

Annual Review 2021

Aktia



Aktia



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A man with a beard in a green blazer, a woman with long brown hair in a dark blue top, and a woman with blonde hair in a grey top are gathered around a kitchen counter. They appear to be in a professional meeting. The man is standing and looking towards the woman in the blue top, who is smiling. The woman with blonde hair is sitting at the counter, looking towards the other two. There are coffee cups and a notebook on the counter. The background shows a modern kitchen with shelves of dishes and a white tiled wall.

Aktia 2021

**Our new vision –
the leading wealth
manager bank**

CEO'S COMMENTS

Our goal is to be the best wealth manager in Finland

Aktia performs as well as our customers do. Despite the COVID-19 pandemic, 2021 was a good year for many investors, and this was also reflected in Aktia's business. The COVID-19 period has also shown that as an agile company, we are able to adapt both the work of our employees and our business to even rapid changes in the market.

All three of our business areas – Asset Management, Banking and Life Insurance – performed well in 2021. We achieved our all-time best result, and our comparable operating profit improved by 59 per cent to EUR 87.4 (55.1) million. The net interest income for the year increased by 19 per cent and the net commission income as much as 27 per cent thanks to the excellent progress in banking and asset management. The net commission income was in part impacted by the acquisition of the wealth management business of Taaleri, which we announced in March. Year 2021 was good also for

the life insurance business, so overall, we can be very pleased with the past year.

Major corporate restructuring

Our goal is to be the best wealth manager in Finland. Our acquisition of the wealth management business of Taaleri supports this goal extremely well. Thanks to the acquisition, we are now one of the leading wealth managers in Finland with excellent services, strong investment expertise and comprehensive portfolio management as well as solid digital capabilities. We are able to offer high-quality wealth management products, award-winning Private Banking competence and comprehensive banking and life insurance services under one roof. As part of the acquisition, we also agreed on strategic co-operation, where Aktia became the vendor of Taaleri's alternative investment products in Finland. The integration related to the acquisition has progressed as planned and will continue in 2022 with technical system integrations.

“

All three of our business areas – Asset Management, Banking and Life Insurance – performed well in 2021.”



Another important, albeit smaller, acquisition was that of a minority share in Alexander Corporate Finance, which we announced in November. The arrangement will provide Aktia's customers with access to investment banking services such as financial advisory on mergers and acquisitions, initial public offerings and valuation services. We are now able to offer our customers an even more diverse service portfolio.

Strategy update

In September, we updated our strategy and published our new long-term financial targets. The new growth strategy, which extends to 2025, is built on close co-operation between Aktia's three business areas. A strong focus on wealth management is an essential part of all of the company's business activities.

According to the updated strategy, we want to be the leading wealth manager in Finland and to seek growth particularly from customers who want to increase their wealth and to whom we can offer responsible and holistic wealth management advisory, including a wide portfolio of banking, asset management and life insurance services. In

addition, we focus on customer insight and the development of service models with an emphasis on comprehensive solutions across all business areas to deliver an excellent customer experience.

Responsible business since 1825

The importance of sustainability in business is constantly growing. Since 1825, Aktia has had an important and responsible duty to build wellbeing and a wealthier society from one generation to the next. We want to continue helping people, companies and institutions to think further and to grow their wealth also during the next two hundred years.

As part of our updated strategy, we have identified sustainability as one of the key drivers of profitable growth. Megatrends such as climate change and the overconsumption of natural resources change our operating environment, for example, through changes in consumer behaviour and increasing regulation.

In 2021, Aktia published a new climate strategy, which will guide our operations in the coming years. According to our climate strategy, we target carbon neutrality in our investment portfolios by 2050, as well as a smaller carbon footprint and exposure in our



Our new climate strategy guides our operations in the coming years.”

loan book. We are pursuing these goals by creating climate-friendly criteria and setting related volume targets as well as by pursuing carbon neutrality in our own energy consumption by 2030.

Towards 2022 with confidence

Over the past year, I have met several customers who transferred over to Aktia with our acquisition of Taaleri's wealth management business. It has been a great pleasure to see how positively they felt about the acquisition and how interested they were in hearing about the new ways in which we can serve

them in the future. For me personally, this is the best indication that we have made the right decisions and that our strategy is working.

I would like to warmly thank the customers who transferred to Aktia with the acquisition of Taaleri's wealth management business, as well as all our other customers, for their trust towards us. In addition, I wish to thank both our long-time shareholders and the more than 2,500 new investors who became Aktia's shareholders in 2021. I would particularly like to thank our employees for their hard work and flexibility during these exceptional times.

Thanks to the acquisitions, our strategy update and the restructuring of our organisation, 2021 can be considered as the year of building the wealth manager bank. Aktia is now in excellent condition and has a solid foundation for growth in 2022.

Mikko Ayub
CEO

Aktia in brief

Aktia is a Finnish asset manager, bank and life insurer that has been creating wealth and well-being from one generation to the next for 200 years. We serve our customers in digital channels everywhere and face-to-face in our offices in the Helsinki, Turku, Tampere, Vaasa and Oulu regions. Our award-winning asset management business sells investment funds internationally.

BUSINESS AREAS



Banking

- Private customers
- Corporate customers



Asset Management



Life Insurance

THE LEGAL STRUCTURE OF AKTIA GROUP

31 DECEMBER 2021

Aktia Bank Plc is the parent company of Aktia Group and it is listed in Nasdaq Helsinki Ltd

Aktia's key subsidiaries are:

100% Aktia Life Insurance Ltd

100% Aktia Fund Management Company Ltd

100% Aktia Wealth Management Ltd*

* Aktia Wealth Management Ltd was merged into Aktia Bank Plc on 1 January 2022. At the same time, Aktia merged its two fund management companies. More detailed information about the Group can be found in note G42 of the Financial Statements.

KEY FIGURES 31 DECEMBER 2021 (APPROX.)

250,000

Private customers

100,000

Insurance policies

15.5 EUR billion

Customer assets under management (AuM)

890 EUR million

Market cap

68%

smaller carbon footprint of our own funds compared with reference market

20,000

Corporate and institutional customers

900

Employees

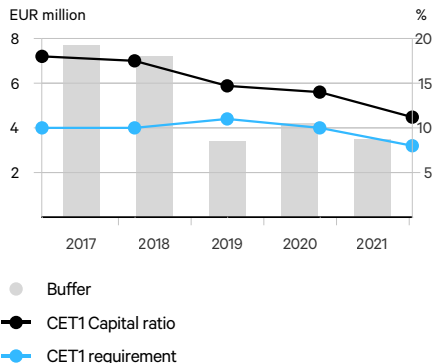
11.7 EUR billion

Balance sheet total

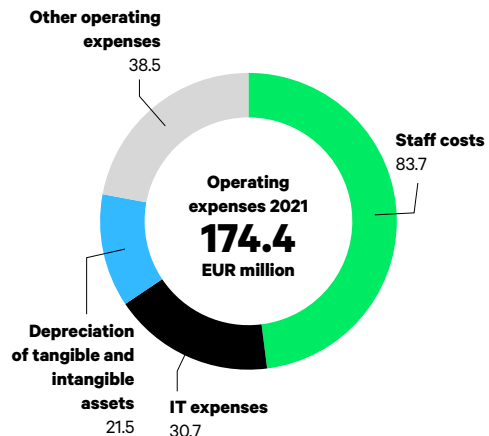
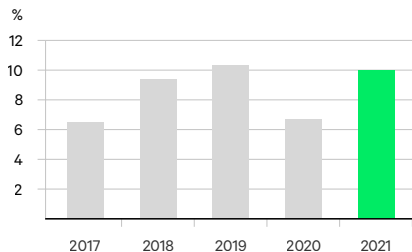
39,000

Shareholders

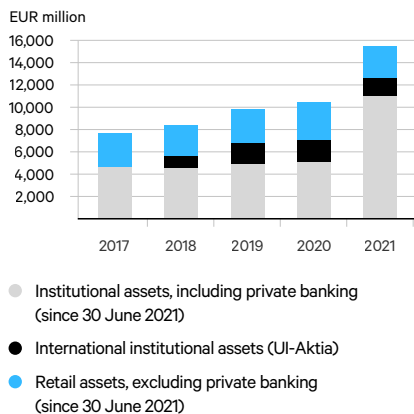
Capital adequacy



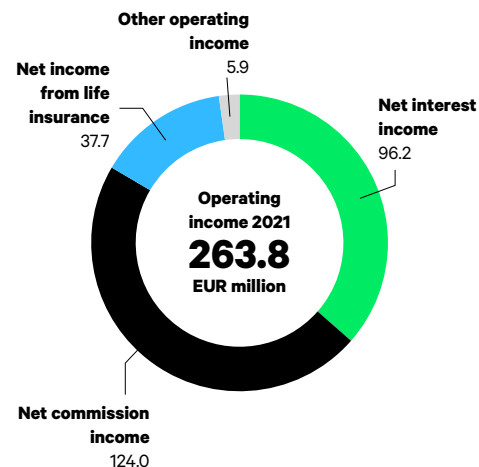
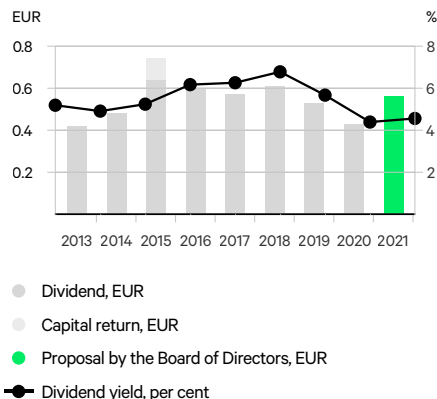
Aktia's return on equity (ROE)



Assets under management (AuM) excluding custody



Aktia's dividend per share (including capital return) 2013-2021



KEY FIGURES 2021

263.2 (201.1) **31%**

Comparable operating income, EUR million

-171.1 (-141.9) **21%**

Comparable operating expenses, EUR million

87.4 (55.1) **59%**

Comparable operating profit, EUR million

0.95 (0.61) **56%**

Earnings per share (EPS), EUR

10.0 (6.7) **50%**

Return on equity (ROE), %

11.2 (14.0) **-20%**

Common Equity Tier 1 capital ratio (CET1), %

0.65 (0.71) **-8%**

Comparable cost-to-income ratio

Highlights of the year 2021

Q1

18 MARCH 2021

Aktia the best fund house in Morningstar's comparison

Aktia won first place in all three Fund House categories in Morningstar's Finland Awards 2021 competition.

[Read more online »](#)

Q2

30 APRIL 2021

Aktia acquired the wealth management operations of Taaleri and the companies initiated a co-operation supporting the strategies of both parties

Asset management is at the core of Aktia's strategy and acquiring Taaleri Plc's wealth management operations supports Aktia's objective to be the best asset manager in Finland. As part of the transaction, the parties initiated a co-operation through which Aktia became the distributor of Taaleri's alternative investment products in Finland, supporting the strategies of both parties.

[Read more online »](#)



Q3

18 AUGUST 2021

Aktia simplified its group structure with mergers of subsidiaries

Aktia Bank Plc initiated merger procedures aiming at merging the wholly owned subsidiary Aktia Wealth Management Ltd with Aktia Bank Plc. At the same time, Aktia initiated merger procedures between its two subsidiaries. The mergers were executed on 1 January 2022.

[Read more online](#)

[18 August 2021 »](#)

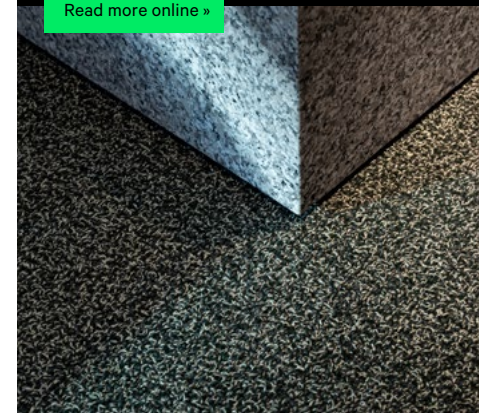
[15 December 2021 »](#)

7 SEPTEMBER 2021

Aktia published a new climate strategy – the goal is carbon neutrality in the investment portfolios by 2050

Aktia prepared a Group-level climate strategy, which applies to wealth management, investments, lending, and the Group's own activities. Aktia systematically invests in the development of its climate-related work through its climate strategy. The goal is, among other things, carbon neutrality in the investment portfolios by 2050.

[Read more online »](#)





27 SEPTEMBER 2021

Aktia's employee share issue was oversubscribed – over one third of the personnel participated in the share issue

The premise for the employee share issue was to engage and encourage our personnel to become shareholders in Aktia and thus work long-term to increase shareholder value.

[Read more online »](#)



7 SEPTEMBER 2021

Aktia updated its growth strategy and long-term financial targets

The new strategy update, which extends to 2025, supports Aktia's growth objectives and guides the company towards the new vision of being "the leading wealth manager bank".

[Read more online »](#)

Q4

3 NOVEMBER 2021

Aktia took a step closer to carbon-neutral portfolios by joining international emissions initiative

As part of the recent climate strategy, Aktia joined the international Net Zero Asset Managers initiative. The initiative in support of emission restrictions has become a standard in asset management and offers even more concrete tools for Aktia's ambitious sustainability work.

[Read more online »](#)

30 NOVEMBER 2021

Aktia became a partner in Alexander Corporate Finance

Aktia Bank Plc and Alexander Corporate Finance Oy ("ACF") agreed on an arrangement which resulted in Aktia owning 20% of ACF's shares. The completion of the arrangement took place on 2 February 2022.

[Read more online »](#)

OPERATING ENVIRONMENT

An exceptionally strong year



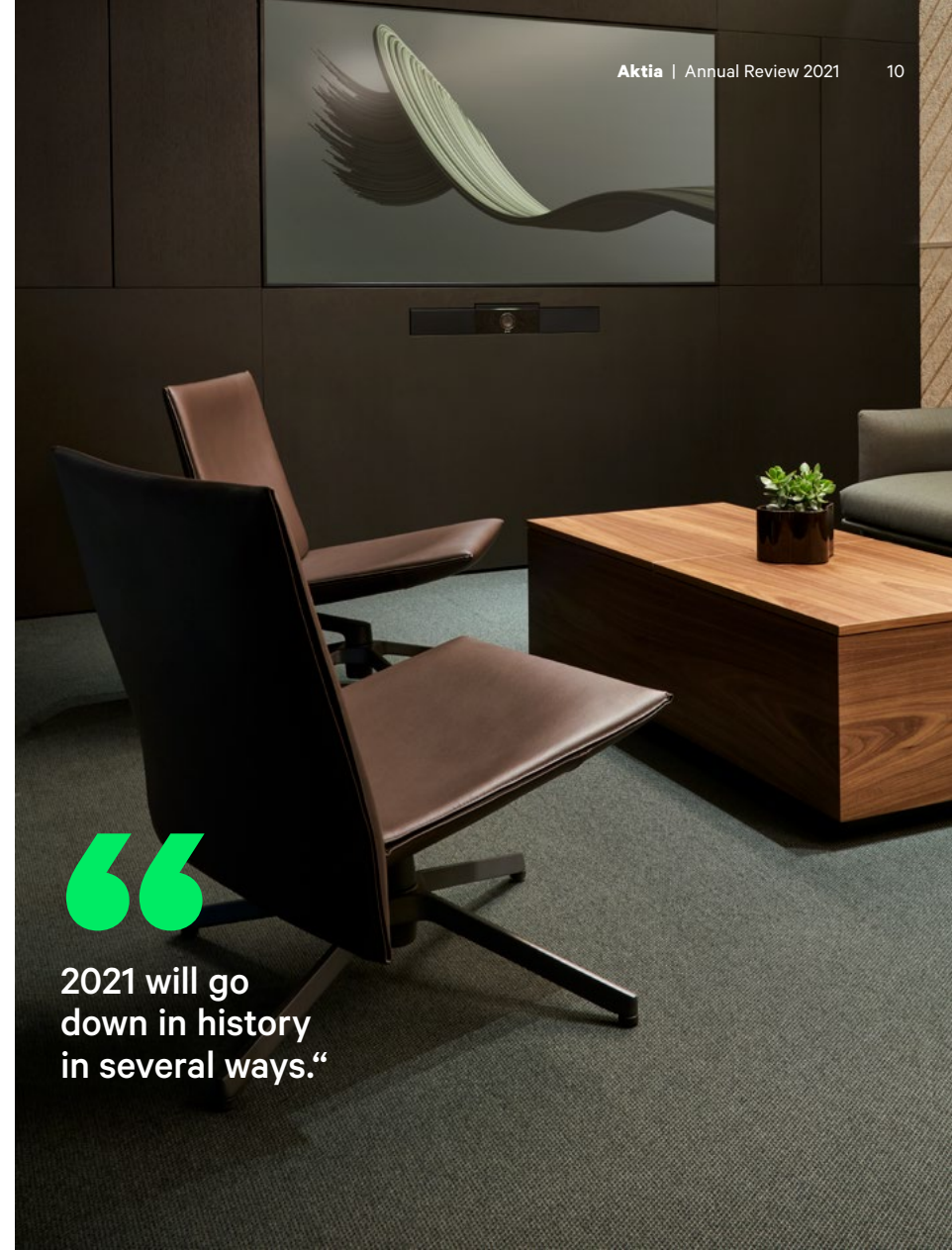
Lasse Corin
Chief Economist

2021 will go down in history in several ways. The economic activity in Finland was strengthened by several indicators. The real estate business picked up significantly, which was reflected both in an increase in housing prices and growth in the housing loan book.

In the business field, the year was also mostly positive. At the beginning of the year, a great bankruptcy wave was expected as the temporary relief in the bankruptcy legislation ended. The number of bankruptcies increased but was far from a bankruptcy wave. Finnish exports were good, the industrial order books were becoming full, and the number of residential building permits increased rapidly.

The sentiment on the market intensified towards the end of the year. The equity indices continued to increase while the fixed income market recovered. In the second half of the year, it became clear that the high inflation was not as temporary a phenomenon as it was previously thought. This stimulated the discussion on the tapering of the central bank support programmes and possible hikes in interest rates.

Read more about operating environment at www.aktia.com.



2021 will go down in history in several ways.“

AKTIA'S STRATEGY

Aktia seeks growth particularly among customers who want to increase their wealth

Aktia updated its strategy and financial targets in September 2021. The updated strategy, which extends to 2025, supports Aktia's growth objectives and guides the company towards the new vision of being the leading wealth manager bank.

The growth strategy is built on offering comprehensive wealth management services through close collaboration between Aktia's three business areas: Asset Management, Banking, and Life Insurance. A strong focus on wealth management is an essential part of all business activities across Aktia.

The strategy was updated to reflect the changes in Aktia's business environment. Climate change and over-exploitation of natural resources is evident. Aktia considers sustainable investments, finance, and operations as drivers for long-term profitable growth. Aktia believes that increasing wealth in combination

with financial uncertainty will increase the demand for wealth management advisory. New ways on interacting and higher customer expectations underline the importance of delivering an excellent customer experience.

Aktia's strategy focuses on three strategic priorities, which are:

1. Win in wealth management

Aktia's objective is to be the first choice for private and institutional investors. A comprehensive product offering, excellent portfolio management expertise, high-quality Private Banking, and institutional wealth management are at the core of Aktia's strategy. A key focus area is to successfully carry out the integration of Taaleri's wealth management operations, which were acquired in the spring of 2021.

OUR THREE STRATEGIC PRIORITIES



2. Grow among customers who want to increase their wealth

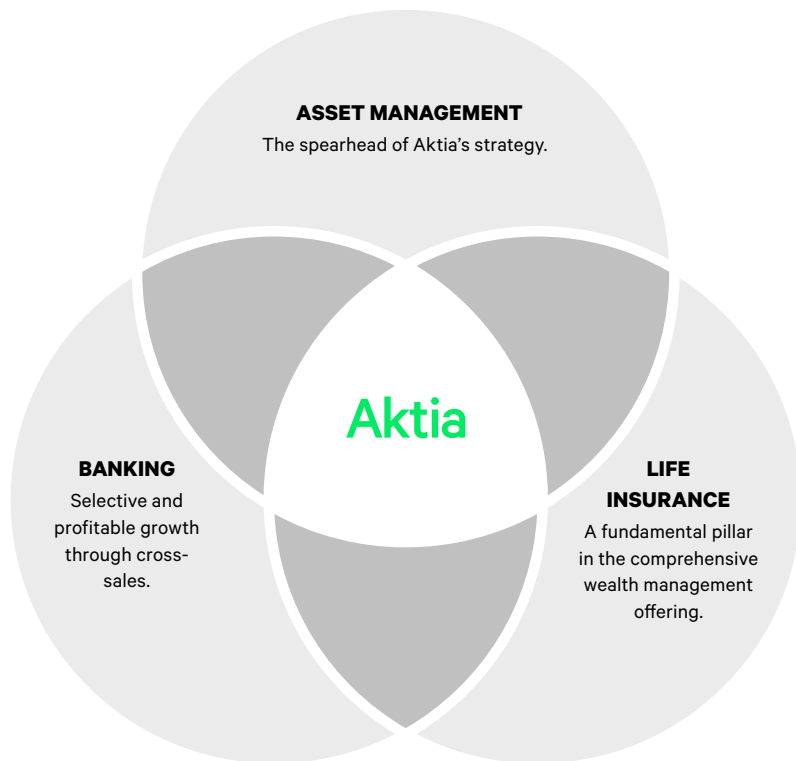
Aktia seeks growth particularly among customers who want to increase their wealth. Aktia offers responsible and holistic wealth management advisory including banking, asset management, and life insurance services. Cross-selling with a focus on comprehensive wealth management is a key activity that will be carried out through close collaboration between Aktia's three business areas. Within

Corporate Banking, Aktia seeks growth particularly among owner-driven medium-sized corporates.

