase by more than 10 percent year-on-year despite our growing workforce and customer base. We are also working on a better solution for our home office collaboration and the associated emissions. Wherever possible, we as a company also avoid flying and driving, preferring to use public transport instead. All our employees are also provided with company bicycles as a way of encouraging climate-neutral mobility.

|          | Emission source            | Indication kg CO <sub>2</sub><br>2019 | Indication kg CO <sub>2</sub><br>2020 | Change<br>in % |
|----------|----------------------------|---------------------------------------|---------------------------------------|----------------|
| Scope 1  | Heat                       | 0.0                                   | 0.0                                   | 0 %            |
| Subtotal |                            |                                       |                                       |                |
| Scope 1  |                            | 0.0                                   | 0.0                                   | 0 %            |
| Scope 2  | Other-generated heat       | 7,758.0                               | 9,432.0                               | 22 %           |
|          | Electricity                | 0.0                                   | 0.0                                   | 0 %            |
| Subtotal |                            |                                       |                                       |                |
| Scope 2  |                            | 7,758.0                               | 9,432.0                               | 22 %           |
| Scope 3  | Flights                    | 14,783.0                              | 301.0                                 | -98 %          |
|          | Extern data center         | 13,718.0                              | 183.0                                 | -99 %          |
|          | Journey staff              | 6,078.0                               | 5,423.5                               | -11 %          |
|          | Upstream chain heat        | 3,710.0                               | 4,510.2                               | 22 %           |
|          | Rental and privat vehicle  | 892.0                                 | 43.0                                  | -95 %          |
|          | Train journeys             | 212.0                                 | 3.8                                   | -98 %          |
|          | Upstream chain electricity | 147.0                                 | 280.9                                 | 91 %           |
|          | Water                      | 25.0                                  | 23.9                                  | -4 %           |
|          | Print products             | 13.0                                  | 1,764.5                               | 13473 %        |
|          | Waste disposal             | 2.0                                   | 1.5                                   | -25 %          |
|          | Home Office                |                                       | 2,602.0                               | 100 %          |
| Subtotal |                            |                                       |                                       |                |
| Scope 3  |                            | 39,580.0                              | 15,137.3                              | -62 %          |
| Outcome  |                            | 47,338.0                              | 24,569.3                              | -48 %          |

