

UN
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finance
initiative

Principles for
Responsible Banking

Responsible Banking Progress Statement for PRB Signatories



Summary template

Aktia Bank Plc 2024

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
Content Briefly describe your bank's sustainability strategy, and which international, regional or national frameworks and UN Sustainable Development Goals it aims to align with. Note any changes in the reporting year. Aktia's sustainability program 2022-2025 and climate strategy outline the sustainability-related goals for our business units, own operations, and wider value chain impact. The sustainability work is guided by the sustainability program and Aktia's climate strategy, which both support the UN Sustainable Development Goals. Aktia has submitted a letter of commitment to the Science Based Targets initiative and is committed to adapt its emission reduction targets in line with those of the SBTi and the Paris Agreement. Responsible investment in Aktia and responsibility in general are based on key international conventions and standards, such as the UN Declaration of Human Rights and other UN conventions, the UN Sustainable Development Goals, ILO conventions and the OECD Guidelines for Multinational Enterprises.	Content Briefly describe the bank's most significant impact areas and the steps taken to identify, measure and manage them—including impact analysis results, targets set (including sectors, portfolio coverage, and KPIs), actions taken, and progress against the targets. Where targets have been set, share details of the bank's transition/action plan, and progress made. Explain how the bank addressed interlinkages between impact areas where possible. Example Progress Indicators ▪ % of bank's portfolio covered by the impact analysis and each set target ▪ Updated values of KPIs defined by bank to measure progress against targets From the reporting year 2024 Aktia reported in accordance with the European Sustainability Reporting Standards (ESRS) under the EU's Corporate Sustainability Reporting Directive (CSRD). In 2024, Aktia conducted a double materiality assessment (DMA) according to the Corporate Sustainability Reporting Directive (CSRD) to identify the material sustainability impacts, risks and opportunities. With the external analysis tool Aktia evaluates financial and impact materiality across multiple dimensions, including the company's product and service portfolio, geographical presence, and other factors that align with the company's ability to address key sustainability issues.	Content Briefly describe how the bank works responsibly with clients and customers in relation to significant impacts, including products and services offered, internal policies and processes and engagement to implement targets/action plans/transition plans to encourage sustainable practices/economic activities. Note any changes in the reporting year. Example Progress Indicators ▪ % of clients and/or customers engaged in key sectors in areas of significant impact. ▪ USD sustainable finance volume mobilized and/or as a percentage of the global or sector portfolio Sustainability guides Aktia's operations. Due to the nature of our business, ESG considerations are highly relevant to us and our stakeholders alike and are consistently applied in our investment and loan strategies. In line with the sustainability programme, our goal is to enable sustainable prosperity. We strive to be a trustworthy partner and systematically develop the ESG considerations of our own operations and the industry as a whole. We think further for a sustainable future and work towards carbon neutrality. Aktia has prepared the expansion of its offering of green loan products with products targeted at private and corporate customers. This is made possible by Aktia's green and sustainability-linked bond framework

Aktia's Sustainability (CSRD) report is also according to the relevant requirements of the Partnership for Carbon Accounting Financials (PCAF) and the GHG protocol.	Aktia's climate strategy guides our efforts to integrate climate aspects into our business operations and to contribute to the achievement of the goals of the Paris Agreement. We have set climate-related targets for our investments, lending and own operations. In lending, the goal is to reduce carbon emissions and exposure. The loan portfolio target by 2030 is -30% reduction in the carbon footprint of corporates and household loans. Aktia's loan portfolio is assessed considering the official sub-goals defined for each SDG. Demand for green funding and green loans is growing at an increasing pace, and we expect it to accelerate further in the future. We are focusing on product development within lending to widen our offering of green loan products and we have a target to increase the share of green loans. Creating sustainability criteria for lending has been an important part of our climate strategy.	created in 2023. In addition, it is possible for Aktia to offer green and sustainability-linked corporate bonds whose criteria may be linked to climate change mitigation. The criteria are determined on a case-by-case basis. Aktia offers its private customers a green mortgage. The green mortgage is intended for homes in buildings that meet the energy efficiency requirements. The requirements are based on the EU taxonomy's criteria for substantial contribution to climate change mitigation in the acquisition and ownership of buildings.
Links & references Aktia's Financial Review 2024 p. 36, 44	Links & references Aktia's Financial Review 2024 p. 29, 37, 44 Aktia's Annual Review 2024 p. 25	Links & references Aktia's Financial Review 2024 p. 37, 44