3. Deliver excellent customer experience

The customer is at the core of Aktia's strategy. Aktia aims at becoming the leading wealth manager bank by delivering an excellent customer experience through strong customer insight, seamless internal collaboration, and holistic service models across business areas.

AT THE CORE OF THE STRATEGY IS CLOSE COLLABORATION BETWEEN AKTIA'S THREE BUSINESS AREAS



FINANCIAL TARGETS FOR 2025

> 120

Comparable operating profit above EUR 120 million

> 12%

Comparable return on Equity (ROE) above 12%

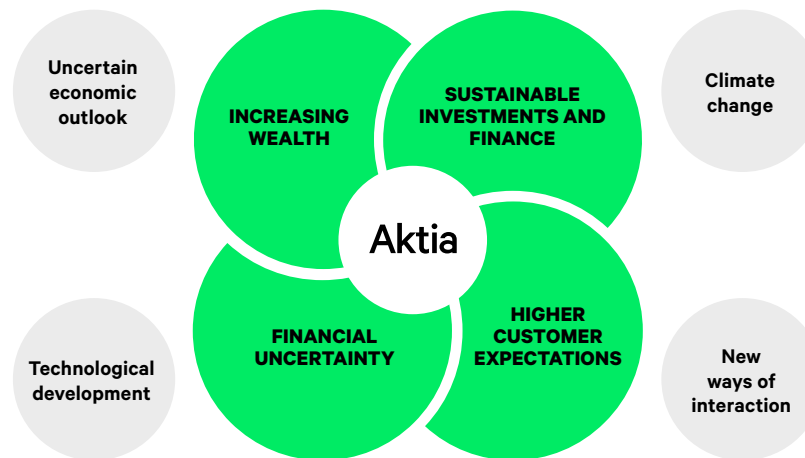
< 0.60

Comparable cost-to-income ratio under 0.60

> 1.5

Common Equity Tier 1 capital ratio (CET1) above 1.5 percentage points over the regulatory requirement

CHANGES IN AKTIA'S BUSINESS ENVIRONMENT SHOWS A GROWING NEED FOR COMPREHENSIVE WEALTH MANAGEMENT



Value creation

OUR VISION:
The leading wealth manager bank.

INPUT

Financial capital

- Comparable operating profit: EUR 87.4 million
- Balance sheet total: EUR 11,653 million
- Equity: EUR 738 million
- Liabilities: EUR 10,915 million

Social capital

- Personnel: 957 employees in total
- Number of hours of personnel training: 10 hours / employee

Intangible capital

- Brand renewal
- Diverse expertise
- Product development

Natural capital

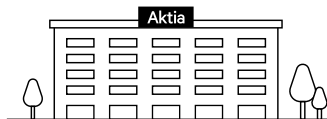
- Paper consumption 5 tonnes
- Energy consumption 3294 MWh

AKTIA'S BUSINESS



OUR MISSION:

Building wealth for our customers and society.



Aktia's business:

Aktia provides private individuals, corporate customers and institutions with customer-oriented banking and financing solutions, based on close consultancy, through different channels. The individual needs of each customer are the starting point of everything we do.

OUTPUT

Value for owners and financiers

- Earnings per share: EUR 0.95
- Proposed dividend per share: EUR 0.56
- Net interest income: EUR 96.2 million

Value for community

- Salaries and bonuses paid: EUR 70,246 million
- Social security and pension contributions: EUR 13,4 million
- Tax footprint: EUR 71,3 million
- Donations EUR 28,400 and membership fees: EUR 524,830

Value for customers

- Customer satisfaction
- High-quality service offering and digital services

Impact on environment

- CO₂e emissions:
Scope 1: 0 tonnes
Scope 2 (location-based): 468 tonnes
Scope 3: 57,721 tonnes

Our values: Courageously, Skilfully, Together.

19 Locations | 5 Aktia flagships | 70 Customer service advisors | 280,000 Customers

Aktia as an investment object

Aktia is a Finnish wealth manager bank. Wealth management is at the core of Aktia's business, but we differentiate from pure wealth managers by also offering comprehensive banking and life

insurance products and services. Traditionally, Aktia has been a reliable payer of dividend and, as an investment, it is associated with a clear growth strategy.

WHY INVEST IN AKTIA?

1 CLEAR GROWTH STRATEGY

- Aktia is seeking growth particularly amongst customers who want to increase their wealth.
- We offer holistic and responsible wealth management advisory, including a comprehensive selection of banking, asset management, and life insurance services.
- Digital products and services as well as efficient cross-selling between different business areas are an essential part of our operations.

2 WEALTH MANAGEMENT IS AT THE CORE OF AKTIA'S BUSINESS

- Aktia is one of the leading wealth management organisations in Finland, combining customer orientation, an extensive product offering, top portfolio management, and high-quality Private Banking.
- Our award-winning asset management business also sells investment funds internationally.

3 A SOLID PLAYER IN BANKING

- Aktia is a stable and profitable player in banking with a conservative credit policy that meets the capital requirements set for it.
- Aktia's Common Equity Tier 1 capital ratio (CET1) is clearly above the regulatory requirement set for Aktia and in line with the company's own financial objectives.

4 RESPONSIBLE PARTNER FOR ECONOMIC WELL-BEING

- For a long time, Aktia has complied with the principles of responsible investment in all its investment activities and prepared principles of responsible lending during 2021.
- Our climate strategy aims to achieve carbon neutrality in investment portfolios by 2050, and we are also part of the international Net Zero Asset Managers initiative.

5 RELIABLE PAYER OF DIVIDEND

- It is important for us to pay dividends to our shareholders in accordance with our dividend policy.
- Aktia's dividend policy is to pay out a dividend of 60–80 per cent of the profit for the accounting period.

AKTIA'S SHARE 2021

Aktia's share 31 December 2021:

Market Nasdaq Helsinki Oy
 Trading code AKTIA
 ISIN code FI4000058870
 Shares 72,144,081

Market cap EUR 885,929,315
 High EUR 13.40
 Low EUR 8.94
 Closing EUR 12.28

Share price development 2021



Business areas

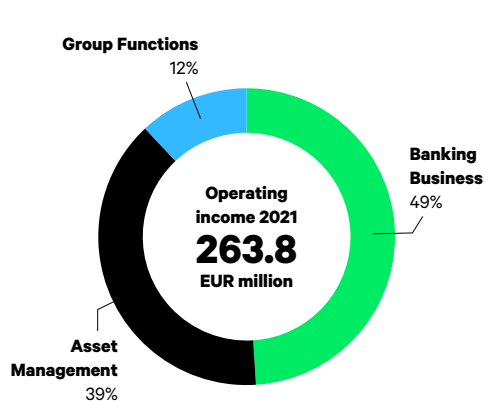
**Building wealth
for our customers
and society**



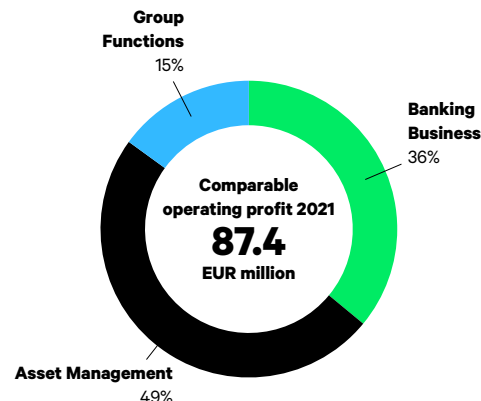
Business areas and reporting business segments

Aktia provides private individuals, corporate customers, and institutions with customer-oriented banking and financing solutions, based on close consultancy, through different channels. The individual needs of each customer are the

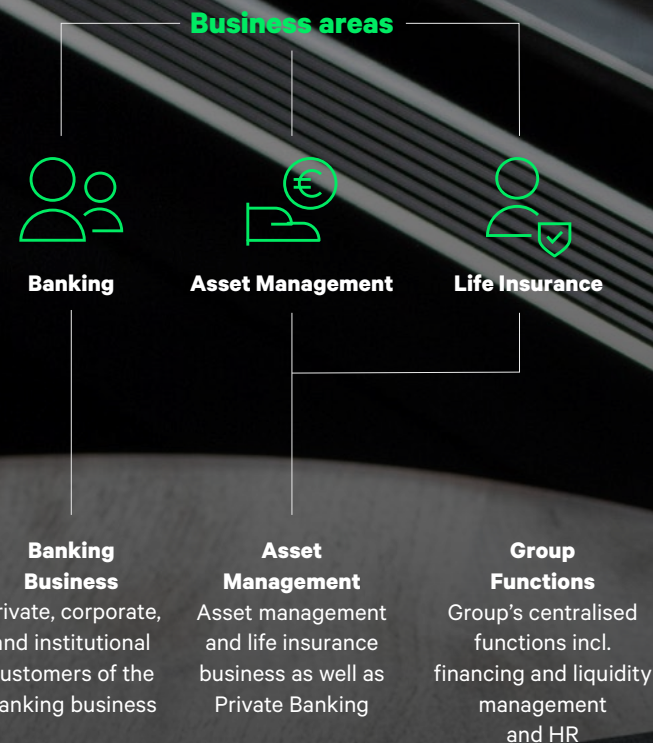
starting point of everything we do. Aktia has three business areas: Banking, Asset Management and Life Insurance. Aktia has three reporting business segments: Banking Business, Asset Management and Group Functions.



Share of total operating income 1-12/2021. EUR 272.0 million excluding Other & eliminations EUR -8.3 million.



Share of comparable operating profit 1-12/2021. EUR 87.7 million excluding Other & eliminations EUR -0.2 million.



BANKING

Helping households and corporates to prosper

Aktia strives to help and support its customers to increase their wealth. We seek to make our customers' everyday activities easier by ensuring that their banking affairs are handled with ease. We provide household customers with comprehensive banking and financing services, insurances, as well as investment products and advice services through various channels. We are a financial advisory partner to our corporate customers, and we strive to enhance the companies' opportunities for success and the owners' financial well-being.

Customer satisfaction among both household and corporate customers is at an excellent level and the EPSI and NPS ratings reflect this positive development. The ratings for our contact person's ability to propose solutions to our customers and the perceived added value of these proposed solutions have risen further. The customer satisfaction is especially high among customers who also manage their investments through Aktia.

Aktia launched the wealth plan concept in January 2021, and it is now the primary way of offering customers a comprehensive package of asset management, banking, and life insurance products. **Malin Ahlström**, our Customer Experience Director, explains how the wealth plan helps our customers to think further: "The great thing about the wealth plan is that we now have a systematic and concrete way to act on our customer promise. As a wealth manager bank, it is our responsibility to help our customers see their own financial opportunities and take care of their finances as smartly as possible."

Read more about banking business at www.aktia.com.



Customer satisfaction among both household and corporate customers is at an excellent level."

ASSET MANAGEMENT

Wealth management as Aktia's strategic priority

We offer high-quality, award-winning wealth management services and investment products to institutions and private customers in Finland and internationally. Aktia's goal is to be the first choice in wealth management for Finnish private and institutional customers.

The year 2021 proved to be a strong year for the asset management business. Aktia implemented its strategy as planned and developed processes for responsible investment. The year 2021 was pivotal for Aktia, as it completed the biggest business transaction in its history through the acquisition of Taaleri's wealth management business. It also initiated a co-operation through which Aktia became the main distributor of Taaleri's alternative investment products in Finland. In autumn 2021, Aktia strengthened its asset management with new portfolio managers, and the year 2022 has started well thanks to the strong team. All the conditions are now in place for the asset management to increase

its market share and the amount of assets under management.

"Customer satisfaction increased in 2021. The synergy benefits arising from the acquisition have benefited both customers transferred from Taaleri and Aktia's old customers", said **Jussi Kallasvuo**, Director, Customers at Aktia's asset management.

At the turn of the year, Aktia merged its subsidiary, Aktia Wealth Management Ltd, with Aktia Bank Plc. At the same time, Aktia merged two subsidiaries when Aktia Fund Management Company Ltd merged with AV Fund Management Ltd. As of 1 January 2022, the name of the fund management company is Aktia Fund Management Company Ltd. The aim of the merger is to streamline the management and decision-making of the companies and to clarify the group structure.

Read more about asset management at www.aktia.com.

“

The acquisition of Taaleri's wealth management business marked the year 2021.”



LIFE INSURANCE

Life insurance business - a firmly integrated part of the strategy

In addition to life insurance, disability insurance, and severe illness cover, we provide private individuals and companies with long-term saving solutions, combining the efficiency of insurance savings with Aktia's award-winning asset management. The renewed strategy further clarified the importance of the life insurance business on the path to become the leading wealth manager bank.

In 2021, we continued the reforms already initiated in the previous years, such as the development of our offering and the insurance issuance processes. In the first half of the year, our focus was on preparing for the Taaleri transaction, implementation of the integration, and the sharpening of our strategy. The acquisition of Taaleri's wealth management business supported our work to expand our offering of insurance-linked investment objects. The sales of

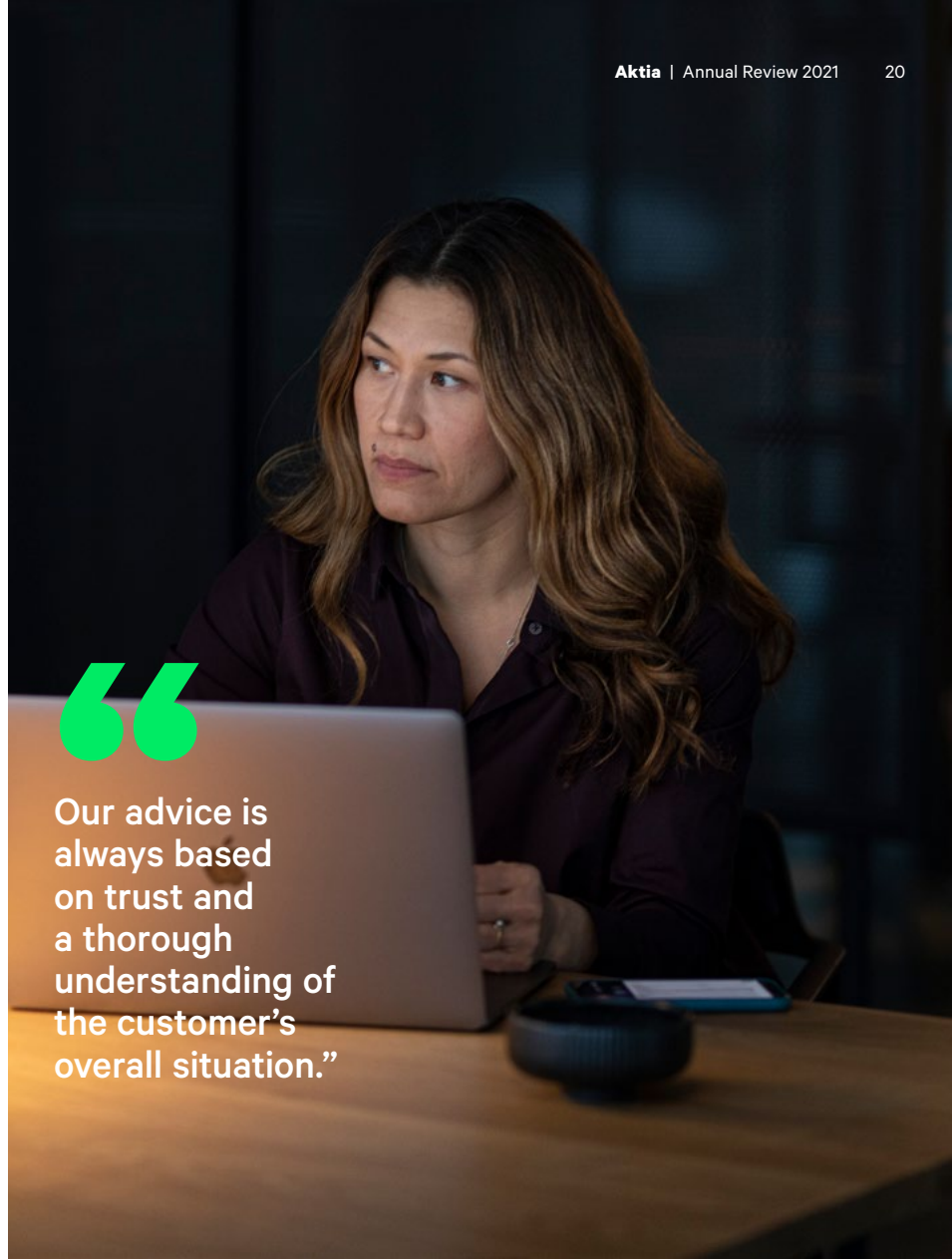
personal coverage products were on a good level and our partners' sales of personal coverage products also developed positively. New sales of unit-linked products were successful and we saw strong growth in customer assets.

Our Family Office Director, **Mikko Mäki**, showcases how Aktia's Family Office consider the total offering when working with customers: "Our advice is always based on trust and a thorough understanding of the customer's overall situation. The entire offering is based on personal and tailored solutions taking in consideration financing, asset management as well as insurance services."

Read more about life insurance business at www.aktia.com.



Our advice is
always based
on trust and
a thorough
understanding of
the customer's
overall situation."



A man with a beard, wearing a green suit jacket, a light pink shirt, and a brown watch, is sitting on a dark blue sofa. He is looking out of a window. In front of him is a small round wooden table. The setting is a modern lounge with a dark blue sofa and a grey carpet.

Sustainable Aktia

**Impacting through
stewardship, engagement,
and collaboration**

Strategically targeted and impactful sustainability work

Sustainability is of fundamental strategic importance to Aktia and thus an essential part of our operations both in the short and long term. Our objective is to be a solvent, reliable and environmentally responsible partner for economic well-being, and the most attractive workplace in the business. In 2021, we increased our focus on active stewardship to enhance the positive impacts we make on the world through our wealth management and investment activity. Guided by our new Group-wide climate strategy, we address climate concerns in all our operations.

Aktia engages in responsible business and offer financial, investment, asset management, and insurance services profitably, reliably and efficiently – without forgetting the interests of owners and society. We continuously monitor and develop each aspect of our operations from the point of view of sustainability. While we work to reduce the environmental footprint of our own operations and

take actions to maintain and improve well-being at work, we recognise the fact that the majority of our impacts – economic, environmental or social – is created through assets under management and investments. We have therefore further increased our focus on active stewardship and engagement.

For us, the essential dimensions of sustainability are corporate responsibility and ESG (Environmental, Social and Governance – criteria applied in investment activity globally). Due to the nature of our business, ESG considerations are highly relevant to us and our stakeholders alike and consistently applied in investment and loan strategies. Corporate responsibility, on the other hand, is a framework for assessing and developing our own operations and encompasses matters such as information safety and security or work against corruption, our environmental work, personnel well-being and development as well as stakeholder engagement.

KEY DEVELOPMENTS IN 2021

1

In 2021, we created a climate strategy to help us address climate concerns in all our operations in a more consistent and focused way. As part of the new climate strategy, Aktia has joined the Net Zero Asset Managers Initiative, the goal of which is to achieve carbon neutrality in investment portfolios by 2050.

2

During the year, Aktia was welcomed into the advisory committee of the ASCOR (Assessing Sovereign Climate-related Opportunities and Risks) project, which is a joint effort to create a climate risk assessment tool for the global investment community. We are proud to be part of this work to support the responsibility development of the entire industry.

3

The acquisition of Taaleri's wealth management operations resulted in several changes within Aktia and developments in ESG work. We established an ESG team headed by the Director of Sustainability. We also drafted our sustainable lending policy as part of implementing EBA's Guidelines on Loan Origination and Monitoring.

4

After the Taaleri transaction, we wanted to increase our understanding of our customers' needs and values in order to advance our customer experience. We arranged workshops and customer interviews to explore our current strengths and competitive advantages according to our customers. This work resulted in a customer experience vision that will be advanced in 2022.

The corporate responsibility programme guides our sustainability work

The four main themes of the Group's corporate responsibility programme serve as the foundation for our sustainability work. The main themes were analysed with the personnel, customers and Aktia's other stakeholders as part of a materiality analysis.

Our objective is to be a solvent, reliable and environmentally responsible partner for economic well-being, and the most attractive workplace in the business. We have set targets and indicators for each of the main themes in the corporate responsibility programme, and we monitor our progress annually at a minimum.