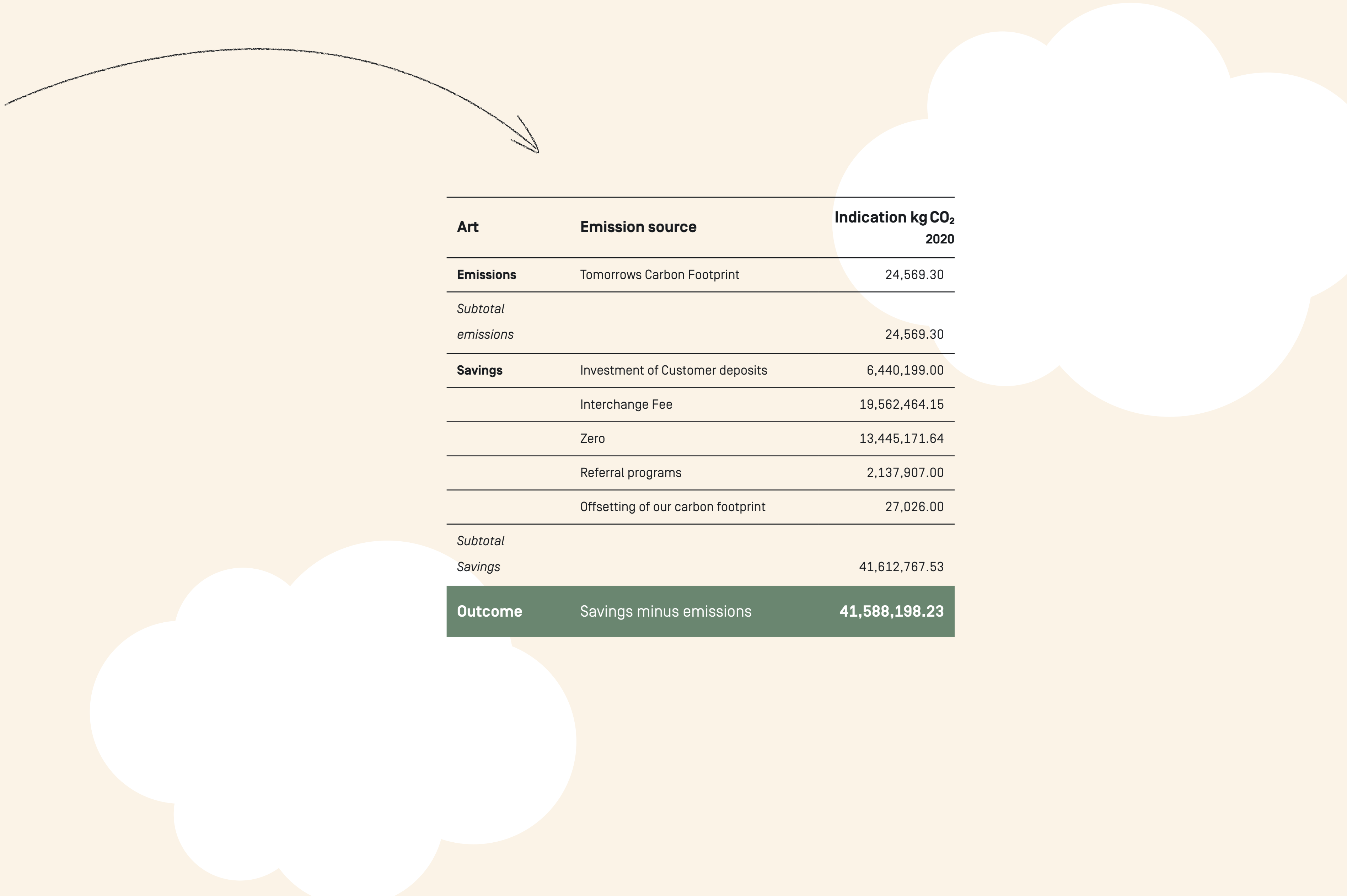


Tomorrow’s climate footprint (customer contributions, investments and offsetting)

Together with our customers, investments and business partners, we have made an important contribution towards avoiding the climate catastrophe and prevented over 41,500,000 kg of CO<sub>2</sub> in 2020. We will continue to pursue this course resolutely.

Our aim is to increase this figure many times over in coming years by acquiring new customers and integrating new, innovative products and features that will help to reduce additional tonnes of CO<sub>2</sub>. We reached another milestone on this journey with our premium account Tomorrow Zero, launched in 2020, which automatically offsets as much **CO<sub>2</sub> as an average German emits in a year in average:** around 11 tonnes.

We also create additional transparency by showing in the app how many square metres of forest have been protected by paying with the Tomorrow card. A new feature to be introduced in the course of 2021 is that customers will be shown the CO<sub>2</sub> emission for every payment that is made – i.e. their own personal carbon footprint. In this way, we can take abstract values like CO<sub>2</sub> and the climatic impact of personal consumption and make them tangible and understandable, allowing people to reflect on the impact of their actions based on data.





# Fairness

- Engagement and rights
- Whistleblowing
- Complaints management and compensation
- Our supervisory bodies
  - Advisory Board
  - Impact Council
- Our shareholders
- Revenue and tax
- Corruption, bribery and money laundering



# Transparent processes rather than obvious ploys

At Tomorrow, we make a point of speaking of “fairness” rather than “governance”. This is because, while good governance is generally understood to involve preventing damage to a company and increasing shareholder value, we see fairness as a responsible type of management where social, ecological and economic aspects are all afforded equal importance. It is essential for promoting global equality and

being an effective social business. Rather than seeing laws, guidelines and transparent processes as additional burdens, we welcome them as an opportunity to finally make good working and living conditions possible for everyone. Protecting the environment is something we see as a basic prerequisite.