Principle 4: Stakeholders Content Briefly describe how the bank consults, engages and collaborates/partners with relevant stakeholders for the purpose of implementing the Principles. This could include understanding impacts, setting ambitious targets, advocating for enabling regulatory/policy environments, and creating partner- ships that contribute to addressing significant impacts. Note any changes in the reporting year. Co-operation with different stakeholder groups helps us assess and respond to the expectations placed on Aktia. Key stakeholders are customers, employees, shareholders, and financiers, as well as social operators such as authorities, partners, NGOs, and the media. Aktia has continuous open dialogue in several channels with our stakeholders to develop our operations. Our open and transparent collaboration tools are the company's website, social media, stock exchange and press releases, customer newsletters, and regular communication with selected stakeholder groups. We meet and listen to our stakeholders at seminars, webinars, 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 through collaboration with schools and universities, for example by awarding scholarships, participating in school events and supporting students with their thesis work. Further, we keep in touch with the regional Aktia foundations that fund several local community activities partly through dividends received from Aktia ownership.	Principle 5: Governance & Culture Content Briefly describe the key governance structures in place (Board and Executive level) and related accountability mechanisms to implement the Principles. This could include how governance supports your bank's management of significant impacts and risks, including target implementation and monitoring of action/transition plans. In addition, briefly describe how a culture of responsible banking is driven internally (e.g. via employee learning & development). Note any changes or progress in the reporting period. Example Progress Indicators ▪ Details of remuneration practices linked to sustainability targets. ▪ % of employees trained on responsible banking topics. The Board of Directors of Aktia Bank Plc oversees that the Aktia Group is managed efficiently and follows prudent business principles in accordance with the provisions of applicable laws, and the bank's Articles of Association. The Board of Directors approves the bank's business strategy, strategic objectives, risk strategy and systems for management and governance as well as monitors and oversees them. The Board of Directors approves new or updated sustainability-related policies as well as sustainability program and climate strategy updates. Depending on the issue, some matters are also approved by the Boards of Directors of relevant subsidiaries within the Group. The Board of Directors also appoints Aktia Bank Plc's CEO. The Board of Directors holds the highest governing power over sustainability issues. Sustainability issues are presented to the Board of Directors regularly and the most important decisions are made on the Board level. Thru regular reviews from Aktia's CEO, management and specialists on sustainability, the Board maintains an understanding of the impacts, risks and opportunities as defined in the DMA and their significance to Aktia's strategy. The audit committee secures the financial and sustainability reporting and an appropriate organisation for internal control and internal audit. The audit committee prepares matters to be decided upon by the	Principle 6: Transparency & Accountability Content Provide reference to additional relevant reports, if not listed as references with P1–P5. Briefly note whether/where assurance of sustainability information has been undertaken (optional). The sustainability report is assured according to limited assurance by an independent third party.
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	Board of Directors for the financial and sustainability reports and interim reports.	
Links & references Aktia's Financial Review 2024 p. 39	Links & references Aktia's Financial Review 2024 p. 32-33	Links & references Aktia's Financial Review 2024 p. 210-211



Supplements template

Principle I: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

Links & references

[Aktia's Financial Review 2024](#) p. 38

[Aktia's Annual Review 2024](#) p. 4, 14

Response

Aktia is a Finnish asset manager, bank and life insurer that has been creating wealth and wellbeing from one generation to the next for 200 years. Aktia's business model is based on offering private, corporate, organizational and institutional customers banking and financial services based on specialist advice via various channels. Aktia has three business areas: Banking, Asset Management and Life Insurance. The Group serves customers in digital channels everywhere and face-to-face in our offices in the Capital, Turku, Tampere, Vaasa, Oulu and Kuopio regions. Aktia is a Finnish company and operates and pays taxes in Finland.

Our vision is to be the leading wealth manager empowered by a strong banking heritage. Our mission is to democratise private banking services and build wealth for our customers and society. Our values are courageously, skillfully and together. We employ approximately 850 people around Finland.