Solvent and reliable

- Transparent governance and ethical principles
- Preventing money laundering and corruption
- Confidentiality and information security of customer data
- Transparent reporting and payment of taxes
- Solvency
- Active dialogue



Partner for economic well-being

- Responsible financing and lending
- Responsible investment activities and asset management
- Climate-smart services for customers
- Customer loyalty and satisfaction
- Flexible service and diverse channels
- Utilising new digital opportunities
- Promoting financial literacy
- Responsible marketing
- Contributing to developing the information society



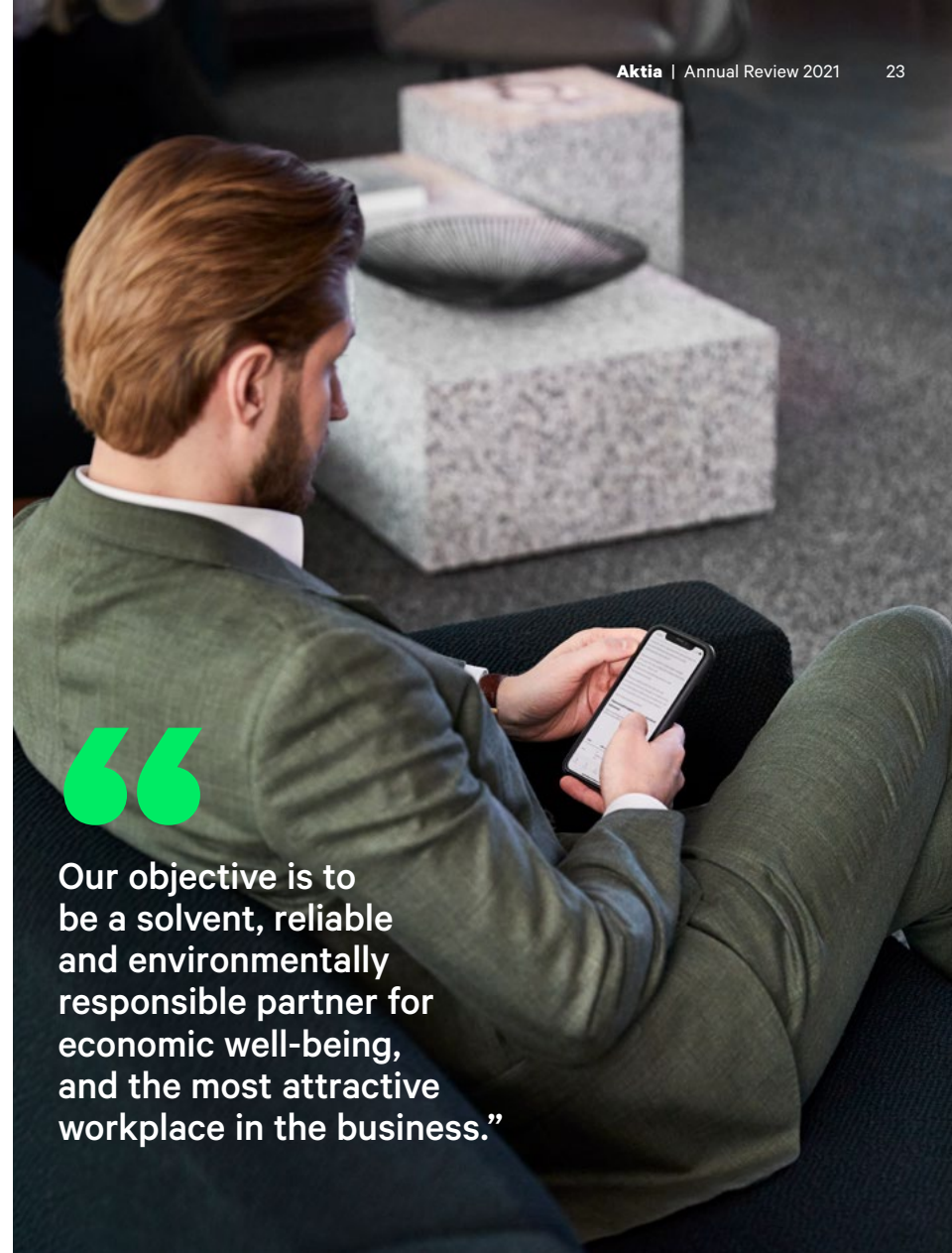
The most attractive workplace in the business

- Skilled personnel and good leadership
- Occupational well-being, equal opportunity and diversity



Environmentally responsible actor

- Minimising the company's own environmental footprint
- Responsible procurement



Our objective is to be a solvent, reliable and environmentally responsible partner for economic well-being, and the most attractive workplace in the business.”

THEME	TARGETS	INDICATORS	2021 PERFORMANCE (2020)
Solvent and reliable	We are growing and profitable	Growth of operating profit as well as solvency in keeping with the financial targets for the strategy period.	EUR 87.4 (55.1) million
		Common Equity Tier 1 capital ratio (CET1) 1.5 percentage points above the minimum requirement (7.7 per cent).	3.5 (4.2) percentage points over the regulatory requirements
	We work with strong morals	All Aktia's employees have completed the compulsory compliance training. No official sanctions.	94 (97) per cent
Partner for economic well-being	We address our customers' needs	The Net Promoter Score (NPS) of private and premium customer meetings > 50.	72 (68)
	We invest responsibly	The carbon footprint of Aktia's asset management's own equity funds to be lower than that of the reference market in the long run.	-68 (-68) per cent lower than the reference market
	We lend responsibly	Sales of new credits in line with the customer's ability to pay and the loan ceiling, as well as active monitoring of the credits. Development of the "Green credit portfolio".	In line with the target for the ability to pay and the loan ceiling. In 2021, Aktia bank did not offer green loans but was involved in three major syndicated loans classified as green loans. Aktia's policy for sustainable lending was developed and approved.
The most attractive workplace in the business	We are developing our leadership and employee experience over the long term	The eNPS target is > 0. The Leadership index target is > 75.	eNPS -5 (10) Leadership index 79 (82)
	We create well-being and promote health	The health index, i.e., the percentage of Aktia employees that were not ill during the year.	62 (58) per cent
Environmentally responsible actor	We are reducing our environmental footprint in terms of the energy consumption of our offices	Reducing the carbon dioxide emissions caused by electricity consumption in all Aktia's leased business premises by 10 per cent from the 2018 level by the end of 2023.	148.2 (322.7) tonnes CO ₂ e, -74 (-42) per cent of the 2018 reference level

Contributing to UN Sustainable Development Goals

The United Nations have established a set of Sustainable Development Goals (SDGs) to steer global sustainability development and created a plan of action to implement them until 2030. In 2019, Aktia's Executive Committee has assessed our

operations and impacts in relation to these goals and based on this assessment, selected ten UN Sustainable Development Goals: 1 (no poverty), 3 (good health and well-being), 4 (quality education), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure), 10 (reduced inequalities), 11 (sustainable cities and communities),

12 (responsible consumption and production), 13 (climate action) and 17 (partnerships for the goals) to guide Aktia's sustainability work. Four of these were prioritized as most important for Aktia and linked to Aktia's current Corporate responsibility programme, and we monitor annually the progress of our work

towards the selected goals. These are presented in the following table.

Even though we prioritize the four SDG's, all of the selected ten SDG's guide Aktia's operations and none of the 17 SDG's are neglected or we do not act against any of them in any way.

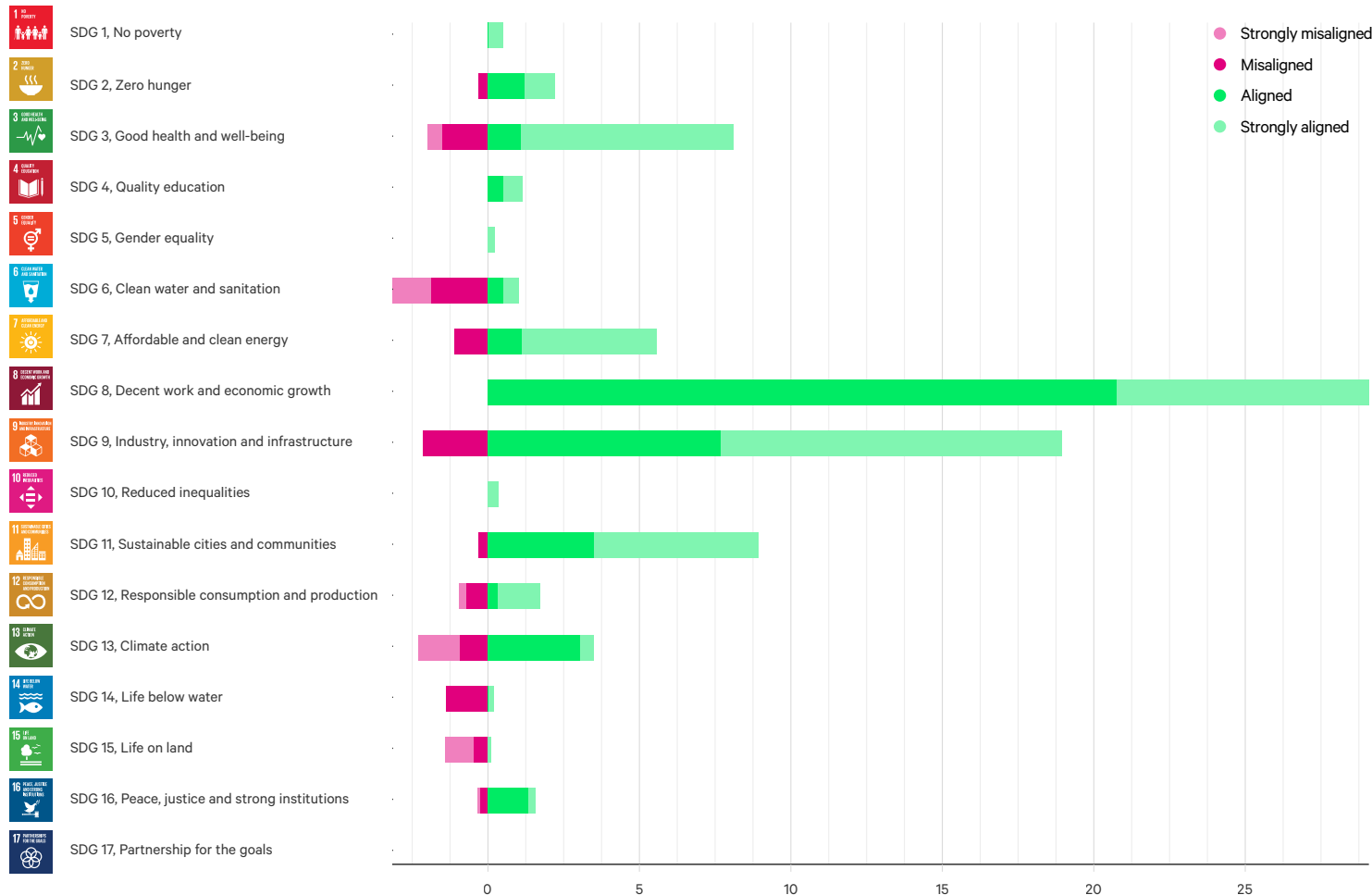
Sustainable Development Goal (SDG)	 8. DECENT WORK AND ECONOMIC GROWTH	 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE	 13. CLIMATE ACTION	 17. PARTNERSHIPS FOR THE GOALS
Aktia's target, which supports the realisation of the SDG	Be the most attractive workplace in the business We aim to utilize our role as a leading wealth manager bank in society to support sustainable growth	We support, finance and invest in sustainable industrialization and innovation	Decrease the emissions from electricity consumption 10 per cent by the end of 2023 Have lower carbon footprint in our own equity funds than that of the reference market	We aim to develop partnerships to promote the sustainability outcomes of our activities
Aktia's action in 2021 to support the realisation of the SDG	We support sustainable economic growth for example by favouring sustainable choices in our investment decisions and by responsible lending. We aim to have satisfied employees and have been supporting our staff during the pandemic and remote work. We have diversity policy and equality plan and we support diversity and multilingualism in our work community.	We finance housing companies and private persons' housing acquisitions. By expanding and developing our digital services, we make our services more accessible and user friendly, and at the same time streamline our back office functions. The investment activities of our asset management business support, among other things, infrastructure projects locally as well as globally.	In 2021, we established a climate strategy to guide our operations. We use green electricity in the offices where we have our own electricity contract (16 out of 19 offices) and remote work and virtual collaboration have reduced our emissions from travel and commute. The carbon footprint of our own equity funds was 68 per cent smaller than that of the reference markets. In 2021, Aktia was welcomed into the advisory committee of the ASCOR (Assessing Sovereign Climate-related Opportunities and Risks) project and we also joined the Net Zero Asset Managers Initiative to support the work towards the net zero target.	We partner with external managers through our fund selection activities and continued our long-term co-operation with multinational development financiers in emerging economies. In collaboration with for example International Finance Corporation (IFC), European Bank for Reconstruction and Development (EBRD) and the Dutch Entrepreneurial Development Bank (FMO) we seek to achieve positive social or environmental impacts in emerging economies.

Aktia's contribution to the UN Sustainable Development Goals

A Finnish start-up company The Upright Project has analysed Aktia's positive and negative contribution to each of the 17 SDG's. The SDG contribution is quantified as % of revenue contributing to the goals. The revenue contribution for Aktia and Aktia's funds is assessed in light of the official subgoals defined for each SDG. Aktia has already earlier utilized The Upright Project's net impact analysis of its operations and investments on the environment, health, society and knowledge and now also for assessing the SDG contribution. The Upright model utilizes scientific articles and machine learning to summarize how products, services, and companies impact the surrounding world. They have not audited Aktia but used artificial intelligence to create the analysis. The model considers both costs and gains providing their net sum. However, it focuses only on the largest impacts a company has and does not consider everything, it aims to create a big picture of the company's net impact.

Following are the Upright's impact analysis on Aktia as a company and on Aktia's own funds.

Aktia's equity, corporate credit and impact funds



Aktia Bank

-  SDG 1, No poverty
-  SDG 2, Zero hunger
-  SDG 3, Good health and well-being
-  SDG 4, Quality education
-  SDG 5, Gender equality
-  SDG 6, Clean water and sanitation
-  SDG 7, Affordable and clean energy
-  SDG 8, Decent work and economic growth
-  SDG 9, Industry, innovation and infrastructure
-  SDG 10, Reduced inequalities
-  SDG 11, Sustainable cities and communities
-  SDG 12, Responsible consumption and production
-  SDG 13, Climate action
-  SDG 14, Life below water
-  SDG 15, Life on land
-  SDG 16, Peace, justice and strong institutions
-  SDG 17, Partnership for the goals



Memberships, commitments and sustainable initiatives

Aktia is a member of Finland's Sustainable Investment Forum (Finsif), the Standards Board for Alternative Investments, the Green Building Council Finland and the Finnish Business & Society corporate responsibility network. Aktia's asset management has signed the UN's Principles for Responsible Investment (PRI) and participates in several sustainable financial initiatives. For example, Aktia Asset Management has signed the international Climate Action 100+ investor initiative, which is aimed at influencing companies with some of the largest atmospheric emissions. Aktia is also a signatory to the 2021 Global Investor Statement to Governments on the Climate Crisis.

Our asset management is also involved in the Science Based Targets and climate change, water and forest initiatives run by the CDP, encouraging listed companies to report their greenhouse gas emissions and use of water and forests. In 2021, Aktia joined the advisory committee of the ASCOR (Assessing Sovereign Climate-related Opportunities and Risks) project, which aims to create a practical sovereign climate risk assessment tool for the global investment community.



Aktia Asset Management has signed the international Climate Action 100+ investor initiative, which is aimed at influencing companies with some of the largest atmospheric emissions.”



Aktia's co-operation with stakeholders

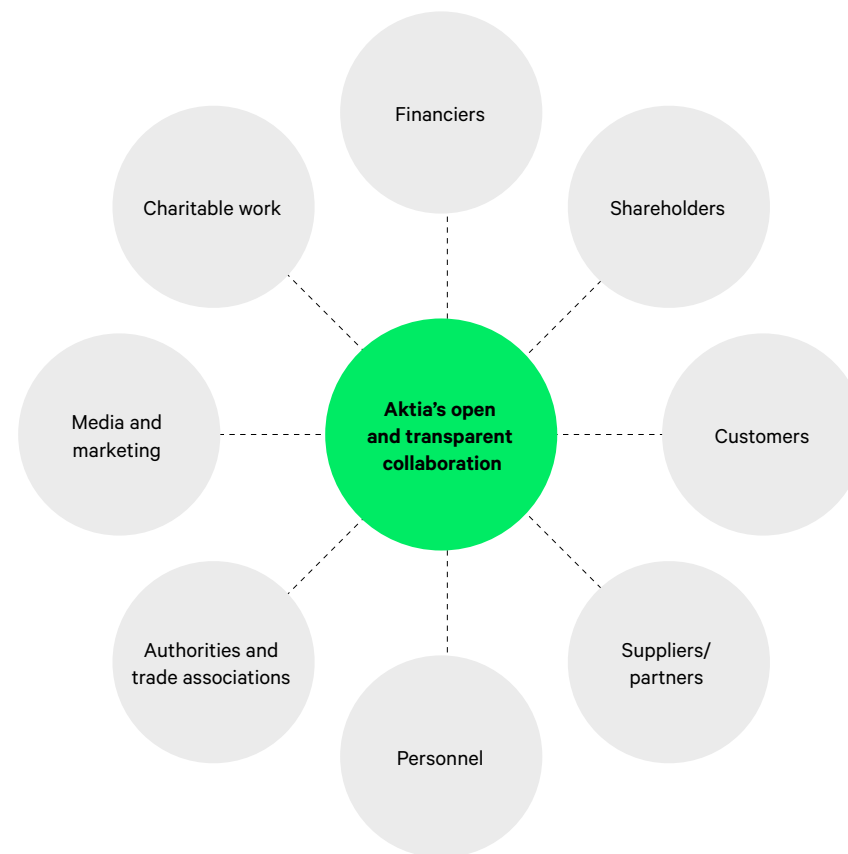
For Aktia, stakeholders constitute a major resource in the changing markets. Our main stakeholders include the customers, employees, shareholders, and financiers, as well as social operators such as authorities, partners, NGOs, and the media.

Co-operation with different stakeholder groups helps us assess and respond to the expectations placed on Aktia. These expectations, as well as our corporate responsibility actions, challenges, and areas for development are described in closer detail in the table on the following page. The results are based on the corporate responsibility stakeholder survey carried out in 2020. We will be utilising the results of stakeholder surveys in the future to develop our operations.

Active dialogue and interaction

In addition to stakeholder surveys, we engage in continuous open dialogue in several channels to develop our operations. Aktia's open and transparent collaboration tools are the company's website, social media, stock exchange and press releases, customer newsletters, and regular communication with selected customer groups. We meet and listen to our stakeholders at seminars, local events, trade fairs and by participating in projects.

We participate in various industry forums to discuss trends, challenges, and opportunities. We monitor and assess the public debate regarding our industry. Open and transparent co-operation with the authorities, partners, and national and local media is important to us. We also aim to be a significant social actor at a local level. Aktia's stakeholder groups are presented in the following figure.



CORPORATE RESPONSIBILITY EXPECTATIONS OF STAKEHOLDERS, AKTIA'S ACTIONS AND AREAS FOR DEVELOPMENT

Expectations of stakeholders	Actions taken
Responsible development and long-term planning.	<ul style="list-style-type: none"> We further specified the metrics and actions of our corporate responsibility programme for 2020–2023. We continued the systematic long-term development of corporate responsibility. Integration of sustainability with the strategy and defining our climate strategy.
Transparent and open communication with stakeholders.	<ul style="list-style-type: none"> Aktia reported on corporate responsibility as part of its half-year reports, and quarterly, as part of responsible investing reviews, as well as once a year, as part of the annual report. We produce focused highlights in social media regarding our sustainability actions.
Flexible and efficient services, shorter waiting times at the customer interface, and the development of processes to reduce the consumption of paper.	<ul style="list-style-type: none"> In addition to our digital Aktia@home services, we introduced the electronic initiation of customer relationships, electronic appointments, and electronic signatures to facilitate the efficient and safe handling of business. Our new Aktiobot robotic assistant serves our customers 24/7. From now on, the customers' telephone calls are received directly at our customer service without any telephone exchange.
Accessibility and consideration for customers who are not able or willing to utilise all digital services.	<ul style="list-style-type: none"> Our digital services meet the requirements imposed on credit institutions by the Accessibility Act, and we strive to make our services equally accessible to all at our offices. We have organised training to promote digital skills among senior citizens and enhanced financial literacy among young people. We participated in producing the recommendations for digital service advisors in the financial sector and developed the network of new meeting points, the Aktia Studios.
Accessibility and consideration for customers who are not able or willing to utilise all digital services.	<ul style="list-style-type: none"> Our digital services meet the requirements imposed on credit institutions by the Accessibility Act, and we strive to make our services equally accessible to all at our offices. We have organised training to promote digital skills among senior citizens and enhanced financial literacy among young people. We participated in producing the recommendations for digital service advisors in the financial sector and developed the network of new meeting points, the Aktia Studios.
Activities compliant with sustainable development.	<ul style="list-style-type: none"> Aktia has selected the UN Sustainable Development Goals that are the most important for Aktia's operations and our corporate responsibility group has prioritised four of them for its activities.
Activities compliant with sustainable development.	<ul style="list-style-type: none"> Aktia has selected the UN Sustainable Development Goals that are the most important for Aktia's operations and our corporate responsibility group has prioritised four of them for its activities.

Expectations of stakeholders	Actions taken
Communicating on the carbon footprint as part of reporting our activities and investment products that take sustainable development into account.	<ul style="list-style-type: none"> Aktia reports the carbon footprint and carbon intensity of its own direct equity funds. The new Aktia Impact fund reports on the emission reductions achieved by its investments. Aktia's asset management observes the UN's and Aktia's own principles for responsible investment in all its investment activities. To support our portfolio management, we utilise both our internal ESG analysis and a purchased external analysis.
Customer orientation, identifying the customer and enhancing the customer experience.	<ul style="list-style-type: none"> We offer individual solutions as a response to our customers' needs. According to the Finnish law, the identity of our customer or the customer's representative is verified and information of the customer is collected. The customer relationship is monitored, and the information saved as part of the process of knowing the customer, credit risk analysis and the avoidance of money laundering and the financing of terrorism. We apply a suitability analysis when designating products and services for our customers. We have created a customer experience vision based on the needs of Taaleri's and Aktia's customers and will create new service models with the help of this vision.
Promotion of diversity, equality, and ethical conduct in the work community.	<ul style="list-style-type: none"> Aktia's diversity policy covers both the personnel and the Board of Directors. Our HR policy is in line with our equality plan and helps to promote diversity and equality starting from recruitment. The gender distribution of the employees was even. We also aim for even distribution in the Executive Committee and the Board of Directors. Aktia has a Co-operation Negotiation Board and a Human Capital Board that discusses, among other things, remuneration. An update of the ethical principles prepared in 2020 was added to the internal code of conduct.
Utilisation of green labels.	<ul style="list-style-type: none"> Aktia's new main office is located at a site awarded with the international BREEAM building rating of 'Very Good'. Our main office has the WWF Green Office label. Aktia's real estate fund invests in real estate properties holding a building rating.
Enabling the employees' well-being, mobility, and new ways and places of working.	<ul style="list-style-type: none"> Aktia continued the co-operation with Mehiläinen and the AktiaWellbeing concept, and as part of it, Aktia employees were offered diverse services as well as coaching regarding nutrition, physical exercise and recovery, and individual digital coaching. We continued promoting the health of our personnel and customers, the development of a common operating culture, and successful remote management and the development of a common operating culture.