# Stance and rights

We as a company have strong ecological and social values, both of which are vital to sustainability and positive change. Because of this, we actively work to help refugees, speak about financial and socio-political issues on panels, hold lectures and organise our own discussions, publish in-depth interviews and articles for the **Magazine** section of our website and produce our own podcast about shaping the future. We also use our social media reach to stand up for projects such as German Zero or aid organisations like Welthungerhilfe (World Hunger Aid) and Doctors Without Borders, or to assist them with fundraising campaigns. We are also actively aware of international equality. These activities are also geared towards the Sustainable Development Goals of the United Nations. These individual contributions, our outlook and strategic decisions are all based on

absolute respect for and recognition of international human rights. And we expect the same from our suppliers and our investments. We also expect, as a bare minimum, rules and working conditions that respect employees and protect their rights under national and international labour and social security laws and requirements such as those of the Fair Labour Association. As well as this, we apply standards of our own that we feel to be especially positive. Our work in this area – particularly where our employees, suppliers and investment criteria are concerned – is based on the Universal Declaration of Human Rights and the declaration of the International Labour Organisation on the fundamental principles and rights at work.

We undertake to prevent any violation of the Universal Declaration of Human Rights.

In addition, we support and promote – both within the company and externally – the four key principles and eight conventions of the International Labour Organisation’s declaration on the fundamental principles and rights at work. These four principles are basic prerequisites for us. This also means that we adhere to the German Protection of Young Persons Act (JuSchG) and strictly prohibit all forms of forced labour.

**Principle 1:** Freedom of association and the effective recognition of the right to collective bargaining.

**Principle 2:** The elimination of forced or compulsory labour.

**Principle 3:** The abolition of child labour.

**Principle 4:** The elimination of discrimination in respect of employment and occupation.

Needless to say, we did not violate any laws in 2020 so the proceedings, dispute settlement mechanisms and fines are of no relevance for us whatsoever.





# Whistleblowing

We can only bring about positive change by working together. This is why we shape Tomorrow together with all relevant stakeholder groups and constantly work on aligning our structures and processes as closely as possible with the needs of all stakeholders. For us, this also includes taking steps to combat discrimination and unlawful actions by creating transparent, safe and simple ways to draw attention to possible weaknesses in our systems. In a word: whistleblowing.

We see whistleblowers as people who communicate – either to us or to higher authorities – secret or protected information that is of great importance to the public at large. For us, they are a valuable source of information that we protect and encourage.

Our whistleblowing activities strive to obtain information about discrimination, money laundering, bribery, corruption

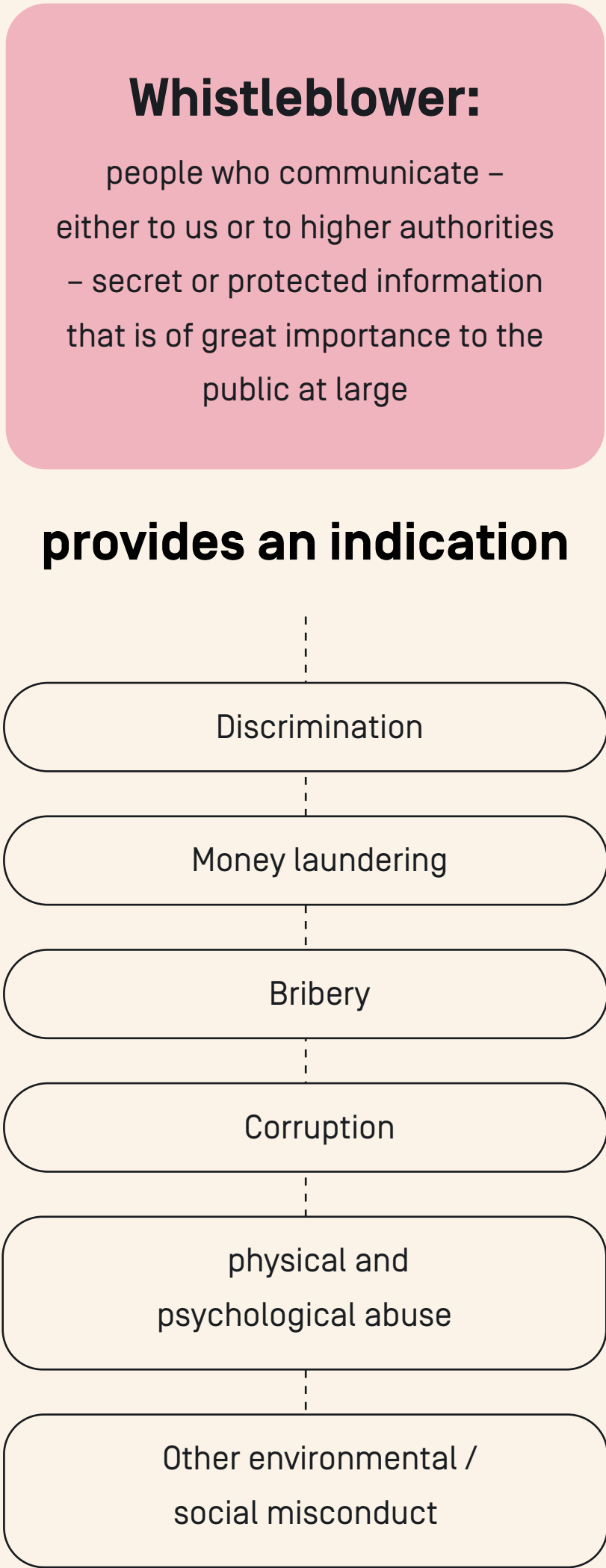
and other environmental and social misconduct by our suppliers, investments and our own operations. We also encourage our employees to report any misconduct that comes to their attention in our own company. As well as money laundering, we are keeping a particularly close eye out for physical and psychological abuse and discrimination, for example in the form of racist remarks.