Aktia provides private individuals, corporate customers, and institutions with customer- oriented banking and financing solutions, based on close consultancy, and through different channels. The individual needs of each customer are the starting point of everything we do. Aktia serves approximately 266 000 private customers and 24 700 corporate and institutional customers.

Strategy alignment

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the forthcoming instrument on plastic pollution etc.

Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

Links & references

[Aktia's Financial Review 2024](#) p. 34, 44, 52

[Aktia's Annual Review 2024](#) p. 7, 25, 31

[Aktia Responsible investment policy](#)

Response

Aktia updated its sustainability programme in 2022 and Aktia has analysed the SDG relation to the sustainability program focus areas and defined the SDGs 5, 8, 9, 12, 13 and 17 as the most important for Aktia. Aktia has cooperated with the domestic startup company The Upright Project since 2019. The Upright Project is modelling the impacts of companies with a quantification model that utilizes scientific articles and machine learning to measure and summarize how products, services, and companies impact the surrounding world. The Upright Project has analysed Aktia's positive and negative contribution to each of the 17 SDGs.

Aktia's climate strategy guides our efforts to include climate considerations in our business activities in a strong and consistent manner and steers us in doing our part to reach the goals of the Paris Agreement. Our climate objectives extend to 2050 and will guide activities across the Group. Aktia has committed to setting emissions reduction targets aligned with the Science Based Targets initiative (SBTi) by May 2026. Aktia will update its sustainability program during 2025 to support this commitment.

Aktia has an internal Code of Conduct document. We require that the suppliers respect human rights, employee rights, and work safety.

Responsible investment in Aktia and responsibility in general are based on key international conventions and standards, such as the UN Declaration of Human Rights and other UN conventions, the UN Sustainable Development Goals, ILO conventions and the OECD Guidelines for Multinational Enterprises.

Aktia has started identifying and assessing actual and potential impacts on biodiversity and ecosystems, dependencies on biodiversity and ecosystems and their services, and analysing ecosystem services that are disrupted or likely to be disrupted in the various stages of their own value chain.

Principle 2: Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target-setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), as part of its initial or ongoing impact analysis.

Links & references

[Aktia's Financial Review 2024](#) p. 29

[Aktia's Annual Review 2024](#) p. 23

Response

From the reporting year 2024 Aktia reported in accordance with the European Sustainability Reporting Standards (ESRS) under the EU's Corporate Sustainability Reporting Directive (CSRD). In 2024, Aktia conducted a double materiality assessment (DMA) according to the Corporate Sustainability Reporting Directive (CSRD) to identify the material sustainability impacts, risks and opportunities. Aktia completed its double materiality assessment ("DMA") with the assistance of an external consultant and their analysis tool and database. The analysis tool evaluates financial and impact materiality across multiple dimensions, including the company's product and service portfolio, geographical presence, and other factors that align with the company's ability to address key sustainability issues. To conduct the DMA, Aktia supplied the consultant the data of its loan portfolio (mortgages, corporate and consumer loans), its fund portfolio (excluding Treasury), certain ESG related KPI's as well as its turnover breakdown by business segment.

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector \(2024\)](#).

Links & references

[Aktia's Financial Review 2024](#) p. 37, 44

[Aktia's Annual Review 2024](#) p. 23

Response

Aktia's climate strategy guides our efforts to integrate climate aspects into our business operations and to contribute to the achievement of the goals of the Paris Agreement. We have set climate-related targets for our investments, lending and own operations. Through these targets, we want to promote the transition to a low carbon economy through our different businesses and our own operations. The climate strategy milestones for 2025 and 2030 were set in 2022, and they are part of Aktia's sustainability program's targets.

In lending, the goal is to reduce carbon emissions and exposure. The loan portfolio target by 2030 is -30% reduction in the carbon footprint of corporates and household loans. The point of reference is the year 2020, based on the completion of data, due to which the reference year is one year later than for wealth management and own investments.

Demand for green funding and green loans is growing at an increasing pace, and we expect it to accelerate further in the future. We are focusing on product development within lending to widen our offering of green loan products. Creating sustainability criteria for lending has been an important part of our climate strategy. Since the beginning of 2022, we have applied our own principles for responsible lending. The principles define the sectors that Aktia has identified as having the highest potential ESG-risks and exclusions are made accordingly. The sustainable loan framework was established and published in 2023. Sustainability is an integral part of our investment activities and our own principles for responsible investment are complied with in all the funds we manage. The principles for responsible investment are also followed in our discretionary asset management and our other investment services.