Management of corporate responsibility and ESG work

Sustainability, consisting of both corporate responsibility and ESG integration in all business areas, is managed in a structured way at Aktia. Sustainability is an integrated part of all Aktia's operations. Sustainability matters are also on the agendas of Aktia's Executive Committee and Board of Directors. On the Board level, the Audit Committee oversees ESG development and the corporate responsibility programme. Depending on the issue, some matters are also approved by the Boards of Directors of the relevant subsidiaries within the Group.

The director for sustainability is responsible for sustainability development at Aktia together with a team of corporate responsibility and ESG professionals. The director for sustainability reports to the Executive Vice President for the Asset Management business area. However, the scope of the team's responsibility covers all Group activities.

Activities relating to corporate responsibility work are coordinated by Aktia's corporate responsibility working group. Aktia's corporate responsibility

programme is implemented through an annual action plan created and managed by the corporate responsibility working group. We also initiated a working group for the EU sustainable finance regulation already in 2020. Both working groups are managed by the director for sustainability. The management, indicators, and results of corporate responsibility and ESG work are assessed by the Executive Committee and the Board of Directors in regular updates.

Aktia's corporate responsibility is based on our customer promise and our values, which are Courageously, Skilfully and Together. The corporate responsibility work is guided by the Group's corporate responsibility programme 2020–2023 and Aktia's climate strategy, which both support the selected UN Sustainable Development Goals. The strategy focuses on long-term sustainability targets and actions whereas the corporate responsibility programme is the short-term action plan for advancing the same targets.

The development of Aktia's sustainable investing efforts is headed by the director for sustainability. The ESG Committee of our Asset Management business coordinates the implementation of Aktia's ESG policy, stewardship policy, actions, and initiatives, as well as ESG analyses and sustainability outcomes of investments. The ESG Committee consists of experts in sustainable investing.

The development of responsible lending activities is done in co-operation between the Banking business area and the Group-wide ESG team. The demand for responsible lending is growing and we see new business opportunities arising in this field.

Aktia's key policies and principles are presented in closer detail in our non-financial report. In order to increase sustainability awareness and commit the organisation to sustainability work, training sessions on emerging topical themes are regularly organised, among others as part of the induction training of new Aktia employees and the training organised by the ESG committee of Aktia's asset management.



Aktia's corporate responsibility is based on our customer promise and our values, which are Courageously, Skilfully and Together."

Aktia

Aktia's Sustainability Work's Governance Structure

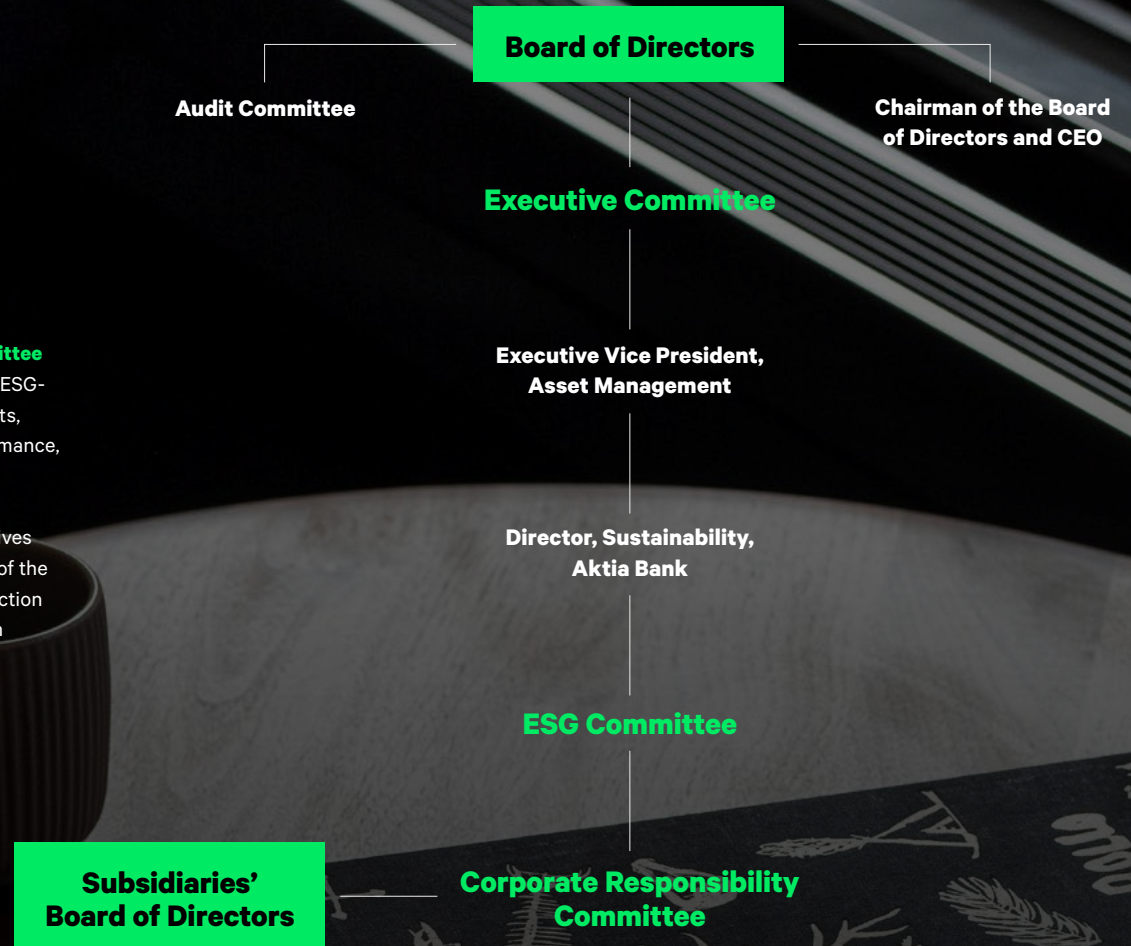
The Executive Committee guides and governs corporate responsibility and ESG-related policies, guidelines, programmes, targets, integration to strategy, corporate responsibility reporting and oversees performance and ESG risk management.

Relevant subsidiaries' Board of Directors govern ESG policies, guidelines and targets and oversees the ESG work

The ESG Committee drives sustainable investing performance and coordinates implementation of ESG principles, actions and initiatives and ESG analysis in asset management.

The Board of Directors and the Audit Committee guide and govern corporate responsibility and ESG-related policies, guidelines, programmes, targets, non-financial reporting and oversee the performance, ESG risk management and compliance.

The Corporate Responsibility Committee drives performance and coordinates implementation of the corporate responsibility programme, targets, action plan and UN Sustainable Development Goals in Aktia Group.



New climate strategy strengthens Aktia's climate focus

According to our strategy, we aim to be the first choice for private and institutional customers. This means answering the evolving expectations and demands of our customers in the best possible way – even anticipating them. As climate change affects each and every sphere of life, we seek to understand its impacts on the operating environments of our customers and investment targets. We constantly develop our customer offering and investment portfolio to ensure that we are operating in a sustainable way.

In 2021, we created Aktia's climate strategy, which guides our efforts to include climate considerations in our business activities even more strongly and consistently. By addressing the climate demands of investors, institutional investors in particular, we seek to create sustainable growth in our asset management business and increasing the amount of assets under management in line with our overall

business strategy. At the same time, we are doing our part to reach the goals of the Paris Agreement. The climate strategy also steers us with regard to compliance with existing and future regulation.

As part of the new climate strategy, Aktia has joined the Net Zero Asset Managers Initiative, the goal of which is to achieve carbon neutrality in investment portfolios by 2050. The initiative has become a standard in asset management and offers concrete tools for our sustainability work. The net zero target covers all assets categories, asset management and Aktia's own investment activity, including even sovereign bonds. The implementation plan and intermediate targets are estimated to be completed during the first half of 2022.

Changing operating environment

Demand for green funding and green loans is growing at an increasing pace, and we expect it to accelerate



We constantly develop our customer offering and investment portfolio to ensure that we are operating in a sustainable way.

AKTIA'S CLIMATE STRATEGY

Targets:

Asset Management:

Carbon neutrality of investment portfolio in 2050 (intermediate target for 2030 to be set in 2022)

Lending:

Reducing CO₂ emissions by creating climate-conscious lending criteria

Aktia's own operations:

Net carbon neutrality in premises' energy consumption by 2030 and in paper consumption, travel and IT equipment by 2050

further in the future. Sustainability concerns are of course not limited to environmental and climate-related criteria – there is a wider, growing trend of ESG loans and increased attention to sustainability in the finance sector. Aktia wants to be part of this development and offer these kinds of loans to its customers. Creating sustainability criteria for lending is an important part of our climate strategy.

In today's world, a climate-conscious approach is a necessity, not an option. Changing legislation is creating new demands for businesses around the world. Reporting regulation, carbon pricing mechanisms and taxation reforms create pressure to address climate impacts more strongly than before. For example, the EU taxonomy and Sustainable Finance Disclosure Regulation (SFDR) steer companies towards more sustainable actions and place requirements for reporting.

The EU taxonomy is one framework for assessing the environmental impacts of potential investments or funding decisions. However, the taxonomy, in its current state, does not cover all aspects of environmental exposure and impact, so other tools and frameworks need to be used alongside. Aktia follows the Task Force on Climate Related Financial Disclosures (TCFD) reporting framework to assess

the economic effects of climate change and risks and opportunities the climate change causes. Both, the taxonomy and TCFD reporting are addressed in more detail in Aktia's report on Non-Financial Information [link]. While there is much work to be done, this also creates opportunities to impact the green development through, for example, investment activity.

Greatest impacts through asset management, investments and lending

When we look at Aktia's climate impacts, the focus is strongly on asset management and lending activity. The carbon footprint of our own offices, travel etc., presented in detail in section 'Environmentally responsible actor' of this report, is minimal compared to that of our extensive investment universe. We therefore concentrate our climate efforts on improving the climate performance of assets under management and our investment portfolio. There are multiple ways in which this can be done.

In investments, a good starting point is a climate scenario analysis. It is a tool that shows us what kind of global climate warming path investment portfolios are currently on and what kind of development is taking place. If the portfolio has climate impacts that lead to excessive warming, actions can be taken.

We engage with companies, external managers and government institutions to encourage better climate performance.

Stewardship gets Aktia's voice heard

Active ownership steering, or stewardship, is an essential part of our climate work. Through direct engagement with the companies we invest in, we strive to influence the way they carry out their business activities. Typically, we prioritise companies in which we have significant ownership. These are generally smaller companies, which are one of Aktia's focus areas. We see active dialogue as an important means to steer the environmental performance of our portfolio companies.

Direct engagement is not limited to companies – this method is also used as part of our comprehensive solutions. As part of our service offering, we use external asset managers who make investment decisions on behalf of our customers. In such cases, we engage in dialogue with these asset managers to ensure sufficient attention to climate concerns.

Furthermore, we apply direct engagement with governmental institutions as part of our sovereign fixed income activity in emerging and frontier markets. Throughout our long history as sovereign



Active ownership steering, or stewardship, is an essential part of our climate work.

bond investors, we have formed good relationships with institutions such as ministries of finance, debt offices and central banks in numerous countries. As part of our new climate strategy, we will increase our focus on climate change as a topic of discussion with such institutions.

Another way to make an impact is through pooled engagement, which is carried out by ISS ESG, a service provider that engages in dialogue with companies on behalf of its clients. This is an efficient way for us to take part on a global scale in engagement dialogues. In most cases, it targets companies with severe norm breaches in which we have no direct ownership but are a part of our investment universe and therefore of interest to us.

Every vote is important

We can also influence the way companies address climate issues by using our voting rights in annual general meetings. We use this right globally primarily via a proxy voting service, which eliminates the need to attend the meetings in person. ISS ESG provides us with support for voting decisions based on its sustainability voting policy.

By having representation in companies' Nomination Committees, we take part in the nomination of their Boards of Directors. It is vital in today's corporate world that the Board composition includes people with understanding on climate matters, from the point of view of climate impacts on the company as

well as of the company's contribution to the battle against climate change. For our part, we want to ensure that the Board compositions proposed to Annual General Meetings include capabilities relating to climate change and the sustainability themes relevant to the industry in question.

Q-GARP process impacts portfolio footprint

We strive to maintain high standards in our own investment activity as well. In our portfolio management, we apply a quality GARP (Growth at Reasonable Price) process. This strategy sets a focus on companies showing consistent above market-level growth and excludes companies with very high valuations. This strategy leads to excluding some

industries altogether, leading our portfolio to have a significantly smaller than average carbon footprint.

In 2021, the acquisition of Taaleri's wealth management operations affected the comparability of the carbon footprint data of our funds, as some funds were transferred, some merged with existing Aktia funds, and some new strategies introduced. Historically, the footprint has been about half of that of the comparison market. However, we hope to see the entire market reduce its climate impacts and are working towards this goal through the investor initiatives mentioned above.



We strive to maintain high standards in our own investment activity as well.”

COMBINED STRENGTH THROUGH INVESTOR INITIATIVES

We are also active in major investor initiatives, which we see as an effective method to bring about positive changes. Their power lies in the fact that a significant share of institutional investors has joined these initiatives, giving them considerable weight. The most important initiatives Aktia participates in include Climate Action 100+ and the CDP Non-Disclosure Campaign.

The CDP Non-Disclosure Campaign approaches companies that have not reported to CDP on climate,

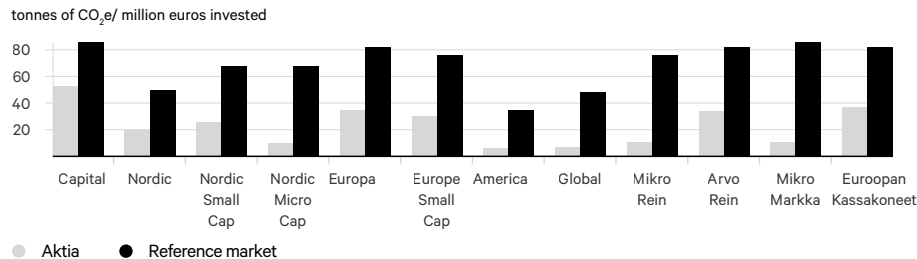
water, or forest-related performance, urging them to increase corporate transparency in environmental matters. In spring 2021, Aktia acted successfully as a lead investor in one engagement discussion. Aktia also reports on its own activity to CDP's climate change initiative and has achieved a good 'B' rating for its reporting.

In 2021, Aktia was welcomed into the advisory committee of the ASCOR (Assessing Sovereign Climate-related Opportunities and Risks) project.

ASCOR is a joint effort by leading ESG organisations and high profile ESG investors to create a practical sovereign climate risk assessment tool for the global investment community. This is an important recognition of our experience in developing a country selection model for emerging economies. By participating in this work, we want to take the entire industry forward and, together with other responsible major investors and ESG organisations, contribute to creating a practical and useful tool for investors globally.

Aktia is also a signatory to the 2021 Global Investor Statement to Governments on the Climate Crisis. This is a regularly updated statement to governments, urging them to accelerate actions to reach the targets of the Paris Agreement. The latest version was published in autumn 2021 before the United Nations Climate Change Conference (also referred to as COP26) held in Glasgow. The Statement is part of the basis from which we set out to directly engage with government institutions.

Carbon footprint of Aktia's funds 2021, tonnes of CO₂e/ million euros invested



Climate-smart services valued by customers

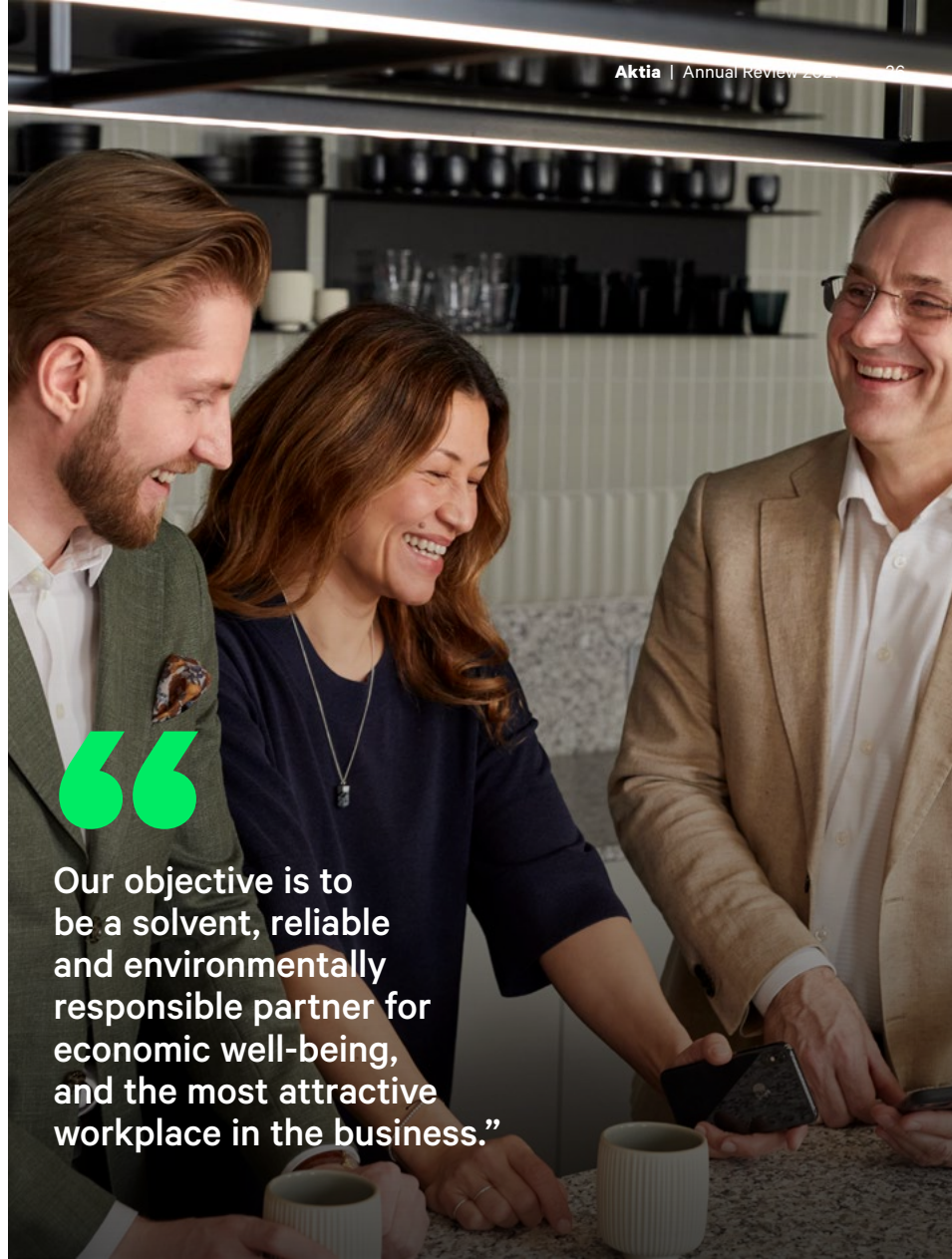
In the materiality assessment, in which we mapped and prioritised different themes of our corporate responsibility work, our stakeholders viewed climate-smart services as an important topic. In 2021 we worked to develop our offering with attention to this viewpoint. In the acquisition of Taaleri's wealth management operations, a special investment fund was transferred to Aktia and renamed Aktia Impakti (Aktia Impact). The fund invests in, for example, renewable energy and reports on the emission reductions achieved by its investments.

In the Taaleri transaction we also acquired the impakti.fi online asset management advisory service. As part of the service, investors can monitor the emission reductions stemming from their investments. In addition, we utilise a tool created by a Finnish start-up company, the Upright Project, through which we report each quarter on the different impacts of our funds, including impacts on the environment and climate.

Climate change creates new opportunities

While addressing climate change is an obligation that all responsible companies must observe, it also creates possibilities. Our position as an asset manager and investor gives us an opportunity to make a positive impact. By investing in, for example, companies operating in circular economy and developing new technologies related to it, we can support measures to reduce climate impacts. As global demand for climate-friendlier technologies and services increases, such companies are showing increasing promise as investments.

As part of our updated strategy, we also acknowledge that profitable long-term growth cannot take place without a sustainable basis. If we want to be a significant player and attractive partner to our customers, we must excel in ESG integration relating to our asset management and financing activities. This will allow us to retain and grow our business.



Our objective is to be a solvent, reliable and environmentally responsible partner for economic well-being, and the most attractive workplace in the business.”

Solvent and reliable Aktia

Improving risk readiness and promoting cyber-smart methods

The year 2021 saw a rapidly changing operating environment in terms of risks posed by the ongoing pandemic, new regulations and increasing cyber threats. We took active measures to develop our reliability as a financial partner, ensuring that our operations and financial activities are always ethically sound and compliant.

In 2021, we actively monitored trends and new regulations that require changes in our operations, maintaining our reliability as a financial partner. We have continued to develop our ESG reporting and transparency, carrying out our operations with high ethics. We have strengthened our internal processes, invested in risk management resources and supported trainings in relevant areas, such as information security. We have also eagerly participated in campaigns around important societal matters, such as cybersecurity, to spread financial know-how.