At Tomorrow, the submission of information is possible via all support channels. Whistleblowers can contact us via chat, telephone and e-mail and their concerns will, if possible, be dealt with immediately or forwarded to the relevant department. This department will then look into the concern within a maximum of three weeks and inform the whistleblower of the outcome. In future, employees who raise concerns will be able to approach various ‘confidants’ at Tomorrow, who will then deal with the incident together with those involved, while preserving the anonymity of the whistleblowers.

In 2021 it will also be possible for whistleblowers to report anonymously without providing any contact details through a form that can be accessed by our website. The messages are then forwarded directly to those responsible for processing them.

Every whistleblower is protected and every reported incident is taken seriously. We always begin by assuming that the information is correct and see the burden of proof as resting with Tomorrow and its suppliers. The findings of such proceedings will be prepared and reported on in our sustainability report in the future.

Accordingly, we have no cases to report for 2020. In line with this, we have no known cases of discrimination, harassment, corruption, money laundering or other violations of our policies.





# Complaints management and compensation

To create a healthy working environment for us as a team, we not only need a culture of open communication but also a formal framework for reporting and resolving complaints and problems. Our coming complaints management system is similar to the whistleblowing set-up, focusing in particular on the rights of those affected. However, there is always an injured party who might be entitled to damages.

If there are still violations against our zero-tolerance policy regarding harassment, discrimination, etc., our future inter-

nal complaints management system will come into play. In future, the basis of this system will be ‘confidants’ who are elected by all Tomorrow employees and given in-depth training to prepare for their role. They will serve as independent complaint bodies in accordance with section 13 of the General Equal Treatment Act (AGG) and will look into all complaints that are made. They will provide those who lodge complaints with ongoing assistance throughout the entire proceedings, inform them of their rights (e.g. rights of

refusal in accordance with section 14 AGG) and about the outcome and any entitlement to compensation they might have. The burden of proof is reversed for these proceedings, meaning that the complaints are assumed to be well founded and that the burden of proof rests with Tomorrow. Even in the case of complaints that turn out to be unfounded, there will be no negative consequences for those who lodged them.

External complaints regarding the actions of Tomorrow as a financial services provider are fielded and dealt with by our Customer Support team. Claims relating to deposit protection and banking transactions are dealt with via our partner, Solarisbank, and the German Banks Compensation Scheme (EdB). If the incident is in connection with our brokerage work or our support team, our own compensation mechanisms come into play. If customers lodge complaints because they did not feel that they were treated with the necessary friendliness and courtesy, our redressal mechanisms will take effect. In minor cases, for example, we offset the customer’s ecological footprint for a month.

More serious allegations such as discrimination and harassment are investigated and dealt with by our Compliance Officers and individual compensation is defined.

All complaints lodged with us, whether external or internal, are investigated with the same urgency. We undertake to cooperate completely with all players and to meet our obligations in the proceedings.



We received a total of 15 complaints in 2020; however, these did not extend beyond general problems using accounts and were not the result of misconduct on the part of our employees. All complaints were resolved together with our support team and the persons involved.