Principle 3: Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Client and Customer engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Links & references

[Aktia's Financial Review 2024](#) p. 37, 44

[Aktia's Annual Review 2024](#) p. 22-23, 26-27

Response

Sustainability guides Aktia's operations. Due to the nature of our business, ESG considerations are highly relevant to us and our stakeholders alike and are consistently applied in our investment and loan strategies. In line with the sustainability programmer, our goal is to enable sustainable prosperity. We strive to be a trustworthy partner and systematically develop the ESG considerations of our own operations and the industry as a whole. We think further for a sustainable future and work towards carbon neutrality.

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. We have seen increased interest in ESG matters especially among corporate customers and are actively engaged in ESG-related discussions. Aktia is also participating in various stakeholder groups.

Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

Links & references

[Aktia's Financial Review 2024](#) p. 44

Response

Aktia has prepared the expansion of its offering of green loan products with products targeted at private and corporate customers. This is made possible by Aktia's green and sustainability-linked bond framework created in 2023, and implementation is accelerated by, among other things, the Sustainability Guarantee granted to Aktia by the European Investment Fund and the seven year EUR 75 million loan agreement concluded in April 2024 with NIB (Nordic Investment Bank), which is partly earmarked for supporting environmental projects. In addition, it is possible for Aktia to offer

green and sustainability-linked corporate bonds whose criteria may be linked to climate change mitigation. The criteria are determined on a case-by-case basis.

Aktia launched a new green loan product, the Green Energy Loan. The product is intended for both private individuals and companies, such as housing companies, that want to implement measures to improve energy efficiency in housing. The green transition in general brings new business opportunities for Aktia.

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Links & references

[Aktia's Financial Review 2024](#) p. 39

Response

Co-operation with different stakeholder groups helps us assess and respond to the expectations placed on Aktia. Key stakeholders are customers, employees, shareholders, and financiers, as well as social operators such as authorities, partners, NGOs, and the media. Aktia has continuous open dialogue in several channels with our stakeholders to develop our operations. Our open and transparent collaboration tools are the company's website, social media, stock exchange and press releases, customer newsletters, and regular communication with selected stakeholder groups. We meet and listen to our stakeholders at seminars, webinars, 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 through collaboration with schools and universities, for example by awarding scholarships, participating in school events and supporting students with their thesis work. Further, we keep in touch with the regional Aktia foundations that fund several local community activities partly through dividends received from Aktia ownership.

Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Governance Structure for Implementation of the Principles

Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

Links & references

[Aktia's Financial Review 2024](#) p. 32-33

Response

The Board of Directors of Aktia Bank Plc oversees that the Aktia Group is managed efficiently and follows prudent business principles in accordance with the provisions of applicable laws, and the bank's Articles of Association. The Board of Directors approves the bank's business strategy, strategic objectives, risk strategy and systems for management and governance as well as monitors and oversees them. The Board of Directors approves new or updated sustainability-related policies as well as sustainability program and climate strategy updates. Depending on the issue, some matters are also approved by the Boards of Directors of relevant subsidiaries within the Group. The Board of Directors also appoints Aktia Bank Plc's CEO.

The Board of Directors holds the highest governing power over sustainability issues. Sustainability issues are presented to the Board of Directors regularly and the most important decisions are made on the Board level. Thru regular reviews from Aktia's CEO, management and specialists on sustainability, the Board maintains an understanding of the impacts, risks and opportunities as defined in the DMA and their significance to Aktia's strategy. Also, the auditors have held several discussions regarding new sustainability reporting requirements as well as external advisors have held informal seminars to the Board and the Executive Committee, most recently changes to the national Accounting Act, ESRS and their implementation. Apart from assignments given by the Board of Directors to its members in individual cases, Board members do not have individual duties related to the governance of the company. The Board has set up three separate committees to deal with matters concerning risk management, auditing and sustainability as well as remuneration and Corporate Governance. The rules of procedure adopted by the Board of Directors define, in greater detail, the general duties of the Board and its committees, meeting procedures, meeting minutes, ordinary meeting business, preparation and presentation of matters to be dealt with at Board meetings and procedures for operative management reports to the Board of Directors. On the Board level, the audit committee oversees ESG development, progress of the sustainability program and the impacts, risks and opportunities.