Management of systemic risk

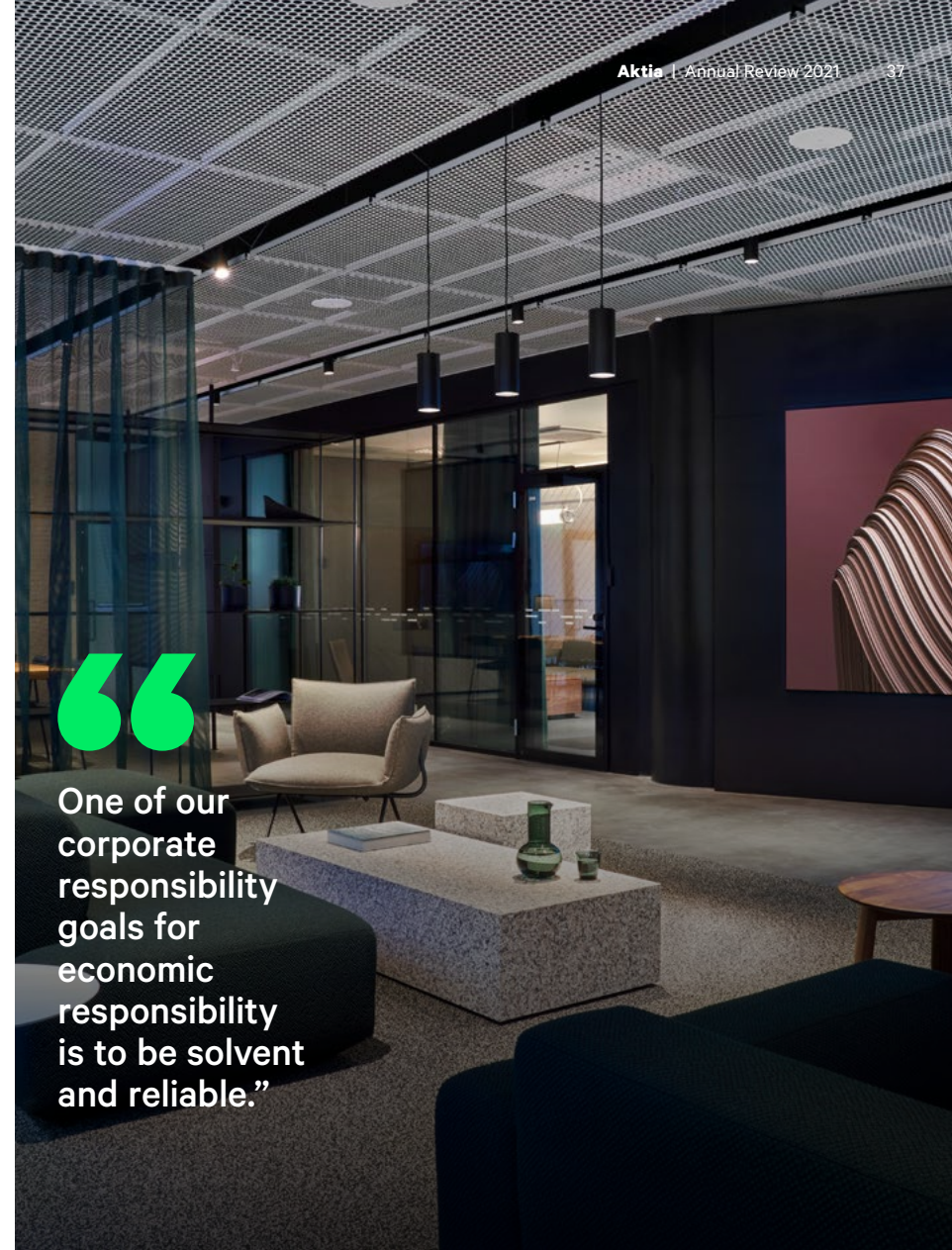
One of our corporate responsibility goals for economic responsibility is to be solvent and reliable. We actively monitor Aktia's financial and solvency

trends against our financial targets. Our comparable operating profit for 2021 was EUR 87.4 million. Our aim is to also keep the Common Equity Tier 1 capital ratio (CET1) more than 1.5 percentage points above the regulatory requirements. In 2021, our CET1 was 11.2%, which means we exceeded our objective, since the minimum requirement was 7.7%. In accordance with guidelines set by the European Banking Authority (EBA), we regularly conduct stress tests and scenario analyses to evaluate our position and identify risks. The various stress test scenarios focus on the key risk factors for Aktia. Stress tests were also carried out in 2021. The results of our stress tests have not given cause for corrective measures. Furthermore, Aktia has updated and improved its crisis recovery plans, taking into account the latest recommendations from the EBA.

In 2021, Aktia Life Insurance Ltd. has taken measures in asset and liability management to protect its long-term solvency. It increased equity by arranging the Life is life project and also issued the company's first Tier 2 subordinated loan. To prepare for the risk of reduced interest rates, it implemented interest rate hedging to reduce interest rate sensitivity.



One of our corporate responsibility goals for economic responsibility is to be solvent and reliable.”



Aktia’s risk management adheres to the Three Lines of Defense model. The first line of defense includes risk management as a part of internal control, with business units bearing the responsibility for risk management measures. In the second line of defense, the Group includes a Risk Control unit, Compliance Function and Actuary function. The third line of defence comprises the Group’s Internal Audit function, which is independent and separate from other functions and ensures appropriate internal control and risk management.

Aktia’s Board also includes a Risk Committee, which prepares risk taking and risk management issues for the consideration of the wider Board. The committee considers the central risk-related processes for capital and liquidity, the internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment (ILAAP). In 2021, we made decisions to strengthen our Risk Control and Compliance functions. Roles will be clarified, and resourcing (FTEs) will be increased in 2022. Aktia’s credit risk control and asset and liability management are key focus areas.

The current pandemic environment and climate change pose a new range of risks that Aktia does its best to consider in daily and long-term operations. During 2021, we participated in a working group

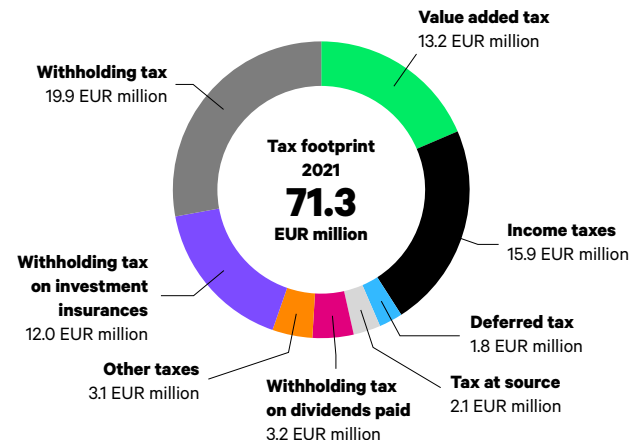


Transparency, openness and ethics are some of the most important principles of good governance.”

consisting of other banks and Finnvera, addressing how to best finance the real economy in the pandemic environment. We address climate transition risks by assessing the portfolios in asset management, monitoring current regulations and engaging our clients in discussions from their business perspective. We have carried out a preliminary flood risk analysis in 2021 to evaluate flood risk areas, which may affect our real estate securities.

Transparent governance

Transparency, openness and ethics are some of the most important principles of good governance. Good governance enables efficient and predictable operations. The basic premise of Aktia’s disclosure policy and communications is to ensure that all



market actors simultaneously have access to correct, significant and unambiguous information about the company that can be used as a base for pricing the company’s shares and debt instruments, as well as a comprehensive picture of Aktia’s risk profile, goals, operations and development.

Aktia also operates transparently in society and pays a wide range of taxes and tax-like levies on its business.

Code of conduct supports work and responsibility

To support the everyday work of employees, Aktia has a code of conduct, our most important guidelines

for employees to familiarize themselves with and follow in their work. Employees are provided with regular training on the code of conduct. In 2021, Mandatory online compliance training completed by 93.5 per cent of Aktia’s personnel, which is 3.5 percentage points lower than in the previous year.

The code of conduct covers essential instructions on bribery, corruption, inappropriate influence, benefits and situations where a gift or entertainment may affect the employee’s conduct at work, confidentiality and processing customer complaints, as customer relationships are crucial to Aktia’s success. The code of conduct and related training also include instructions for the Group’s employees to report

any infringements of the code of conduct and non-ethical business methods or suspicions thereof (“whistleblowing”). In 2021, there has been one report in the whistleblowing channel on the operation in the corporate customer business.

Aktia’s goal is to have no sanctions imposed on the company. Aktia has decided not to finance political activities. In addition, in compliance with its code of conduct, Aktia is not involved in politics, nor does it directly or indirectly support any political parties, politicians or election candidates.

Information and cyber security management, protection of customer data

Information security and protection of customer data are focal in maintaining customer confidence and fulfilling regulative and contractual requirements. Collaboration between our information security and data protection is important. Every Aktia employee is responsible for information security and data protection, though specific responsibilities are allocated. We have a designated Chief Information Security Officer, a designated Data Protection Officer and an information security management group to monitor incidents and development activities related to information security.

There were no successful cyber attacks against Aktia in 2021. Unfortunately, successful phishing attacks and other digital frauds targeted at customers of Finnish banks led to monetary losses for some of our customers. Aktia has taken serious actions to develop new controls, technical and other capabilities to detect, prevent and respond to these unlawful actions.

In order to comply with regulations from the Finnish Financial Supervisory Authority, the European Banking Authority and different legislative requirements, including GDPR and its national derivatives and NIS directive, Aktia has chosen the ISO/IEC 27001 framework as a basis of its information security management system (ISMS). Our ISMS is fully integrated into our overall management system and covers all business areas at Aktia. Collaboration with competent authorities, financial actors and other actors within critical infrastructure will enhance our continuous improvement of the ISMS, ensuring that existing and future threats are dealt with in the appropriate manner.

Information and cyber security and data protection is conducted in an integrated manner. We only collect and process necessary personal data. Our website provides comprehensive information on the processing of personal data, and we will inform



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Information security and protection of customer data are focal in maintaining customer confidence and fulfilling regulative and contractual requirements.”

of any changes in the processing of personal data in the manner required by law. We use contractual terms and audits and assessments to actively ensure that service providers and subcontractors use corresponding standards. Breaches of personal data security are taken seriously at Aktia. Possible breaches are processed in accordance with the applicable obligations and involve close collaboration between Aktia's different departments.

Information security awareness is a key focus area in Aktia, and we have invested in the information security capabilities of all employees through systematic trainings and awareness campaigns throughout 2021. Our systematic training programme consists of internal trainings, such as welcoming trainings for newcomers, role-based classroom and online trainings on information security and the protection of customer data. We have different

external tools and methods for specific training and awareness activities, such as training for identifying and responding to phishing. We have started our cyber incident training programme with an external partner in 2021, and in the future, we aim to be involved with different domain-specific cyber security training programmes together with competent authorities and industry peers.

One example of cybersecurity awareness training is Cybersecurity month, the European Union's annual campaign, which we took part in extensively in 2021.

CYBERSECURITY AWARENESS TRAINING FOR EVERY AKTIA EMPLOYEE

With the entire financial industry facing a range of increasing cyber threats, Aktia has taken cybersecurity to heart. Aktia has recently taken part in campaigns promoting a safer online environment.

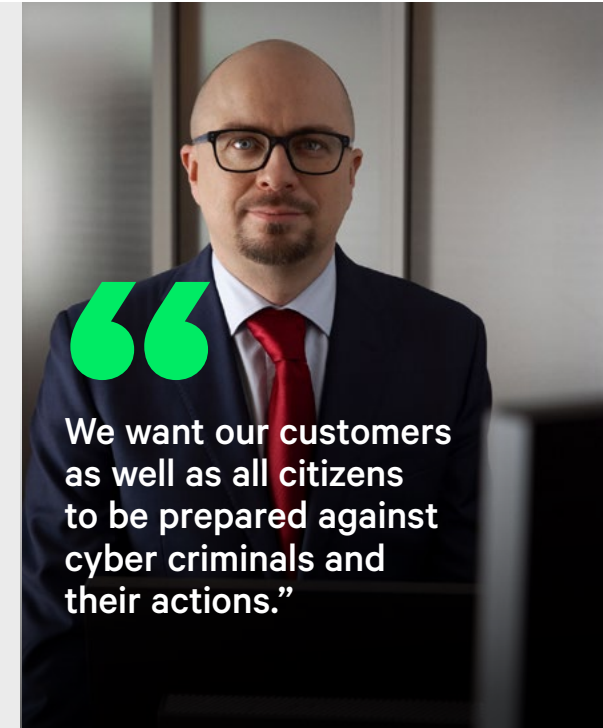
In 2021, Aktia took part in the European Cybersecurity Month (ECSM), which is the European Union's annual campaign for cybersecurity across the EU. In October, we provided a range of relevant programmes for the entire personnel. Interactive sessions allowed employees to learn about different cybersecurity issues. Sessions featured expert speakers from relevant parties, such as the National Cybersecurity Centre and the Helsinki Police Department.

The focus of Cybersecurity month was on cyber-smart methods that can be spread to employees' networks. Relevant subjects included the identification of phishing messages and social manipulation – and how cybersecurity lessons can easily be applied in everyday life.

“Cyber threats affect our entire society, and personal data security breaches have a high cost for the people involved,” says **Henri Heinonen**, Chief Information Security Officer at Aktia. “In Aktia, every month is cybersecurity month, and we continued to collaborate with HR to get the message across to the entire company. This year was the first time we participated in Cybersecurity Month with our European peers as part of our Outreach programme.”

Another important campaign in 2021 was the “Beware, verify and warn” campaign involving several Finnish competent authorities, financial institutions and Microsoft. For example, Finance Finland and the Police of Finland engaged in the campaign. Aktia was one of the financial institutions involved, helping to spread information on cyber frauds.

As part of both campaigns, Aktia has enhanced extensive information sharing on cybersecurity good practices. “Besides investing in cybersecurity trainings, we encourage our employees to spread their knowledge to their nearest and dearest. We want our customers as well as all citizens to be prepared against cyber criminals and their actions,” Heinonen says.



“We want our customers as well as all citizens to be prepared against cyber criminals and their actions.”

We prevent money laundering, and financing of terrorism

Aktia recognizes that money laundering and terrorism financing poses a significant risk to its operations and the integrity of its services. Aktia Bank Plc and all its subsidiaries are strictly obliged to comply by the Finnish Anti Money Laundering Act and other relevant regulations to prevent anti money laundering the financing of terrorism.

Aktia is committed to high standards of business ethics and effective internal controls to prevent the Group either deliberately or accidentally assisting, directly or indirectly, in any financial crimes such as money laundering, terrorist financing, circumvention of financial sanctions or international tax evasion.

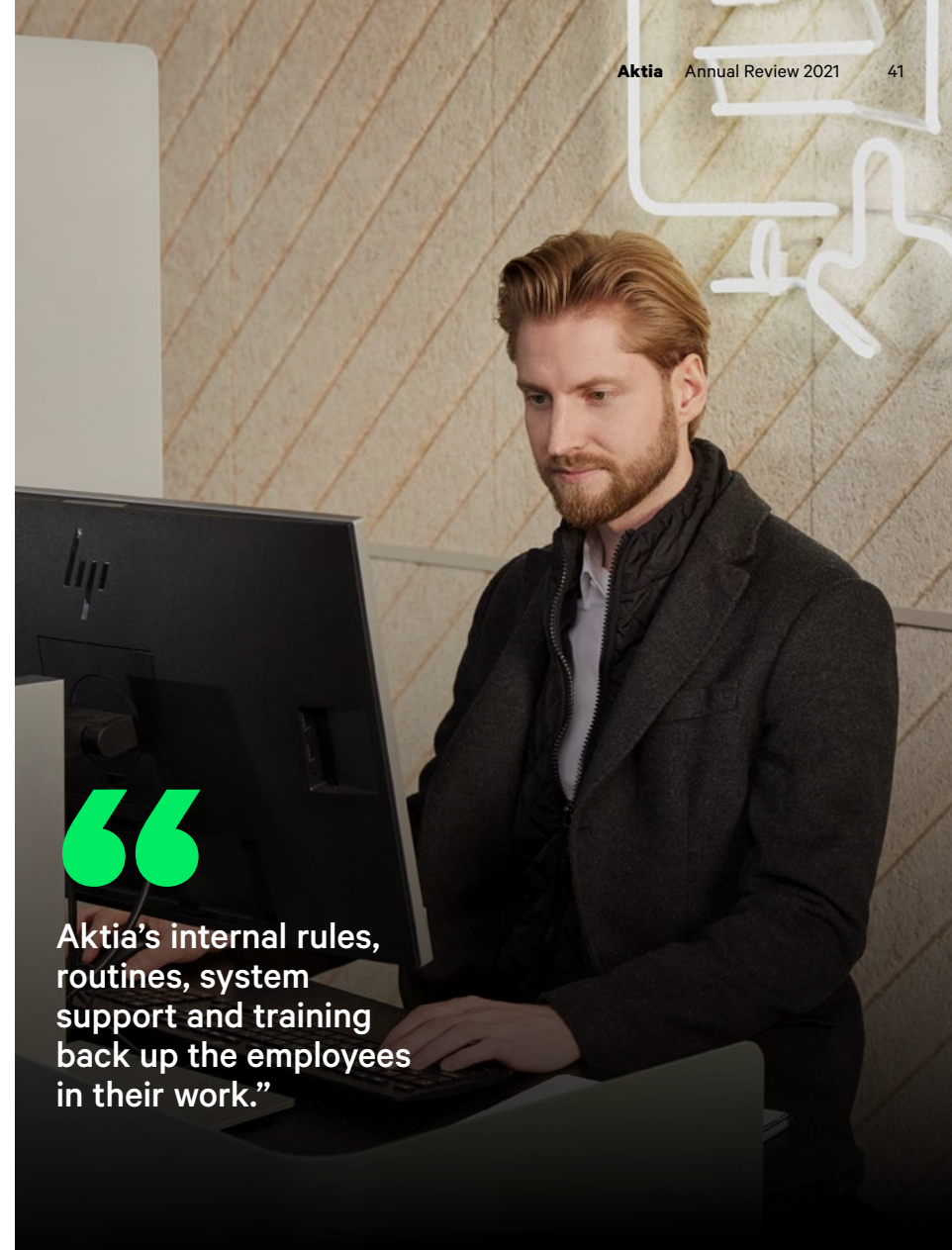
Aktia applies a risk-based approach to the prevention of money laundering and terrorist financing. The risk-based approach is implemented by continually assessing and understanding the AML/CFT risks in different areas of business.

By knowing and identifying its customers and understanding the nature of the business of the customers and by monitoring the transactions of the customers, Aktia will mitigate and control the risk that any services we provide are used for criminal

purposes. Customer transactions and activities are constantly monitored throughout the duration of the customer relationship. The aim of ongoing monitoring is to detect any deviation from the normal customer behavior to prevent money laundering and the financing of terrorism. Suspicious activity must be investigated and reported to the National Financial Investigations Unit.

Aktia's internal rules, routines, system support and training back up the employees in their work. With them Aktia ensures that the Group's companies and services are not used for money laundering and sets out the instructions for reporting any suspicious transactions.

The most important guiding documents include Aktia's code of conduct, the anti-bribery and anticorruption policy, the Board of Directors' guidelines for handling conflicts of interest, the guidelines regarding the prevention of corruption, the credit manual, and the rules regarding cash and cash equivalents. We train our employees regularly on the Group's principles of preventing money laundering, corruption and financing of terrorism, and this compulsory eLearning content also covers the training for compliance with international sanctions. Our aim is to have all our employees complete this training annually.



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Aktia's internal rules, routines, system support and training back up the employees in their work.”

Partner for economic well-being

Responsibility in lending, investments and ownership

Corporate responsibility is reflected in our lending and investment decisions, active ownership policies and solid customer relations. The acquisition of Taaleri's wealth management operations resulted in new and valuable resources.

We want to be the leading wealth manager and have continued to create wealth and well-being through our services in 2021. The acquisition of Taaleri's wealth management operations in 2021 marked a significant change for Aktia, bringing together two strong players in the financial industry.

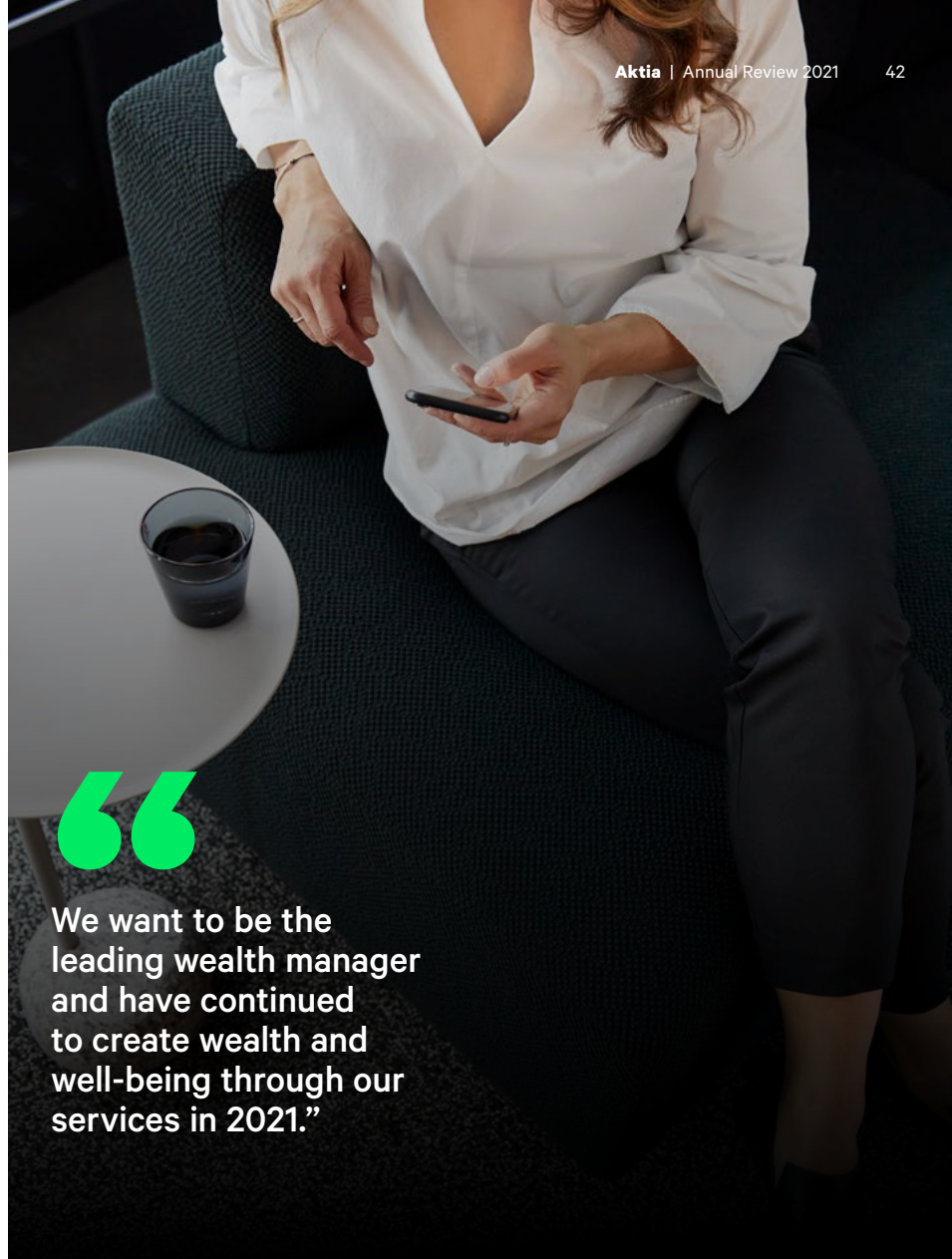
The transaction resulted in new and valuable resources, and it also brought significant new opportunities for Aktia's corporate responsibility and ESG. We established a new ESG team to strengthen our responsibility activities and reporting, and we also drafted relevant new policies to guide our operations.