# Our supervisory bodies

Our mission is to create a better tomorrow for us all. We have undertaken various measures with a view to securing this mission and establishing it firmly in our Tomorrow DNA. This means we can ensure that our values and objectives remain intact even when structures change.

Our shareholder agreement declares that Tomorrow is a company that aims to have a significant positive impact on

the common good and the environment. It also states that the strategic decisions made by our directors – currently our founders – take into account all relevant stakeholders [shareholders, employees, customers, communities, etc.] and also the effects on the environment, both locally and globally. Our success is monitored by two organs: our Advisory Board and our Impact Council.





# Tomorrow Advisory Board

Our Advisory Board consists of nine members whose function is to advise and monitor our management. Its members meet six times a year to discuss our current company objectives and strategies. Subjects for discussion at these meetings include, for example, our quarterly objective key results, but also more general subjects such as manager salaries or increasing office space. Like a board of directors, our Advisory Board consists of non-executive and executive members. In 2020, we also voted as a team to make one team member responsible for representing employee interests on the Advisory Board. Another rule stipulates that there should also be an independent member on the Advisory Board who verifies the sustainability of all decisions that are made. This Council member is elected by our Impact Council.

The current members are:

**Inas Nureldin**, co-founder of Tomorrow

**Michael Schweikart**, co-founder of Tomorrow

**Jakob Berndt**, co-founder of Tomorrow

**Patrick Sheehan**, representative of our Series A investors

**Jan Christoph Gras**, representative of our seed investors

**Andreas Neukirch**, representative of the Impact Council

**Tomer Strikowsky**, representative of ETF Partners

**Maria Mondry**, elected representative of Tomorrow employees

**Luis Hanemann**, independent representative

# Impact Council

Our Impact Council consists of four experts whose knowledge and perspectives examine very different aspects of sustainability in order to do justice to its complexity. As our independent supervisory body, they audit Tomorrow’s sustainability performance at regular intervals to ensure that we are being true to our mission and our objectives. This is because sustainability is complex and needs to be critically examined from various angles. Working together with our Impact Council, we identify the strategies and solutions that will meet the interests of as many stakeholders as possible and the need to protect the environment.

The Impact Council members have two specific key tasks, the first of which is to examine the sustainable effectiveness of Tomorrow’s objectives and whether they are being implemented successfully. The second is to gauge the sustainability of the companies and bonds contained in the investment universe. The Council meets four times a year.

The current members are:

**Markus Beckmann**

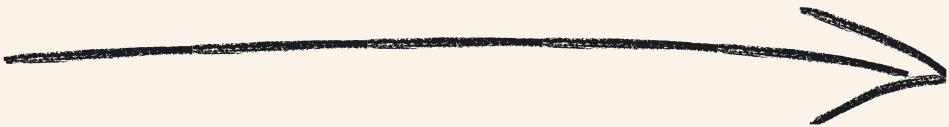
**Susanna Krüger**

**Kristina Lunz**

**Andreas Neukirch**



# Our shareholders



We have set ourselves the ambitious goal of revolutionising the finance sector. But this requires capital. We already offer our customers a premium account and are currently working on other premium models and investment products. In addition, we launched a crowdfinancing campaign in 2020 that secured us over 2,000 new investors for our mission – and three million euros. Even so, we are not yet in a position to finance ourselves completely.

Thankfully, we have always been able to attract impact investors who believe in our mission and who provide us not only with funding but also logistical and moral support. In addition, we had our first crowdfinancing campaign in 2020 with which we won over 2,000 investors for our mission.