The audit committee secures the financial and sustainability reporting and an appropriate organisation for internal control and internal audit. The audit committee prepares matters to be decided upon by the Board of Directors for the financial and sustainability reports and interim reports. The committee prepares the principles for internal auditing and the Group's internal audit plan. The committee receives the reports issued by the external auditor, the Internal Audit function and assesses the sufficiency of the other internal reporting. The audit committee assesses the independence of the auditor or audit firm, and particularly the provision of ancillary services. The risk committee prepares matters of risk taking and risk management including sustainability related risks. In addition, the committee handles the key risk-related processes for capital and liquidity, internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment process (ILAAP) and prepares risk related matters for the Board of Directors to decide on. The committee prepares decisions on the annual plan and on procedures for the Risk Control and Compliance functions to be adopted by the Board, and receives the reports submitted by Risk Control and Compliance. The remuneration and corporate governance committee prepares and puts forward proposals to be decided upon by the Board of Directors concerning the Group's remuneration policy and report, and more in detail concerning the remuneration and incentive schemes of the Executive committee and assesses these. The committee prepares and manages also matters relating to the development of the Group's administration and governance systems.

The CEO is responsible for the day-to-day management of the Aktia Group. The CEO is to attend to his duties in accordance with the instructions issued by the Board of Directors. The CEO prepares matters for the consideration of the Board of Directors and implements the Board's decisions. The CEO is assisted in the day-to-day management by the Executive committee. The Executive committee discusses and monitors the outcome of the Aktia's strategy and its earnings performance as well as outcomes for significant projects and the achievement of defined targets. The Executive committee has no formal corporate law status. The Executive committee consists of the CEO, who acts as chairman, and the executives for segments and functions, as stipulated by the

Board. The members of the Executive committee report to the CEO. Relevant impacts, risks and opportunities and their management, control and monitoring are divided among the members of the Executive committee according to their responsible segments and functions.

The system of internal control is designed to ensure that the activities of the Aktia Group comply with the applicable regulatory requirements and the operational guidelines adopted by the Board. In Aktia, the methodology called “Three lines of defence” is applied to internal control and risk management. Internal control is thus implemented on all levels of the organisation. Ensuring the appropriate organisation and functioning of the internal control is part of the duties of the Board of Directors of Aktia Bank Plc. The first line of defence, i.e. business operations as well as its support functions, own all risks in their operations and are through that responsible for the internal control and risk management. In addition to processes for financial reporting, a functioning internal control in Aktia Group is secured by the Risk Control Function, the Compliance Function and in Aktia Life Insurance Ltd by the independent actuarial function as well as in Aktia Fund Management Company by independent risk management function in the second line of defence as well as by the Internal Audit in the third line of defence. All these functions operate independently of the operative business. Risk Control and Compliance functions and Internal Audit function report directly to the Group’s Board of Directors and the boards of the Group’s regulated subsidiaries. Additionally, the independent actuarial function reports to the Board of Aktia Life Insurance Ltd and the independent risk management function reports to the Board of Aktia Fund Management Company. The Board determines principles, instructions, risk strategies and risk appetite in the Group, and thus establishes a framework for risk management in the Group. The Board is in charge of ensuring that risk management is carried out in an appropriate, efficient and responsible manner and that Aktia has working methods which guarantee that Aktia Group’s business activities comply with the law.

Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Links & references

[Aktia's Financial Review 2024](#) p. 58-59, 71

Response

To support and guide the operational management and the employees, the most important rules and ethical principles are compiled in Aktia's Code of Conduct that must be observed when the operational management and employees carries out their duties. Aktia Group's Code of Conduct covers, for example, the managements and employees' role as Aktia's representatives, handling one's own and one's family members' affairs at Aktia, anticorruption, secondary occupations and positions of trust as well as keeping Aktia's business secrets. The Code of Conduct also includes rules on insider regulation, on prevention of money laundering and financing of terrorism as well as rules on compliance with financial sanctions. Customer relations are the most important element of Aktia's business and hence the Code of Conduct also includes the main rules concerning confidentiality and handling of possible customer complaints. Training on Aktia's Code of Conduct is mandatory for all employees and the operational management. The training is carried out annually on the internal digital training platform. Depending on their tasks, the employees are also obligated to complete additional internal training on the digital platform.