Responsible and impact investing

Numerous international key agreements and norms create a value system for responsible investment at Aktia. For example, Aktia is a signatory for the UN's

Principles for Responsible Investment (PRI). We have also had our own principles of responsible investment since 2006 to define the methods we apply in our investment activities. These principles are based on the idea that businesses operating in a responsible manner, in accordance with sustainable norms, are more profitable and have a more positive risk profile in the long term than companies that do not operate in a responsible manner.

At Aktia, investment decisions and portfolio management are based on an overall analysis and view of positive and negative factors, including ESG and impact, aiming to achieve the best possible return on the chosen risk level. We have partnered with leading ESG data and service providers, including Morningstar/Sustainalytics and ISS ESG, and with the innovative Finnish based start-up The Upright Project. As interest towards responsible investing increases, we at Aktia continuously follow market trends, analyse megatrends and aim to develop interesting responsible and impact investing products for our customers in different asset classes.



We want to be the leading wealth manager and have continued to create wealth and well-being through our services in 2021.”

The acquisition of Taaleri's wealth management operations resulted in two strong asset managers combining forces. The transaction strengthened ESG resources and impact investment, and we established an ESG team in Aktia's asset management, headed by the Director of Sustainability. The team is tasked with developing

and managing Aktia's responsibility activities, responsible and impact investing and reporting.

In ESG reporting, we monitor and report on our funds' responsibility, norm-based screening, corporate engagement, carbon footprint and net impact. As part of Aktia's climate targets, we seek to decrease

our equity funds' carbon footprint. We release Aktia's Overview of Responsible Investment biannually and a report of funds' net impact quarterly. Impact reporting for the non-UCITS fund Aktia Impact is carried out annually. We are planning to release the first fund-specific ESG reports in 2022.

Active ownership and norm-based screening

Since 2017, Aktia has cooperated with ISS ESG, a pioneer in norm-based shareholder influence. The co-operation is based on norm-based screening. ISS ESG monitors the holdings of our funds using criteria based on the UN's Global Compact principles and identifies companies that have not complied with

AKTIA IMPACT FUND SEEKS LONG-TERM IMPACT THROUGH INVESTMENTS

Impact investment is considered a strong, rising trend, and one example of this is the non-UCITS fund Aktia Impact. Originally Taaleri Impact, it was transferred to Aktia in 2021 along with the acquisition of Taaleri's wealth management operations. At the end of 2021, the fund held assets valued at approximately EUR 35 million.

Aktia Impact is Finland's first open impact fund, and it has two objectives: producing risk-adjusted market return and having an impact. This impact can cover a range of areas benefitting society and the environment, such as reduced emissions, increased renewable energy production capacity and learning results for children.

Investments of the fund cover, for example, micro-loan investments in developing countries. These

micro-loans support entrepreneurship and education opportunities, improving the financial position of those often outside loan systems. The fund also includes green bonds and investments in renewable energy, such as wind and solar power projects. The priority is on initial investments, where the capital is used by the investment object, which increases the investment object's ability to carry out business that aids society and the environment.

"The non-UCITS fund Aktia Impact is a unique and inspiring product, both for Aktia and investors. It combines two aspects: seeking real impact from the investments as well as market-based return," says **Aarni Pursiainen**, Portfolio Manager at Aktia.

The fund's impact report is released annually, with impact measured at two levels. The *net impact of*

investment objects is modelled, indicating the positive and negative effects of the investment object on society, information sharing, human health, and the environment. The impact of the investment objects is measured in co-operation with the Finnish technology company The Upright Project. Another measurable area is the *net impact of the fund's own investments* through initial investment objects, measured through one or several indicators offered by our investment objectives, such as reduced carbon dioxide emissions.

"The fund's dedicated team constantly seeks interesting impact investing opportunities in different asset classes. We work hard to increase the benefits the investments have on the world," Pursiainen states.



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The non-UCITS fund Aktia Impact is a unique and inspiring product, both for Aktia and investors.”

these principles. ISS ESG engages in discussions on behalf of Aktia to influence companies that have failed to act in compliance with the said criteria.

In 2021, we participated through ISS ESG in new discussions for influencing with other companies. Of these discussions, 26 were related to human rights, 21 to the environment, 38 to employees' rights, and 15 to verified or suspected corruption problems, while 33 discussions were related to problems in several or overlapping areas. In addition to norm-based screening, we check whether our portfolios include holdings in companies directly or indirectly involved in the development, production or distribution of controversial weapons.

We also actively engage in direct ownership steering, or stewardship, to ensure sufficient environmental performance of our portfolio companies. In 2020, we carried out an influencing campaign related to climate risks, approaching 25 companies that had performed negatively in terms of risks related to climate transition. We followed up on these companies in spring 2021 and observed that all 25 companies had improved their performance against the indicator measuring climate transition risk, most of them significantly. We repeated the successful campaign in autumn 2021, this time addressing 6 companies.

Aktia's funds use a Proxy Voting service provided by ISS. It allows us to participate globally in General Meetings and vote in them on behalf of our funds. The unit holders' long-term interests are always considered in the votes in compliance with Aktia's governance principles. In 2021, our funds participated in voting in 276 general meetings, 262 of these were conducted through the proxy voting service and 14 in other methods, together voting in 4 779 voting points. Out of all these we voted against the management's proposal in 406 voting points, which is about 8,5% of the voting points we took part in.

Responsible lending

Responsible lending underpins our efforts to create long-term customer relationships. The basis for all lending is a thorough and up-to-date risk assessment of the customer's solvency and credit rating. The assessment also considers interest rate risks and the customer's long-term financial position. We only conclude sound and ethically justifiable credit agreements.

Our lending is based on an effort to prevent the customer's over-indebtedness by carrying out a thorough evaluation of the customer's solvency and credit rating, only providing loans that correspond to the customer's financial standing. Even the most



Responsible lending underpins our efforts to create long-term customer relationships.”

careful creditworthiness assessment cannot prevent all future payment difficulties caused by unforeseen circumstances. In situations involving delays in payment, we provide consumers with advice on how to prevent and handle financial difficulties.

Mortgage repayment plans are prepared in a way that allows for rearrangements. We also offer reverse mortgages enabling customers to release their home equity for example to finance costs for renovation of plumbing without the need to sell investments. There are several ways to prepare for unexpected situations

and Aktia discusses different options with customers. If the customer wishes, mortgages and consumer credit can be supplemented with an insurance policy that covers the customer's repayment capacity in the event of unemployment or illness. Aktia Life Insurance Ltd. offers additional insurances when granting loans, making sure that the customer is prepared for different life situations.

Customers are also encouraged to save and invest while they are repaying their loans, especially long-term loans, and consequently prepare themselves for unexpected expenses and life changes. New sales of credits in accordance with the customer's ability to pay, a loan ceiling, as well as an active follow-up on credits constitute our central tools for responsible lending.

Our lending is guided by our policy for credit risk management and credit risk strategy. In 2021, we increased our sustainability-related work in our banking business, including drafting our sustainable lending policy as part of implementing the European Banking Authority EBA's Guidelines on Loan Origination and Monitoring. These principles cover ESG factors and ESG risk assessment as part of our customer relationships. We also released our

climate strategy in 2021, including goals to reduce emissions from lending. The target is to define more climate-friendly and responsible loan criteria in selected business sectors for 25% of corporate loans by 2030 and for 50% by 2050. The strategy also includes the goal of defining environmentally sustainable loan criteria to encompass 25% of Aktia's mortgages by 2030.

In 2021, Aktia participated as lender in syndicated loans classified as green but did not release any sustainability linked or green loan products of its own. We are currently developing criteria for Aktia's first sustainability linked and green loan products before proceeding with product development. We have seen increased interest, especially among corporate customers, and are actively engaged in ESG related discussions. We are also closely monitoring the EU taxonomy regulation developments, discussing taxonomy related topics with corporate customers and preparing for the more detailed taxonomy disclosure requirements in 2024.

Flexible and safe services for customers

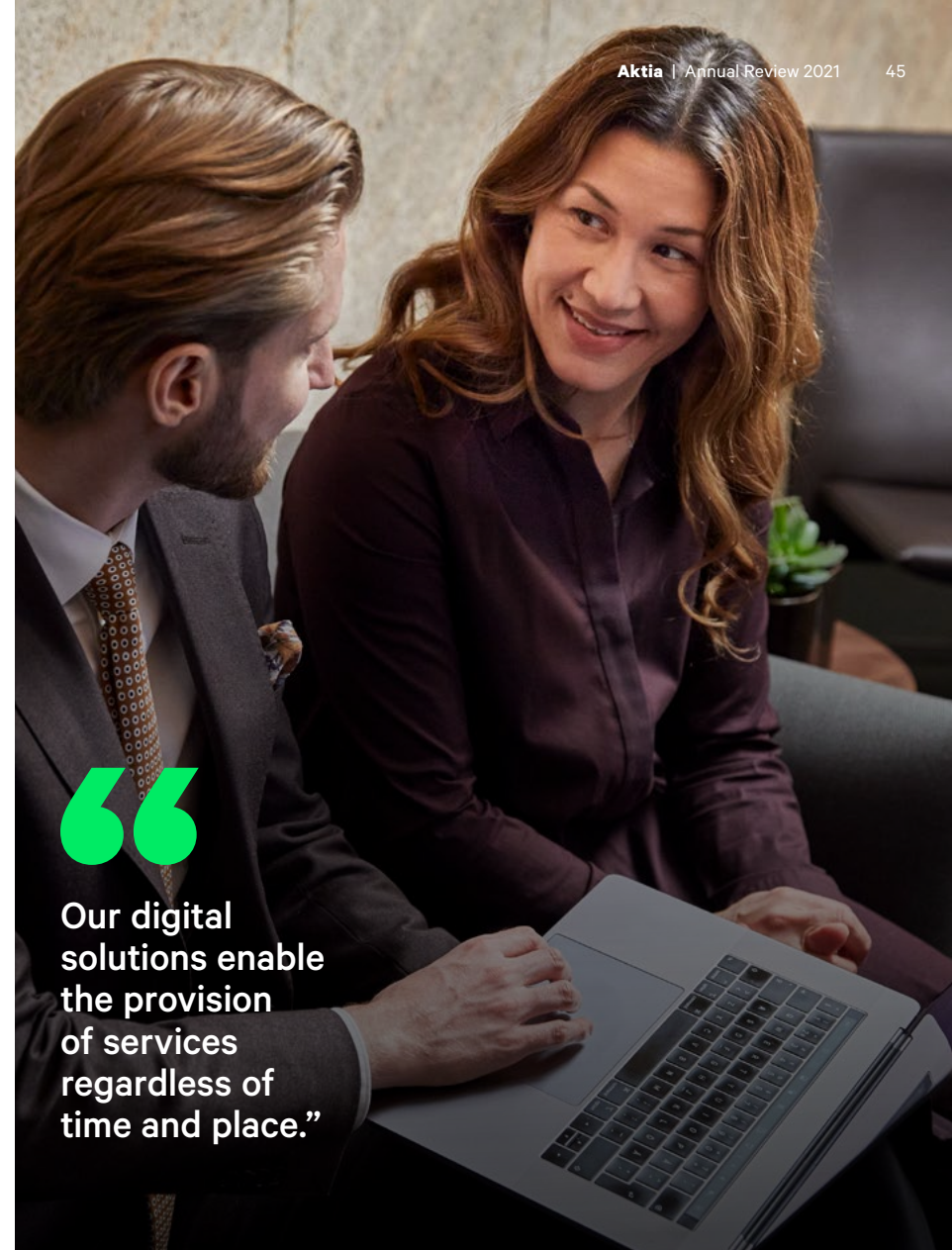
Aktia aims to bring together location-independent services, such as online, mobile and telephone services, and physical touch points to provide our customers with the best possible service experience.

Our digital solutions enable the provision of services regardless of time and place. We actively enhance our service models and utilize the opportunities offered by digitalization when we develop products and services. During 2021, we opened the doors to our new physical Aktia Studio premises in Helsinki and Tampere, and the next opening will be in Vaasa in beginning of 2022. The Aktia Studio concept is designed for meetings, gatherings, and networking in a modern banking context.

Customer satisfaction is one of the most important indicators of how we serve our customers. We measure and monitor customer satisfaction with the Net Promoter Score (NPS). In 2021, the average NPS for customer meetings was 72, which is an excellent result. Aktia's strengths according to open feedback include friendliness, security, and expertise. Customers also appreciate our holistic approach. The feedback is aligned with our pledge to provide responsible banking services and helping our customers think further. We also strive to ensure customer satisfaction and loyalty with the help of our internal instruction for managing complaints.

Development of digitalisation

The number of digital service agreements and demand for versatile digital services has increased in



Our digital solutions enable the provision of services regardless of time and place.”

the long run. This is an indication of the digitalisation trend and shows that the customers appreciate functional and flexible digital services.

We are actively participating in development of a flexible information society. In addition to our digital, location-independent Aktia@home services, in 2021 we introduced hybrid mail and a new digital archive to reduce the number of letters and printed information sent to customers, a new automatic credit engine to automate the unsecured credit process, new digital process through which parents can order banking services to minors.

Aktia also improved the digital appointments and signature process, expanded the Aktiabot robotic assistant's capabilities to answer corporate customer and Life insurance related questions. Our range of services already included Apple Pay, a fully digital credit card, Google Pay, Fitbit Pay and Garmin Pay applications, a new digital investment reporting tool for our Private Banking customers, the possibility for electronic housing transactions using the DIAS platform, electronic initiation of customer relationships, electronic mortgage application process and automated processing of private customers' loan applications and loan offers.



We are actively participating in development of a flexible information society.”

Our digital services meet the requirements imposed on credit institutions by the Accessibility Act, and we strive to enable our services to be equally accessible to everyone, also at our branch offices.

In the future, Aktia will continue increasing automatization to loan application and handling. We have also organised training to promote digital skills among senior citizens and enhanced financial literacy among young people. We also participated in writing the recommendations for digital service advisors in the financial sector.

Product governance and responsibility

We openly share detailed information on the success, risk details and classification of all Aktia's investment products on our website. Our customers are also informed of the success and risk classification by our salespersons in connection with customer interaction. A responsible investing review is published quarterly for all asset management's own funds. The risks and possibilities related to the environment, society and good governance, including the societal impacts and risks, are constantly assessed and monitored in our asset management. The ESG Committee of our asset management also organises regular training sessions regarding the responsibility of our product offering. In addition, a product suitability analysis is utilised for allocating the products to customers.

In terms of the product development of financial instruments, Aktia complies with the Investment Services Act and in terms of insurance products, with Aktia's product management regulation for financial instruments and insurance products and associated guidelines. In case of development of a financial instrument or insurance product, the regulations governing the management of these products are also complied with.

The tools and mechanisms for customer feedback and complaints

Aktia is committed to listening to customer feedback and complaints. Our customer service and sales teams have the tools and mechanisms required to collect and study customer feedback, as well as to actively implement corrective measures so that we can surpass customer expectations. Customers can give feedback using a form on Aktia's website, in the online bank, by telephone or in person at a bank branch.

Aktia also has internal instructions regarding the handling of customer complaints and how responsibilities are defined in the organization. The purpose of the instructions is to support Aktia's employees so that they can resolve and process customer complaints in a uniform and fair manner that meets the official requirements. A summary of customer complaints is also reported to the Financial Supervisory Authority in accordance with the reporting requirements. The Chief Compliance Officer has managerial responsibility for the internal instruction regarding the handling of customer complaints.

Customer complaints are registered, documented and archived in accordance with the internal instructions. Our customer complaints are processed in compliance with the instructions, Aktia's values, customer promises and principles of operation.

The Executive Committee regularly follows reports compiled of customer complaints, actions taken and monitoring of compliance with deadlines. Customer complaints are also regularly monitored by the Risk Management and Compliance function. Our aim is to enhance customer satisfaction, and we report the customer satisfaction indicator every six months.

Responsible marketing

We aim to support the attainment of Aktia's strategic and business goals with marketing and communications. They are used as tools for building a uniform company image and a strong brand. In marketing and communications, we comply with the Board of Directors' guidelines on disclosing information, our disclosure policy, our code of conduct, Aktia's guidelines for the use of social media, and our communications manual. Our disclosure policy and code of conduct are presented in closer detail on the Group's website at www.aktia.com > [Investors > Corporate Governance](#).

Aktia strives to be open in its marketing and comply with Finnish legislation, responsible marketing principles, and the guidelines of the Finnish Competition and Consumer Authority and the Financial Supervisory Authority. We provide relevant information about our products and services to support our customers in their decision-making. The transparency of the terms, conditions and pricing of our products and services is of paramount importance to us. We always aim for clarity and openness in our advice and sales materials and strive to avoid misleading messages. We do not provide instant loans with predatory pricing.

Aktia's marketing takes into consideration the limited legal capacity of minors and legally unauthorised people to enter into agreements on certain banking services. In addition, we will take into consideration the sustainable finance disclosure regulation concerning product marketing in our future marketing efforts in order to ensure compliance. This regulation concerns the consideration and disclosure of the ESG risks and impacts regarding investment decisions and advice related to products and services. In 2021 there were no reported breaches of regulations or voluntary rules in Aktia's marketing, advertising or sponsorships.

Sponsorship and charity

For years, Aktia has invested in a few key themes, which are sports, culture, and the Baltic Sea. Sponsorship support for children has been a priority under these themes. At the heart of the partnerships are Aktia's values: courageously, skillfully, together. In 2021, we have sponsored Svenska Teatern, Dicken Handball Club, NJK Sailing Club, Aalto University Student Scholarships, the Urheilugaala sport award event, Finnish Tennis Association and Two Rowing Finns Atlantic Rowers. In addition, local Aktia foundations provide support especially for local projects through their own channels.

The future visibility through sponsorship will support Aktia's renewed Wealth Manager Bank brand image, and with events organised together with partners, we aim to raise their members' awareness of the long-term management of their own finances according to Aktia's "Think Further" ideology. The Saleslead model tied to the monetary lead reward has been created with a few partners in addition to other visibility, bringing sport clubs a whole new way to raise funds for their club's youth activities. Through our partnerships, we have introduced our partners' key themes to Aktia's customers and staff members. For example, they have been able to learn about



For years, Aktia has invested in a few key themes, which are sports, culture, and the Baltic Sea.”

the Baltic Sea conservation work done by the Two Rowing Finns duo through our sponsorship events and webinars.

In 2021, we have focused our donations on a few charities close to Aktia's values. Before the Holidays, we donated to the Folkhälsan Lucia fundraiser to support low-income families with children. During 2021, significant investments were made in the protection of the Baltic Sea in the form of a Christmas donation to the John Nurminen Foundation.

Towards a better working life

Investing in a strong Aktia identity and shared experiences

The acquisition of Taaleri's wealth management operations and the hybrid work environment created an exceptional year for Aktia. Integration work was a strong focus area, with measures taken to clarify processes for employees and customers alike.

The year 2021 brought a range of changes for Aktia as an employer, as the Taaleri transaction created the need to rearrange processes inside the company. The meeting of two strong, yet also different companies has meant significant efforts to ease the transition and clarify processes. Along with the integration, it became apparent that Aktia and Taaleri representatives share a strong will to work together and create new experiences for employees and customers alike.

Certain focus areas from the previous year had to be pushed to 2022 due to the integration and challenging remote environment. We have continued to invest in our summer employee programme and work well-being services, such as the collaboration with Mehiläinen. Customer experience was a significant focus area in the entire company.