Our current shareholders are:

## Founders

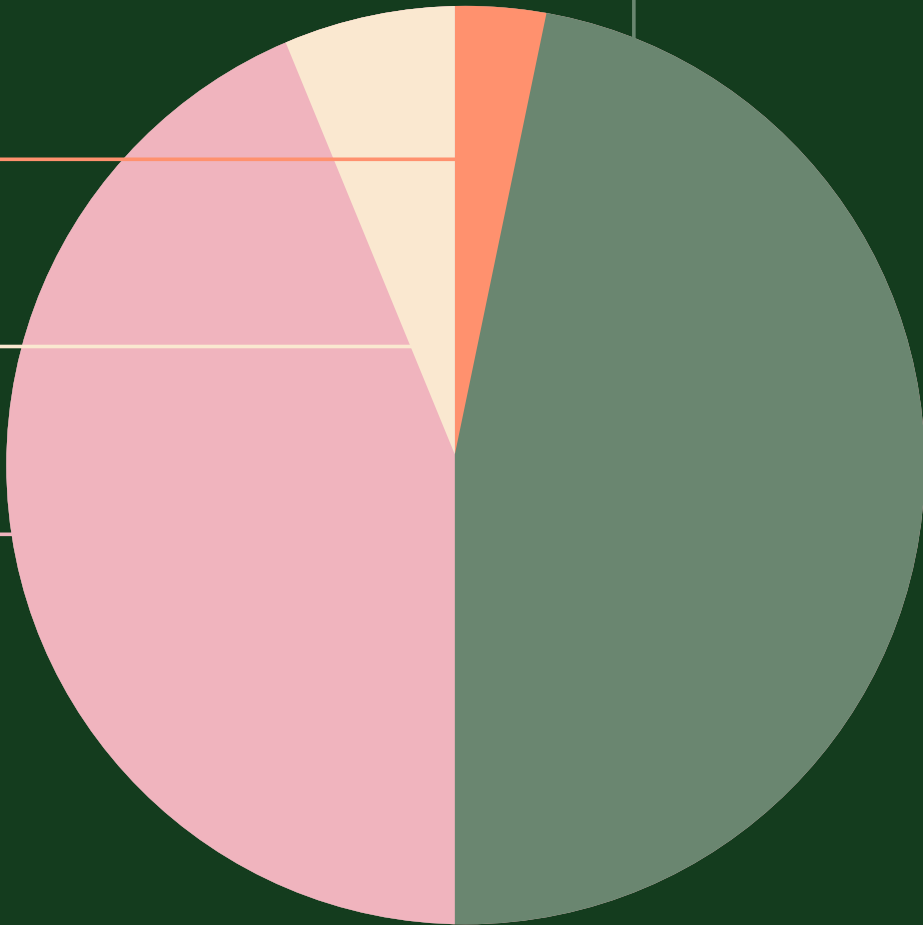
- Inas Nureldin UG → 20.69 %
- Schweikart Ventures UG → 15.67 %
- Jakob Berndt UG → 15.67 %

## Crowd

## Staff

## Investors

- ETF Partners → 14.35%
- Erste Pure Forest Verwaltungs GmbH → 8%
- Wi Venture GmbH & Co KG → 6.01%
- Berlin Ventures BG GmbH → 4.38%
- Michael Hetzer → 3.76%
- Georg Bader UG → 2.7%
- BPO Capital → 2.56%
- G. Kaiseer Holistic Capital GmbH → 2.07%
- Laughing Tuna GmbH → 1.59%
- Odlo Inter UG → 1.17%
- Thomas Adnak → 0.76%
- 5 For Tomorrow UG → 0.5%
- Rebernik UG → 0.12%