The Aktia Way studies, which are mandatory for all Aktia employees, and which are completed in an online learning environment, form the basis for ensuring and developing competence. The Aktia Way studies are based on the principles defined in Aktia's Code of Conduct, and the objective of the training is to ensure that employees know how to act in line with the Code of Conduct.

Risk and due diligence processes and policies

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

Links & references

[Aktia's Financial Review 2024](#) p. 42-43

Response

Aktia's lending is guided by the principles for responsible lending. Aktia's principles for responsible lending create a basis for ensuring that Aktia's lending acts as a driver of responsibility in society and that Aktia does not support activities in breach of the principles for responsible lending. These principles are followed in Aktia Bank's lending processes. The principles for responsible lending describe the sectors and activities that Aktia excludes from responsible lending or for which Aktia sets requirements in order for lending to take place.

Aktia has identified and assessed climate change-related impacts, risks and opportunities in its operations. Risks are assessed using different tools in the short, medium and long-term. As indicated in Aktia's emissions reporting, most of the greenhouse gas emissions arise through the investment and financing operations conducted by Aktia (scope 3). Aktia is in

the process of implementing a development plan for monitoring climate and environmental risks to better incorporate the relevant risks into all traditional risk categories (market risk, credit risk, liquidity risk, operational risks). The credit and liquidity risks related to reputation and changes in central bank policies are currently considered to be the most significant financially relevant climate and environmental risks. Aktia has set a moderate ESG risk appetite for credit and liquidity risks, without a numerical Key Risk Indicator (KRI). Climate risks related to procurement are assessed in accordance with Aktia's procurement guidelines and Aktia's green procurement guidelines. No climate scenarios have been used in financial reporting. Resilience analysis Aktia uses internal and external tools to assess financial effects that climate risks may have, considering the different climate scenarios as specified by the International Energy Agency (IEA). In addition to Aktia's own operations, the assessment also takes into consideration the downstream value chain. With regard to global warming, high-emission climate scenarios were also considered in quantitative terms in investment operations and through a qualitative assessment in lending, in addition to the 1.5-degree scenario. The risks and opportunities assessed in investment operations and lending are described separately in the table of material topics at the beginning of the section. The physical and transition risks for Aktia's different functions and processes are described separately below. Climate-related physical risks In Q4 2024, we introduced a new tool for Aktia's lending to assess the physical climate-related risks and hazards of financed apartments and properties, and collateral. The tool helps us identify, for example, if a site is located in a high flood risk area, but we do not conduct a separate sensitivity analysis on the likelihood, scope or duration of a climate-related hazard. For corporate clients, physical climate-related risks and hazards are assessed by the ESG team in qualitative terms. In lending, the asset life cycle varies according to an individual loan's maturity in short, medium or long term, and the overall impact of lending is assessed in strategic plans and capital allocation plans. In Aktia's investment operations, climate-related physical risks are assessed using an external tool, whose scenarios comprehensively cover the latest scientific and company specific data. In addition, climate-related risks of investments made from Aktia's own balance sheet are assessed using a tool developed by Aktia. The external tool helps assess the potential loss in value due to extreme weather events and natural disasters, which are modelled based on exposures to certain geographic areas and sectors. The physical climate risks from Aktia's own operations are assessed to be minor, and the impact of climate related risks or hazards on Aktia's sites or value chain are not assessed separately. Aktia's assets and business activities are not considered to be at significant physical climate risk or exposed to such. Climate-related transition risks. In Aktia's lending, transition risks from new customer relationships are assessed in qualitative terms if the customer's sector is included in the sectors identified by Aktia to have potentially elevated ESG risk. In such cases, the experts in Aktia's sustainability team will carry out an ESG risk assessment and write a statement to be appended to the loan documentation.

Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report

The sustainability report is assured according to limited assurance by an independent third party.

[Aktia's Financial Review 2024](#) p. 210-211