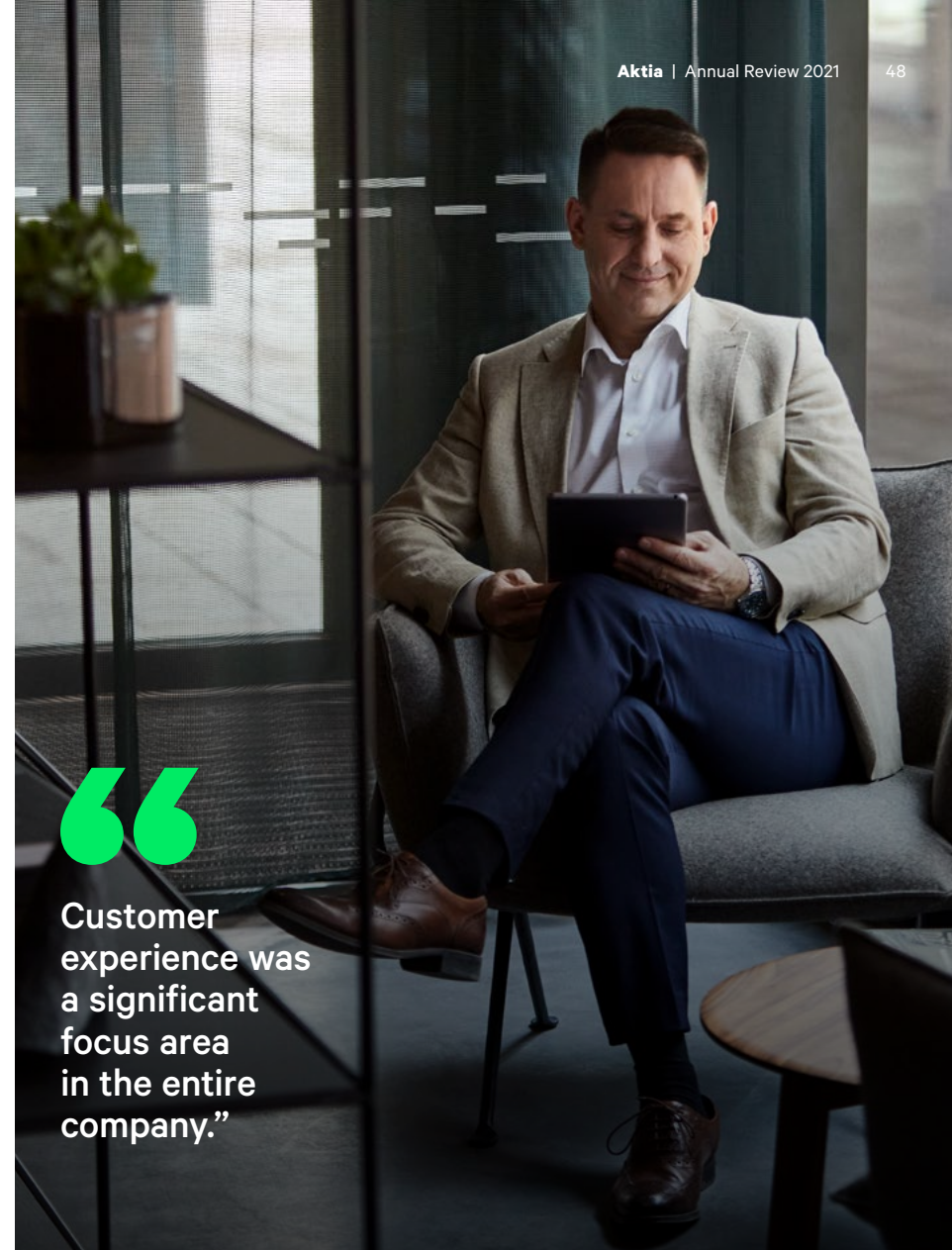
Together towards a better working life

The Taaleri transaction in 2021 sparked a large change process within Aktia as a whole, and resources and focus have been largely directed at integration work. We arranged training for the management to ease the transition, and took measures to advance specific areas, such as HR and Aktia's customer experience.

The renewed HR function is seeking its position within the new Aktia and has identified areas where future work and recruitments are needed. Remuneration will be one focus area of recruitments. The integration may also result in the need to invest in entirely new areas of expertise within the company.

Strategy implementation

Creating high-level strategy awareness and understanding is a key focus area within Aktia's strategy implementation. We believe that a good understanding of our strategy, vision, mission, and strategic priorities throughout the organisation builds a sense of purpose, motivation, and long-term engagement among our personnel.



Customer experience was a significant focus area in the entire company.”

In September 2021, Aktia updated its strategy and financial targets, which triggered a comprehensive internal strategy launch process. The target of the internal launch was to ensure an excellent level of strategic understanding among our personnel and to facilitate internal strategic dialogue.

The internal launch process covered activities on all levels of the organisation, from group events to strategy workshops at team level and individual development discussions. The launch process was very successful, and by the end of the year, 95% of the personnel reported that they were familiar with Aktia's strategic goals.

Honing the employee & customer experience

Customer experience is a key area in our strategy. After the Taaleri transaction, we wanted to increase our understanding of our customers' needs and values in order to be able to meet them in the best possible way. We arranged workshops and customer interviews to explore our current strengths and competitive advantages according to our customers. During this work, we also approached the theme of sustainability from both Taaleri's and Aktia's perspective.

As a result of our work, we created a customer experience vision in 2021. This vision will guide our

work in the future, and the next step is to implement it among our employees. The goal is for every Aktia employee to contribute to and assume the customer experience through their own role. The implementation process will involve all departments and the creation of new types of service models. As a natural part of this work, we will also redefine our internal employee experience vision, which will be advanced along with the evolving customer experience. The employee experience will see more focus in the coming years as our new Aktia identity evolves.

Our employee experience is measured using the Employee Net Promoter Score (eNPS), which describes employees' willingness to recommend Aktia as an employer. Aktia's eNPS target regarding eNPS is above 0. Our score was -5. That is 15 points lower than in the previous year. We will carry out work to improve the results in the future. Another personnel satisfaction metric deployed by Aktia is the Leadership Index. For this, our target level minimum is 75. The result for 2021 exceeded our new target and was 79. The results of the Leadership Index reflect the trust and confidence the personnel have in Aktia's strategy.

The AktiaSummer recruitment event was arranged again in 2021 as part of the process of hiring summer

employees. The goal of the event is to find long-term employees for Aktia and to provide working opportunities for people seeking a career in the finance industry.

Equality and diversity

We want our employees to feel that Aktia is a good workplace and that they are appreciated. The Group has an equality plan in place, and in compliance with it, we have committed to respect diversity and equality. Our diversity policy is based on Aktia's values and codes of conduct. The diversity policy covers the diversity of both, the personnel and the Board of Directors, and provides guidance for monitoring the implementation of the policy and its scope. Aktia's principle is to support multilingualism, minorities and groups in a vulnerable position in the work community equally.

Equal and non-discriminatory treatment is always promoted, starting from recruitment. Possibilities for advancing in one's career are provided equally for everyone at Aktia. Our aim is to provide training and programmes supporting career development in the future so that the individuals' own strengths are considered. If necessary, diversity can also be discussed at Aktia on the agenda of the Human Capital Board.



We want our employees to feel that Aktia is a good workplace and that they are appreciated.”

We are monitoring the development of diversity by examining the gender distribution figures concerning our personnel. Aktia also supports diversity and equality in its community by being a shareholder in the Women's Bank. The Women's Bank is a community and fund established to support entrepreneurship and livelihoods for women in developing countries. Donations are used to fund projects to enhance women's financial livelihoods, competencies and rights, small-scale loans, vocational education and other activities.

Promoting personnel well-being

The continuing COVID-19 pandemic meant that we were not able to fully utilise our head office premises in Helsinki. A hybrid model for combining on-site work with remote work was tested in 2021, and investments in new equipment, such as phone booths, were made at the office premises to enable the hybrid model. The worsening pandemic

environment, however, meant a return to a remote working environment.

We continued our collaboration with Mehiläinen on work well-being through the AktiaWellbeing programme. The programme aims at promoting awareness about health and safety issues, preventing occupational disease and work accidents, advancing

well-being, and reducing absenteeism. The AktiaWellbeing concept, created in co-operation with Mehiläinen, encompasses basic health care and annual dental checks, along with a diverse selection of services and coaching that enable Aktia's employees to improve their well-being and ergonomics. With the AktiaWellbeing programme, several tools support occupational well-being have been applied, including

a working capacity indicator, which facilitates early intervention in the event of health risks.

Occupational health and safety matters are monitored internally and in co-operation with an external partner. We have set the health index as the indicator for monitoring the promotion of well-being in the responsibility programme. It describes

AKTIA ATTRACTS NEW SUMMER EMPLOYEES WITH AKTIASUMMER RECRUITMENT EVENT

Aktia's recruitment event AktiaSummer takes place annually, supporting Aktia's position as an attractive employer in the finance industry. The event is a way to ensure that both parties find the ideal match for employment. The AktiaSummer event was arranged for the third time in winter 2021.

The AktiaSummer 2021 recruitment event once again brought together eager work applicants and Aktia's representatives. The purpose of the event is to offer the possibility of a summer internship at Aktia to promising candidates and to welcome young employees as important bringers of ideas. The event took place in the winter and was arranged as a remote event due to the pandemic environment.

When recruiting summer employees, Aktia collaborates with a recruitment company that helps in

seeking candidates and does preliminary screening. Aktia's recruitment needs are surveyed beforehand, so that the best candidates can apply. Roles vary from banking and finance to tech positions.

After the application period, the most suitable candidates are invited to the AktiaSummer event. Here they get to showcase their knowledge and impress their possible future employer. The event includes speed dating, where candidates can meet Aktia's representatives face to face and vice versa. Candidates also get to network with possible future colleagues and hear about Aktia as a company and employer. Different Aktia-related discussions and presentations are arranged during the event.

AktiaSummer sets the scene for interviews in the summer. The interviews and final decisions are made

by Aktia. The bank is proud of its annual summer employee tradition and plans to continue investing in summer recruitments. "We want to provide an opportunity for applicants to get valuable work experience. At the same time, we also benefit from their know-how," says **Ann-Sofi Reims**, HR Director at Aktia. "We hope to find long-term Aktia employees among our summer employees."

Elina Uotila was hired originally as a summer employee and now works as a Junior Business Analyst at Aktia. She has found working at Aktia to be useful on many levels. "I've gained a deeper understanding of the banking and finance industries. Being involved in digital development projects, I have also learned new things about software development and Aktia's IT architecture in general."



“

We hope to find long-term Aktia employees among our summer employees.”

the percentage of Aktia employees who were not ill during the year. In 2021, the health index was 62 per cent. The programme covers 100 per cent of Aktia employees. In addition, workplace surveys were carried out in Aktia, and well-being questionnaires were made for different age groups.

The “Aktia Take a break” concept has been arranged regularly to support coping with remote work. The concept also includes a physiotherapist’s and psychologist’s reception and Well-being Manager counselling clinics that make it easy to discuss well-being issues. We also introduced the Teams bot Icebreaker in 2021 to support networking in the remote environment. The bot regularly pairs employees and supports them in scheduling, for example, a virtual coffee or lunch session.

Aktia Life Insurance Ltd prides itself on having exceptionally long careers, with a low turnover rate. During 2021, the company carried out voluntary personnel information sessions every two weeks, which have been popular among employees. The management also always seeks to gather input from personnel when making new policies. For example, rules regarding the ways of working in the pandemic environment have been created in close collaboration with employees.

Development of competence and management

In 2021, we continued to invest in the development of our personnel. On average Aktia employees participated in employee training for approximately 10 hours per employee. Approximately 5 hours of this is mandatory AktiaWay learning (1,4 hours less than previous year) and the rest is role specific learning (eLearning), amount of learning depending on role. We also have product-specific trainings when needed. Competence was developed particularly through diverse eLearning sessions.

Good management is a key factor if we want to attain our goal of being the most attractive workplace in the business. The foundations of the development of Aktia’s management are the company’s strategy and values, as well as the ability to lead in times of change. AktiaWay Leader training sessions for all new supervisors were also continued digitally and modularly. Big Five personality tests were utilised in a targeted fashion, among other things, as part of recruitments. The tests allow developing self-awareness and leadership, internal interactions and the understanding of different personality types in the workplace.

The performance reviews for the entire personnel, assessing the goals, performance, and development plans of individual employees, have continued twice a year.

Key figures for Aktia’s personnel in Finland

Employees	2021	2020	2019	2018	2017
Women	536	534	532	556	581
Men	421	392	347	330	315
Total	957	926	879	886	896

Gender distribution (%)	2021	2020	2019	2018	2017
Senior management (W/M)	29/71	45/55	50/50	55/45	50/50
Middle management (W/M)	38/62	37/63	32/68	32/68	32/68
Experts (W/M)	57/43	58/42	50/50	50/50	50/50
Salaried employees (W/M)	52/48	68/32	72/28	77/23	78/22

New employees, gender and age distribution (numbers)	2021	2020	2019	2018	2017
18-30 years (W/M)	103/87	69/78	42/41	42/32	37/19
31-40 years (W/M)	31/39	26/26	13/31	26/29	4/3
41-50 years (W/M)	30/62	18/17	9/16	16/17	2/1
51-60 years (W/M)	19/25	18/2	5/6	5/3	4/2
Over 60 years (W/M)	2/6	1/0	1/-	3/-	-

Gender distribution of the Board of Directors (%)	2021	2020	2019	2018	2017
Women	25	33	50	57	38
Men	75	67	50	43	62

Social responsibility	2021	2020	2019	2018	2017
Full-time employees	845	812	754	790	793
Part-time employees	112	114	125	96	103
Absences due to illness (%)	1,8	2,1	3,1	2,0	2,1
Employee turnover (%)	26,0	17,2	11,2	11,0	7,7
Accidents, registered injuries	3	8	15	16	22

Environmentally responsible actor

The fourth main theme in Aktia's corporate responsibility programme addresses environmental responsibility. Mitigating climate change, curbing emissions, and working towards a more sustainable future is, in our view, a shared responsibility. We actively seek ways to make a positive impact through our wealth management and lending activities as well as in our day-to-day work. In 2021, we continued our systematic work by defining a group-wide climate strategy and setting Net Zero targets for our investment portfolios as well as our own operations.

Due to the nature of our business, the biggest environmental impacts related to our operations stem from wealth management and investments as well as our lending portfolio. We have signed the United Nations Principles for Responsible Investment (PRI) and are committed to taking environmental criteria into account in our wealth management. More information on our work to reduce climate impacts across all asset categories is given in the section titled '[New climate strategy strengthens Aktia's climate focus](#)' of this report.

Our environmental sustainability work encompasses stewardship-related aspects as well as systematic actions in the sphere of Aktia's direct impacts. We adhere strictly to environmental regulation, and in 2021, there were no incidents of non-compliance.

While the majority of emissions stemming from our operations come from assets under management and lending, we strive to reduce the environmental footprint of our day-to-day work as well. The most significant factors affecting our own footprint are energy use, materials and equipment, and travel and transportation. We set a target to reduce the CO₂ emissions from electricity used in our leased business premises by ten per cent from the 2018 level by the end of 2023. We already reached and exceeded this target in 2020. In 2021, we reduced the emissions further by 54 per cent from 2020.

The following table shows a breakdown of Aktia's carbon dioxide emissions – its own emissions (Scope 1 and Scope 2) and the emissions arising in the subcontracting chain (Scope 3), as well as



“We actively seek ways to make a positive impact through our wealth management and lending activities as well as in our day-to-day work.”

Aktia's greenhouse gas emissions (GHG emissions) and energy consumption

Greenhouse gas emissions (GHG emissions), tonnes CO ₂ e	2021	2020	2019	2018
Scope 1 (direct emissions)	0	0	0	0
Scope 2 (indirect emissions, location-based)*	468	681	1,070	1,108
Scope 3 (other indirect emissions)	57,721	52,889	64,754	59,043

*The figures are not completely comparable between years due to a development of the calculations. Also the reduction is mainly caused by increased remote work due to the COVID-19 pandemic.

Scope 3 GHG emissions, tonnes CO ₂ e GHG protocol category	2021	2020
Category 1: Purchased goods and services	313	315
Category 2: Capital goods	n/a	n/a
Category 3: Fuel and energy-related activities	6	19
Category 4: Upstream transport and distribution	n/a	n/a
Category 5: Waste generated in operations	not yet calculated	not yet calculated
Category 6: Business travel	21	15
Category 7: Employee commuting	78	300
Category 8: Upstream leased assets	n/a	n/a
Category 9: Downstream transportation and distribution	32	52
Category 10: Processing of sold products	n/a	n/a
Category 11: Use of sold products	n/a	n/a
Category 12: End-of-life treatment of sold products	n/a	n/a
Category 13: Downstream leased assets	n/a	n/a
Category 14: Franchises	n/a	n/a
Category 15: Investments**	57,271 ***	52,188
Scope 3 total	57,721	52,889

** (2020) figure includes funds Capital, Nordic, Nordic Small Cap, Nordic Micro Cap, Europa, Europe Small Cap, America and Global.

***figure includes Aktia's comparable funds and the funds Micro Rhein, Rhein Value, Micro Markka, Europa Dividend which were transferred to Aktia from Taaleri through the acquisition and also Aktia Treasury and Aktia Life Insurance Fixed income investments.

the emission intensity in relation to the number of employees, managed assets and gross area of our business premises. The emissions included for the supply chain are from purchased goods and services (paper, mobile phones, laptops and screens), losses on the electricity network, business travel, employee commuting, mail deliveries and processing and investments. The calculations of emissions for Scopes 1, 2 and 3 are based on the GHG Protocol guidelines.

Office premises and travel

Our head office is located in energy-efficient premises that have received the BREEAM Very Good environmental rating. Our head office also holds the WWF Green Office label. The WWF Green Office environmental management system assesses, among other things, energy consumption, recycling and waste handling, sustainable procurement, and

mobility. We have a Green Office team in place to implement and share ecologically sound practices throughout the organisation, and we strive to minimise the climate impacts of our daily operations through trainings and personnel engagement initiatives. In 2021, we held a theme week for saving energy, during which we paid extra attention to climate change mitigation and shared tips on energy efficiency, among other things. We aim to expand the Green Office practices to other offices as well.

We use green electricity in the head office and utilise modern technology and automation to reduce energy usage by, for example, applying motion sensors to operate lighting. We have also switched to green electricity in locations where Aktia has its own electricity contracts (16 out of 19 locations in total).

Energy consumption and energy intensity of all business premises leased by Aktia (regarding electricity and heating)	2021	2020	2019	2018
MWh	3,294	4,616	6,648	6,888
MWh/ FTE	3.81	5.68	8.82	8.72
MWh/operating income	12.49	22.95	30.03	32.78
MWh/AUM	0.21	0.44	0.67	0.71
MWh/sqm	0.20	0.26	0.27	0.27

Emission intensity (scope 2, location based)	2021	2020	2019	2018
tonnes CO ₂ e/FTE	0.54	0.84	1.42	1.40
tonnes CO ₂ e/operating income	1.78	3.39	4.83	5.28
tonnes CO ₂ e/AUM	0.03	0.07	0.11	0.11
tonnes CO ₂ e/sqm	0.03	0.04	0.04	0.04

The COVID-19 pandemic and the restrictions related to it have impacted the way we use our offices and travel. Remote working recommendations have reduced the energy usage at the offices and the need to commute. Work-related travel has been widely replaced by active use of teleconferencing and collaboration tools. Although these measures have been taken as a necessity to limit the spread of the pandemic, they have nevertheless had positive impacts with regard to emissions from electricity usage and travel. The changes in travel were even more drastic in 2020, and thus our emissions from travel are higher this year than last year but still far below the pre-pandemic levels.

We actively monitor the climate risks and possibilities in relation to Aktia's business. We report on these matters on the CDP portal as part of our annual climate change reporting. Our current CDP rating is B, which is above the European and global average for the financial services sector.

Aktia follows the recommendations of the Task Force on Climate related Financial Disclosures (TCFD) on reporting climate-related risks and opportunities. We have gathered information about the activities in Aktia Bank and asset management by using the TCFD reporting framework in our Report on Non-Financial Information in the Financial Review 2021 www.aktia.com > Investors > Reports & presentations.

“

We actively monitor the climate risks and possibilities in relation to Aktia's business.”

Sustainable supply chain

We apply green procurement guidelines in our purchases to improve our environmental performance also when it comes to indirect impacts. The guidelines call for attention to environmentally friendly procurement options where available and support our compliance with the WWF Green Office criteria.

We apply a Supplier Code of Conduct to promote responsibility across our supply chain. It covers legal aspects and good business practices, social and environmental considerations, employee and human rights and safety, and reporting and monitoring



obligations. We began to apply the Code of Conduct to new supplier contracts in the beginning of 2020 and are gradually widening its scope as contracts are renewed. The majority of Aktia's suppliers are local, mainly Finnish, with a small number of European operators. In 2021, 90 per cent of our procurement was from Finnish companies.

We consider potential sustainability risks in our supply chain on an ongoing basis. In some

years, we have also carried out separate risk assessments in accordance with the Sustainability Accounting Standards Board (SASB) standards. These assessments include observations on environmental and social impacts, management methods, business models, innovations, and value chains. However, in 2021, we focused on continuous work and considered sustainability aspects as well as risks in each supply occasion.



We consider potential sustainability risks in our supply chain on an ongoing basis.”

Aktia Group participated in a cycling challenge called 'Kilometrikisa', which is a playful competition for companies and other organisations and teams where people are encouraged to cycle instead of driving. In five months, our team cycled 16,923.5 kilometres, an average of 940.2 km per team member. We saved a total of 2,960 kg of CO₂, corresponding to 1,184 litres of gasoline.

AKTIA LIFE INSURANCE CONSIDERS THE ENVIRONMENT IN ALL ITS INVESTMENTS

Sustainability is a fixed part of Aktia Life Insurance's investment strategy. In our investment decisions, we consider environmental and societal factors as well as corporate governance.

Environmental responsibility is one aspect of Aktia's responsible investing principles and an important part of the UN Global Compact principles for corporate sustainability. To see how our investments comply with these principles, we at Aktia Life Insurance have thoroughly examined our investment portfolio from a sustainability perspective, paying attention to, for example, the carbon intensity of portfolio companies.

Aktia Group has set a target to have all its investment portfolios carbon-neutral by 2050. In addition to the securities managed for us by Aktia's asset management, we have a significant real estate portfolio recognised on the Aktia Life Insurance balance sheet. We have created a roadmap to help us reach the goal of carbon-neutrality with regard to our real estate holdings. The roadmap includes a schedule as well as detailed investment-specific actions, such as shifts to geothermal heating or installing solar panels on roofs.