# Revenue and tax

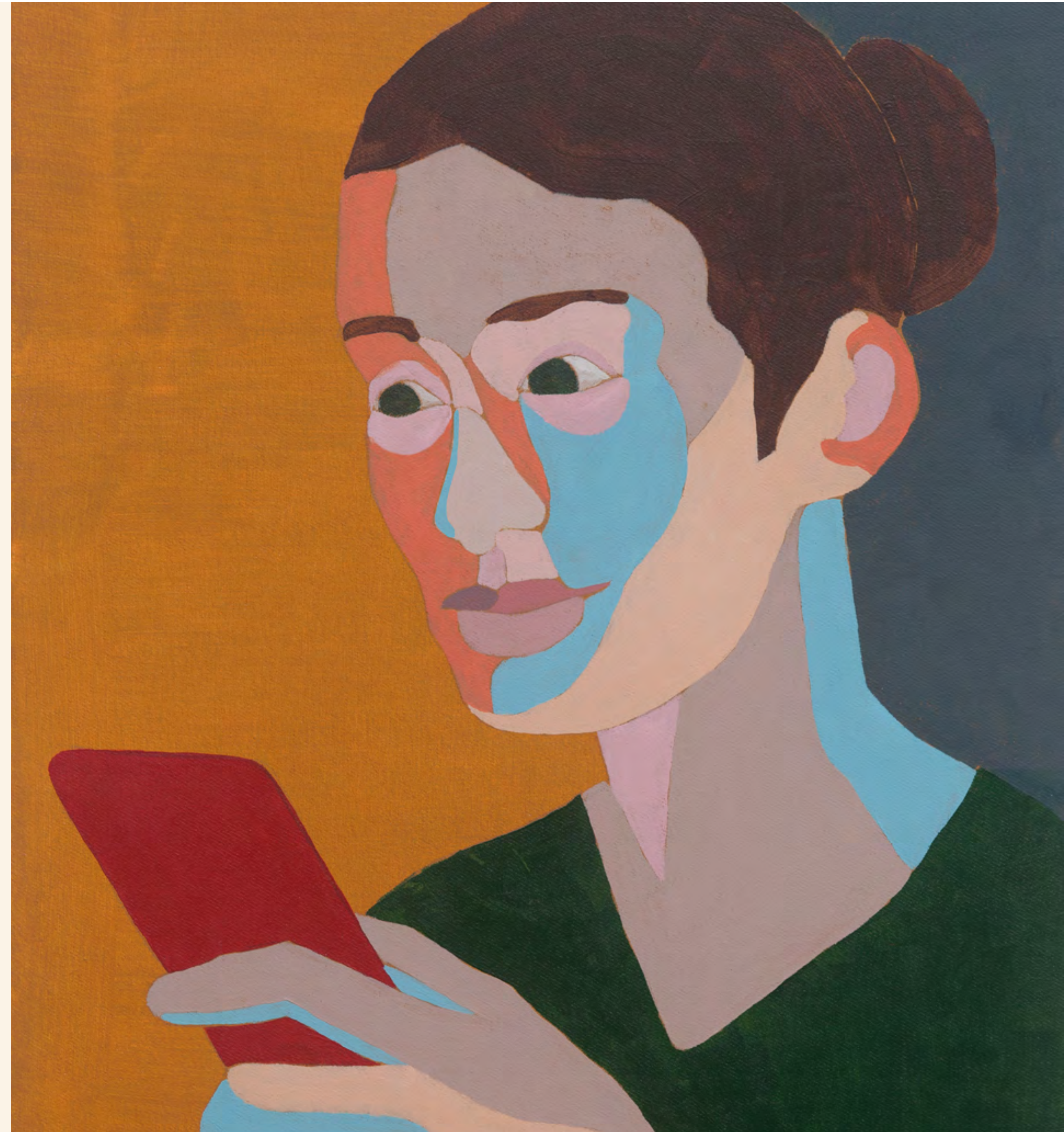
We see tax compliance as being an essential pillar of any sustainable company. This means that we eschew tax avoidance, both for ourselves and for our investments, customers and suppliers. We categorically refuse to include tax avoidance strategies as part of the financial consulting services we provide to future customers. By the same token, we refuse to accept as a customer any company that is based in tax havens for strategic reasons and does not generate the bulk of its revenue locally.

While nationals and residents of different European countries can open an account with us, our business activities

have been based exclusively in Germany to date. We are a venture capital-backed, growth-oriented company.

Because of this, we have yet to break a profit. In 2020, we recorded € 359,000 in revenue with a net loss of € 8,399,000. We did not receive any state subsidies or individual tax benefits and paid € 35,824 in tax.

\*The sales revenue, net loss and taxes are based on the provisional financial account of 2020. As soon as we have the final numbers, we will update the report.





# Corruption, bribery and money laundering

our everyday business. It also means that we don't make or accept gifts or payments for which the purpose is unclear, or which appear to be linked to expectations that go beyond normal business relations. Services rendered or received must always be documented. To ensure this, our employees are briefed on bribery and corruption during onboarding and know exactly who to contact in suspicious cases. They are given clear examples of how to recognise attempted corruption or bribery – for instance unusually high fees, commission or hospitality, entertainment or other gifts. However, we also refuse to accept improper requests to treat relationships confidentially or cover letters and oral agreements aimed at circumventing written agreements.