Much has already been done to minimise environmental impacts in our direct real estate

holdings as well as holdings in funds. A good example of this kind of work is the joint venture of Aktia Life Insurance, Kemira, Ahlström Capital and The Church Pension Fund to build a new research centre for Kemira in Espoo, Finland. The goal is to get a **BREEAM International New Construction** environmental certification on the 'Very Good' certification level for the building. The means to achieve this include continuous and comprehensive energy consumption monitoring, energy efficiency considerations in the selection of lift systems, and motion detection-based lighting in less frequently used areas, among other things.

Renewable energy is an important factor in the battle against climate change – and an attractive investment. Aktia Life Insurance has a capital infrastructure fund of nearly EUR 4 million, which has holdings in ten wind farms and one solar energy project. All these projects with the exception of one wind farm are located in Europe – Finland, Norway, Lithuania and Poland. There are plans in place for further investments in both wind and solar power. By investing in emission-free energy production, we are contributing to the transition towards a sustainable, fossil-free energy system, in line with the goals of the Paris Agreement.

Reporting principles

Materiality

The aim of the report is to describe the material disclosure topics of Aktia's corporate responsibility.

We have reviewed the impact of Aktia's operations on society and their significance to stakeholders.

The importance of corporate responsibility themes has been prioritised based on a qualitative analysis (minor, average, very high) of the views of stakeholders, employees and the corporate responsibility working group, as well as the judgements of the senior management and stakeholders. The following graph shows the four main corporate responsibility themes with groups of topics identified as being critical in terms of Aktia's impacts and stakeholder expectations.

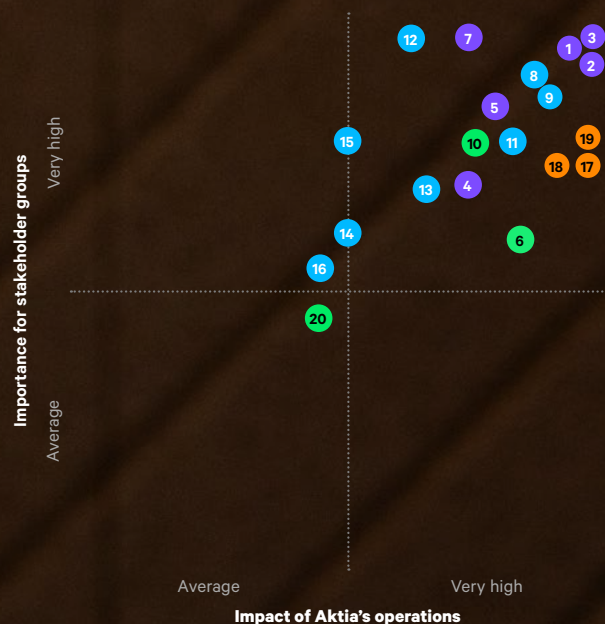
The materiality analysis is based on a stakeholder survey (273 respondents) and targeted interviews carried out in 2020.

Eleventh corporate responsibility report by Aktia

Aktia's corporate responsibility reporting fulfils the requirements of the EU's Non-Financial Reporting Directive (NFRD). In addition, our non-financial reporting includes climate-related information on the

MATERIALITY ANALYSIS

The topics identified as important considering Aktia's impacts and its stakeholders have been grouped under four main themes.



● Solvent and reliable

1. Transparent governance and ethical principles
2. Prevention of money laundering and corruption
3. Information security and privacy of customer data
4. Transparent reporting and payment of taxes
5. Solvency
7. Active dialogue

● Partner for economic well-being

8. Responsible financing and lending
9. Responsible investment and asset management
11. Customer loyalty and satisfaction
12. Flexible service and diverse channels
13. Utilising new digital opportunities
14. Promoting financial literacy
15. Responsible marketing
16. Participating in development of the information society

● The most attractive workplace in the business

17. Skilled personnel and good management
18. Good leadership
19. Occupational well-being, equal opportunity and diversity

● Environmentally responsible actor

6. Responsible procurement
10. Climate-smart services for customers
20. Minimising the company's own environmental footprint

operations of Aktia Bank and asset management in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The report was prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. Our corporate responsibility report is not subject to external assurance.

The financial period of the company is the calendar year. The report is published annually. Unless otherwise stated, the information in the report concerns the financial period of 1 January to 31 December 2021. The previous corporate responsibility report was published on 23 March 2021. The GRI content index lists the GRI Standard indicators used by Aktia and explains where the information can be found. The annual corporate responsibility report and the report of non-financial information complement the Group's financial reporting and cover the entire Group's activities. In addition to this corporate responsibility report, Aktia also publishes selected corporate responsibility indicators in the half-year reports.

The corporate responsibility report can be downloaded at www.aktia.com, and any questions concerning the report should be addressed to ir@aktia.fi. The next corporate responsibility report will be published around the first quarter of 2023.

Scope of the report and impacts

The reporting covers Aktia's entire business, and there are no special grounds for limiting the scope of the report. The report on economic and social responsibility covers all Aktia's units and every member of the personnel in Finland. The report on environmental responsibility covers all Aktia's locations unless otherwise stated. Of all the reported information, the greatest external impacts are caused by the Scope 1, 2 and 3 emissions and the mechanisms by which the emissions arise, charitable work, ethical operations, tax footprint, and the indicators presented in the value creation graph on page 13.

Consumption of electricity and heating energy

The reporting of electricity consumption and the associated emissions is based on consumption data. So far, Aktia has been unable to obtain information about the heating consumption of its leased premises. The district heating consumption has been estimated using statistical heating consumption data and the gross area of Aktia's business premises based on a report by the City of Helsinki's Energy Saving Committee titled "Energy-saving activities and energy-use development in the City of Helsinki 2018".

Emission calculations (Scope 1, 2 and 3)

The GHG emission calculations for Scopes 1, 2 and 3 are based on the GHG Protocol guidelines. The Scope 2 emission calculation for electricity consumption uses electricity consumption data and Motiva's average CO₂ emission factor for electricity production in Finland, calculated as a three-year moving average (known as a "location-based" calculation). Equally, the emissions from district heating are calculated using Motiva's average CO₂ emission factor for Finland's average district heating production (3-year average using the benefit allocation method).

The scope 3 emission calculations use direct third party emission data from our suppliers, measured data and estimates.

For category 1 'Purchased goods and services', we have included data on paper consumption and number of purchased mobile phones, laptops and screens, and used WWF Green Office emission factors for 2021. For category 3 'Fuel and energy related activities', we calculated the T&D losses by using the scope 2 electricity consumption data and IEA statistics (OECD/IEA 2018) factor for Finland. For category 6 'Business travel', we received emission data for flights directly from our travel agency CWT and similarly for train travel from the Finnish railroad company VR.

For category 7 'Employee commuting', we utilised estimates and made assumptions. We used our headcount and the number of working days in 2021 and the average commute to work from Findikaattori. We made the assumption that due to the COVID-19 pandemic, 70% of the work was remote, and when working at the offices, 50% of employees used their own cars and other 50% used public transportation. We calculated an average emission factor for the leased cars and for the rest we used the WWF green office 2021 average emission factor for car travel and an average of the public transportation emission factors. For category 9 'Downstream transportation and distribution', we included data on the number of letters sent and calculated emissions using the emission factor from the Finnish postal company Posti. For category 15 'Investments', we got the emission data for our funds using ISS ESG's climate tool.

Intensity figures

The calculation of the energy intensity and Scope 2 carbon dioxide emission intensity uses the gross area of offices, the number of full-time employees, the value of assets under management, as well as the operating income representing the financial success of business operations.

GRI content index

GRI Standard	Reporting requirements	Page	Reporting/omission
General Disclosures			
Organisational profile			
102-1	Name of the organisation		Aktia Plc
102-2	Activities, brands, products and services	6	
102-3	Location of headquarters		Helsinki
102-4	Location of operations		19 locations in Finland
102-5	Ownership and legal form	6, 14	
102-6	Markets served	6	
102-7	Scale of the organisation	6	
102-8	Information on employees and other workers	51	
102-9	Supply chain	54–55	
102-10	Significant changes to the organisation and its supply chain	48	
102-11	Precautionary Principle or approach	52	
102-12	External initiatives	28	
102-13	Membership of associations	28	
Strategy			
102-14	Statement from senior decision-maker	4–5	
102-15	Key impacts, risks, and opportunities	22–28,	Risks and outlook section in the Report by Board of Directors
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	13, 31–32, 63–65	
102-17	Mechanisms for advice and concerns about ethics	38–39, 41	

GRI Standard	Reporting requirements	Page	Reporting/omission
Governance			
102-18	Governance structure	31–32	Corporate Governance Report
102-19	Delegating authority	31–32	
102-20	Executive-level responsibility for economic, environmental, and social topics	31–32	
102-21	Consulting stakeholders on economic, environmental, and social topics	29–30	
102-22	Composition of the highest governance body and its committees		Corporate Governance Report
102-23	Chair of the highest governance body		Corporate Governance Report
102-24	Nominating and selecting the highest governance body		Corporate Governance Report
102-26	Role of highest governance body in setting sustainability purpose, values, and strategy		Corporate Governance Report
102-27	Collective knowledge of highest governance body on sustainability	31–32	
102-29	Identifying and managing economic, environmental, and social impacts	31–32	
102-31	Review of economic, environmental, and social topics	31–32	
102-32	Highest governance body's role in sustainability reporting	31–32	

GRI Standard	Reporting requirements	Page	Reporting/omission
102-35	Remuneration policies	Remuneration Report	
102-36	Process for determining remuneration	Remuneration Report	
102-37	Stakeholders' involvement in remuneration	Remuneration Report	
Stakeholder engagement			
102-40	List of stakeholder groups	29	
102-41	Collective bargaining agreements		Aktia complies with the collective agreements of the banking and insurance sectors valid at the time. In 2021, 89.42 per cent of Aktia's employees were covered by a collective bargaining agreement.
102-43	Approach to stakeholder engagement	29–30	
102-44	Key topics and concerns raised	30	
Reporting practice			
102-45	Entities included in the consolidated financial statements	57, G42 Subsidiaries and associated companies included in consolidated accounts section in Financial Statement	
102-46	Defining report content and topic Boundaries	56–57	
102-47	List of material topics	56, 63–65	
102-48	Restatements of information	57	
102-49	Changes in reporting	57	
102-50	Reporting period		1 January - 31 December 2021
102-51	Date of most recent report	57	23.3.2021
102-52	Reporting cycle		Annual

GRI Standard	Reporting requirements	Page	Reporting/omission
102-53	Contact point for questions regarding the report	57	ir@aktia.fi
102-54	Claims of reporting in accordance with the GRI Standards	57	
102-55	GRI content index	58–62	
102-56	External assurance		The report is not externally assured.
Economic impacts			
Management Approach			
103-1	Explanation of the material topic and its Boundary	22–27, 56, 63–65	
103-2	The management approach and its components	31–32, 63–65	
103-3	Evaluation of the management approach	31–32, 63–65	
Economic Performance			
201-1	Direct economic value generated and distributed	13, 37–41	
201-2	Financial implications and other risks and opportunities due to climate change	33–36, Pages 37–41 in Non-financial report	
Market Presence			
202-2	Proportion of senior management hired from the local community		Omission: Aktia does not gather a specific percentage figure of local hires according to GRI requirements. Aktia is a Finnish asset manager, bank, and life insurer. We serve our customers in digital channels everywhere and face-to-face in our offices in the Helsinki, Turku, Tampere, Vaasa and Oulu regions. Aktia's senior management is typically hired from the local community, meaning region or location of an office.

GRI Standard	Reporting requirements	Page	Reporting/omission
Procurement Practices			
204-1	Proportion of spending on local suppliers	55	Proportion of spending on Finnish suppliers is 90%.
Anti-corruption			
205-2	Communication and training about anti-corruption policies and procedures	38–41	Omission: Aktia's information has not been broken down by employee category and region as Aktia operates in one country, Finland.
205-3	Confirmed incidents of corruption and actions taken		No incidents in 2021.
Environmental Impacts			
Management Approach			
103-1	Explanation of the material topic and its Boundary	22–28, 34, 56–57, 65	
103-2	The management approach and its components	31, 65	
103-3	Evaluation of the management approach	31, 65	
Energy			
302-1	Energy consumption within the organisation	53	
302-3	Energy intensity	53–54	
302-4	Reduction of energy consumption	53–54	Omission: Instead of joules, Aktia gathers and reports energy consumption data in MWh/FTE (Full-time Equivalent), MWh/operating income, MWh/AuM (Assets Under Management), MWh/sqm.

GRI Standard	Reporting requirements	Page	Reporting/omission
Emissions			
305-1	Direct (Scope 1) GHG emissions	53	
305-2	Energy indirect (Scope 2) GHG emissions	53	
305-3	Other indirect (Scope 3) GHG emissions	53	
305-4	GHG emissions intensity	53	
305-5	Reduction of GHG emissions	53	
Environmental Compliance			
307-1	Compliance with environmental laws and regulations	52	
Social Impacts			
Management Approach			
103-1	Explanation of the material topic and its Boundary	22–27, 56–57, 63–64	
103-2	The management approach and its components	31–32, 63–64	
103-3	Evaluation of the management approach	31–32, 63–64	
Employment			
401-1	New employee hires and employee turnover	51	

GRI Standard	Reporting requirements	Page	Reporting/omission
Labour/Management Relations			
402-1	Minimum notice periods regarding operational changes		Aktia complies with the Act on Co-operation within Undertakings, according to which the employer is obliged to inform and negotiate with the employees' representatives before making any reorganisation decisions regarding the business that will affect the position of personnel. According to law, in the event of a business change, the personnel shall be informed within a week. Upon commencement of co-operation negotiations, employee representatives shall be given a written proposal for negotiations.
Occupational Health and Safety			
403-1	Occupational health and safety management system	50–51	<p>Aktia Group maintains occupational safety operations covering the entire personnel, as well as regional occupational safety organisations, and carries out workplace audits and monitoring which, in compliance with the Occupational Safety and Health Act, include both risk assessments and basic surveys required by the Occupational Health Care Act.</p> <p>Aktia has an AktiaWellbeing programme, through which Aktia has committed to promoting awareness about health and safety issues, preventing occupational disease and work accidents, promoting well-being and ergonomics, and reducing absenteeism. The programme covers 100 per cent of Aktia employees.</p>

GRI Standard	Reporting requirements	Page	Reporting/omission
403-3	Occupational health services	50–51	
403-4	Worker participation, consultation, and communication on occupational health and safety	50–51	Aktia Group maintains occupational safety operations covering the entire personnel, as well as regional occupational safety organisations, and carries out workplace audits and monitoring.
403-6	Promotion of worker health	50–51	
403-9	Work-related injuries	51	<p>Omission: Aktia's reporting focuses on the number of work-related injuries (Accidents, registered injuries).</p> <p>No fatalities in 2021.</p>
Training and Education			
404-1	Average hours of training per year per employee	13, 51	
404-2	Programmes for upgrading employee skills and transition assistance programmes	51	
404-3	Percentage of employees receiving regular performance and career development reviews		The performance reviews for the entire personnel, assessing the goals, performance, and development plans of individual employees, have continued twice a year.
Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	51	
Supplier Social Assessment			
414-2	Negative social impacts in the supply chain and actions taken	54–55	Omission: Aktia has the required information partly available.

GRI Standard	Reporting requirements	Page	Reporting/omission
Public Policy			
415-1	Political contributions		Aktia has decided not to finance political activities. In addition, in compliance with its code of conduct, Aktia is not involved in politics, nor does it directly or indirectly support any political parties, politicians or election candidates.
Marketing and Labelling			
417-3	Incidents of non-compliance concerning marketing communications		No incidents in 2021.
Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		There were no successful cyber attacks against Aktia in 2021. Unfortunately, successful phishing attacks and other digital frauds targeted at customers of Finnish banks led to monetary losses for some of our customers. Aktia has taken serious actions to develop new controls, technical and other capabilities to detect, prevent and respond to these unlawful actions.
Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area		No cases in 2021.

Management approach

Themes/topics	GRI material topics	Policies and commitments	Follow-up and grievance mechanisms	Key actions and results 2021
Solvent and reliable				
Transparent governance and ethical principles	GRI 201: Economic Performance	Aktia's Corporate responsibility programme and action plan for 2020–2023	Active monitoring of Aktia's financial and solvency trends against financial targets	Risk Control and Compliance functions strengthened
Preventing money laundering and corruption	GRI 202: Market Presence	Aktia's code of conduct	Stress tests and scenario analyses to evaluate position and identify risks	Crises recovery plans updated and improved according to EBA recommendations
Confidentiality and information security of customer data	GRI 205: Anti-corruption	Anti-corruption and anti-bribery policy, the Board of Directors' guidelines for handling conflicts of interest and guidelines regarding the prevention of corruption	Processes for preventing money laundering and corruption and mandatory employee trainings	Mandatory online compliance training completed by 93,5 per cent of Aktia's personnel
Transparent reporting and payment of taxes	GRI 415: Public Policy	The Board of Directors' guidelines for principles of disclosing information and the Group's disclosure policy	Instructions for the Group's employees to report any infringements of the code of conduct and non-ethical business methods or suspicions thereof ("whistleblowing")	One report in the whistleblowing channel on the operation in the corporate customer business
Solvency	GRI 419: Socioeconomic Compliance	Climate strategy	Addressing climate transition risks by assessing the portfolios in asset management, monitoring current regulations and engaging our clients in discussions from their business perspective	Investments in information security capabilities of all employees through systematic trainings and awareness campaigns
Active dialogue			ISO/IEC 27001 framework as a basis of information security management system (ISMS)	No successful cyber attacks against Aktia
			ISMS fully integrated into overall management system and covering all business areas at Aktia	No non-compliance cases with laws and regulations in the social and economic area
			Aktia Life Insurance Ltd. measures in asset and liability management to protect long-term solvency	

Table continues

Themes/topics	GRI material topics	Policies and commitments	Follow-up and grievance mechanisms	Key actions and results 2021
Partner for economic well-being				
Responsible financing and lending	GRI 417: Marketing and Labeling	Corporate responsibility programme and action plan	Investment decisions and portfolio management based analysis and view of positive and negative factors, including ESG and impact	The climate strategy released
Responsible investment activities and asset management	GRI 418: Customer privacy	Asset management's principles of responsible investment		ESG team established
Climate-smart services for customers		UN's Principles for Responsible Investment (PRI)	Partnerships with ESG data and service providers, including Morningstar/Sustainalytics, ISS ESG, and The Upright Project	Participation through ISS ESG in new discussions for influencing with other companies. Of these discussions, 26 were related to human rights, 21 to the environment, 38 to employees' rights, and 15 to verified or suspected corruption problems, while 33 discussions were related to problems in several or overlapping areas
Customer loyalty and satisfaction		Group's governance principles		
Flexible service and diverse channels		Climate strategy	Active engagement in direct ownership steering, or stewardship	
Utilising new digital opportunities		Investor initiatives		
Promoting financial literacy		The Board of Directors' guidelines for principles of disclosing information, the Group's disclosure policy, codes of conduct, instructions for the use of social media and the communications manual	Aktia's Overview of Responsible Investment biannually	Influencing campaign related to climate risks, approaching 25 companies
Responsible marketing			Report of funds' net impact quarterly	
Contributing to developing the information society		Charity and sponsorship policy	Impact reporting for the non-UCITS fund Aktia Impact annually	Increased sustainability-related work in banking business, e.g. drafting our sustainable lending policy
			In lending, thorough and up-to-date risk assessment of the customer's solvency and credit rating	Monitoring of the EU taxonomy regulation developments
				No incidents of non-compliance concerning marketing communications
The most attractive workplace in the business				
Skilled personnel and good leadership	GRI 202: Market Presence	Occupational health and occupational wellbeing programme	Performance reviews for the entire personnel	Due to COVID-19 pandemic, remote working continued, hybrid model tested
Occupational well-being, equal opportunity and diversity	GRI 401: Employment	Employee policy, including the principles of equal opportunities	Diverse eLearning opportunities	Integration work of the Taaleri transaction
	GRI 402: Labour/ Management relations	Protecting employees with whistleblowing guidelines	AktiaWay Leader training	New HR function organised
	GRI 403: Occupational Health and Safety	Diversity policy	AktiaWellbeing programme and the AktiaWellbeing concept	Internal strategy launch and customer experience vision
	GRI 404: Training and Education	Equality plan	Monitoring of occupational health and safety matters, the health index as the indicator	By the end of the year, 95% of the personnel reported that they were familiar with Aktia's strategic goals
	GRI 405: Diversity and Equal Opportunity	Remuneration policy	For whistleblowing, see section Solvent and reliable above	Performance reviews held
				On average Aktia employees participated in employee training for approximately 10 hours
				AktiaWay Leader training sessions for all new supervisors
				The health index 62 per cent

Table continues

Themes/topics	GRI material topics	Policies and commitments	Follow-up and grievance mechanisms	Key actions and results 2021
Environmentally responsible actor				
Minimising the company's own environmental footprint	GRI 204: Procurement Practices	UN supported Sustainable Development Goals WWF Green Office programme	Emissions calculations for Scopes 1, 2 and 3 based on the GHG Protocol guidelines	CDP rating B, which is above the European and global average for the financial services sector
Responsible procurement	GRI 302: Energy	Principles of responsible investing	Monitoring of climate risks and possibilities and CDP reporting	Active use of teleconferencing and collaboration tools
	GRI 305: Emissions	The Group's climate policy	Sustainability risks in supply chain assessed in accordance with the Sustainability Accounting Standards Board (SASB) standards	Applying the Code of Conduct for suppliers
	GRI 307: Environmental Compliance	Investor initiatives which are described in closer detail under the heading Memberships and commitments	Green Office team implements and shares ecologically sound practices	
	GRI 414: Supplier Social Assessment	Supplier code of conduct, the Group's procurement policy, the Board of Directors' guidelines regarding the principles of outsourcing operations and guidelines regarding the procedures for outsourcing operations		

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Aktia