In addition, we make sure that our suppliers and service partners subscribe to the same sustainable principles as we do. This includes preventing corruption and money laundering. Having assessed the risk of corruption throughout our company, we have come to the conclusion that no significant corruption risks currently exist in any of our areas of activity.

Despite this, we will introduce – both within and outside the company – in 2021 a number of ways to report suspicious incidents (even anonymously: see the section on 'Whistle-blowing') and look into all reports thoroughly, documenting the process.

Corruption and bribery are a major problem in conventional banking; this is something that we criticise and counter through our promise of transparency. At present, we don't provide any individual services for our customers as we only offer standardised products and don't provide loans. Should this change in future, we will examine our terms and

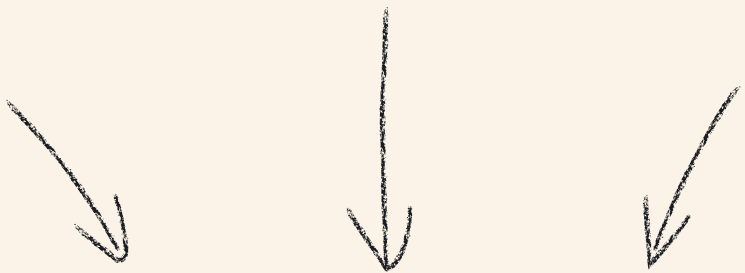
guidelines for corruption and bribery and tighten them up accordingly. We will also verify this before expanding into new countries. To date, no instances of corruption or bribery are known to us.

As with corruption and bribery, we have zero tolerance of money laundering. However, we don't have a banking licence of our own and work with our partner Solarisbank, which performs all banking operations for us. As required by section 25a(1) sentence 3 of the German Banking Act (KWG) and AT 4.4.2 (note 1) of the Minimum Requirements for Risk Management (MaRisk), this adheres in full to the currently valid regulations for compliance structures at banks. A money laundering officer was appointed by Solarisbank for the purpose of detecting instances of money laundering.

As well as this, each transaction by our customers is authenticated by means of multivalidation. This means that all transactions are checked for suspicious activities in real time – without limiting the availability of services and our customers' assets.

Financial institutions have a particular duty of care in the case of politically exposed persons and we and Solarisbank comply with this duty in full. Politically exposed persons are those who – in the context of money laundering, corruption and bribery – are either politicians themselves or in close proximity to politicians. Owing to their influential position, these people are exposed to a higher risk and are potentially able to influence decisions or the awarding of contracts at high levels.

To be able to ensure that laws are adhered to, spot-checks can be carried out on transactions on our customers'



**We believe that our products and services are valuable and competitive in their own right. For this reason, we will never consider corruption or bribery as a way of gaining contracts, partnerships or other inadmissible advantages or to put others at an unfair disadvantage.**

For this reason, we deem any abuse of official power, authority or resources that leads to an unjustified personal gain to

be unacceptable. In our view, this principle includes offering (directly or indirectly), promising or giving bribes and other improper benefits (e.g. large gifts, tickets to entertainment events and hospitality) as well as demanding and accepting these.

In practical terms, this means that we refrain from engaging in any form of misconduct or potentially corrupt activities in



accounts at any time; the participation of the customers in question is also required for this. For this reason, all customers are informed about their obligation to help comply with money laundering regulations when they open an account.

We have the utmost trust in Solarisbank in this regard and are of the firm belief that they share the same values as us, our other partners and suppliers, including with regard to preventing money laundering, corruption and bribery.

However, we also take responsibility for this area wherever it is possible and check our suppliers' and partners' structures and principles – and determine their beneficial owners – to ensure that we agree with their business practices and deem them sufficiently responsible.

The point regarding the ultimate beneficial owners is particularly important from a sustainability point of view. This is because we don't want the profits of companies that we assist [e.g. through business relations or potentially also through financial services and investments] to end up being used in a way that is at odds with our principles [investment criteria]. This factor is particularly important in a money laundering context, as we aim to avoid at all costs any involvement in financing terrorism or the proliferation of weapons of mass destruction.

Our whistleblowing system will also be used for this reason. We are not aware of any instances of corruption or bribery in connection with our business activities to date.





**We are right in the middle of our  
journey and making more  
and more headway with our mission  
every day. Next Stop 2021.**

**Are you in?**