



ELITE
ALFRED BERG

EAB Group Plc

Corporate Responsibility Report

2020

EAB Group Plc's Corporate Responsibility Report 2020

- Responsibility and related reporting in EAB Group..... 3
- Responsible business 4
- Responsible investment operations 5
- Focusing on customer interests 6
- You can influence through investments..... 7
- Materiality assessment and report limitations..... 7
- Environmental responsibility 9
- Social responsibility 10
- Governance..... 12



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Responsibility and related reporting in EAB Group

Elite Alfred Berg is an expert in investments helping private individuals, professional investors and companies in Finland manage their assets comprehensively, systematically and responsibly. More than 10,000 customers rely on our services to manage assets worth more than

three billion euros. We collaborate in portfolio management with Alfred Berg Norway and Sweden. Our combined customer assets in the Nordic countries total 15 billion euros. As the leading provider of personnel funds in Finland, we serve 90,000 personnel fund members.

Our customers are served by more than 100 investment professionals in 13 locations around Finland. The Group's parent company, EAB Group Plc, is listed on the Nasdaq Helsinki stock exchange.

Prepared for 2020, this is EAB Group Plc's ("parent company" or "company") first corporate responsibility report. It describes the role of the EAB Group as a responsible actor in relation to its stakeholders and the surrounding society. Although the scope of EAB and its operations do not require any corporate responsibility reporting pursuant to the Accounting Act, the parent company's Board of Directors has decided to voluntarily report its responsibility actions to investors and other key stakeholders.

EAB Group Plc's corporate responsibility report 2020 has been approved by the Board, and it is published as part of the 2020 annual report. The report complies with global ESG Reporting Guide 2.0 – A Support Resource for Companies, published by Nasdaq Nordic in 2019, in all aspects that are relevant to the operations of the EAB Group.



Responsible business

Elite Alfred Berg’s responsibility work is based on the Group’s mission and values. Our mission is investing responsibly for a better future. By investing in companies and initiatives which combine doing good and making profit, we enable a better future for society, businesses, communities, individuals and the environment. Our slogan #hyvänjarahantasapaino (“balance of good and money”) also combines the concept of doing good while making profit.

The management practices used in EAB’s business cover most of the actions required to manage corporate responsibility. The key management practices are defined in the parent company’s administration principles. The investment service and fund company included in the Group has all the required licences granted by the Financial Supervisory Authority, and the Financial Supervisory Authority supervises compliance with the licences. Good securities trading and investment service practices ensure that all operations comply with the regulations, standards and the principles of fair business operations. The actions of all our employees reflect our values: responsible, collaborative, devoted and open-minded.



We act responsibly and openly, create opportunities for the growth of businesses and increase the wealth in Finland, while considering other stakeholders. We aim to operate on a strong financial basis and manage risks regardless of economic cycles. The resistance to economic cycles is supported by the Group’s flexible bonus schemes and risk management. Elite Alfred Berg complies with applicable legislation and guidelines, as well as recommendations by the marketplace and securities and markets authorities.

With our operations, we want to provide added value to our investors, our customers, our personnel, the environment and society. Responsible and effective investment operations play a key role here, but we also want to be an exemplary corporate citizen in all our other activities. In many of our responsibility actions, we follow the principle of proportionality: in our small, low hierarchy organisation, a high level of corporate responsibility does not require a commensurate increase in bureaucracy; instead, it requires consistent everyday actions based on the values.

In December 2020, Elite Alfred Berg nominated an Advisory Board consisting of external specialists to support the Group’s sustainability work. With its expertise the Advisory Board advises Elite Alfred Berg to further develop its responsible investment solutions and responsible business towards EAB Group’s vision “By becoming the forerunner in responsible investment, we grow into the most respected Nordic expert in asset management”. The Advisory Board consists of Lisa Beauvilain, Anne Larilahti, Benjamin Maury and Elina Moisio. In addition to the external members, Chair of the Board Therese Cedercreutz, CEO Daniel Pasternack and CIO Toni Iivonen from EAB participate in the Advisory Board work.

Responsible investment operations

As an investor of billions of euros, Elite Alfred Berg recognises its responsibility and opportunity to generate positive externalities. Our customers can rely on us managing their assets responsibly. Responsible investment operations do not refer to reduced profit or making any ethical choices on the customer's behalf. It means that as an investor, we expect our investments to comply with social norms and good practices. Responsibility can be concretely seen in the fact that we always take into account the OECD Guidelines for Multinational Enterprises, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact Principles.

Responsibility is one of our investment criteria, because we believe that companies which act responsibly will succeed in the long term. Furthermore, responsibility is an important part of the long-term management of investment risks. EAB Asset Management Ltd and EAB Fund Management Ltd have their own corporate governance policies that we follow in our investment operations. As an active owner, we also try to contribute to the achievement of responsibility in our portfolio companies as necessary.

Our first Group company committed itself to the UN Principles for Responsible Investment (PRI) in 2011, and now the PRI are followed in the entire Group where applicable. In its responsible portfolio management, Elite Alfred Berg utilises BNP Paribas's (BNPP) Environmental, Social and Governance (ESG) survey, which covers the monitoring of global corporate responsibility norms and the assessment of environmental violations.

We screen our direct equity and interest investments with the help of the blacklists of BNPP and Norges Bank Investment Management. Their criteria include both sector limitations and company-specific norm violations. The blacklists include hundreds of companies based on exclusion criteria such as corruption, human rights violations, severe environmental damage, a focus on coal power, controversial munitions, opencast mining and the manufacture of nuclear weapons. The criteria also include nuclear power in the case of countries that do not comply with international safety standards, as well as non-responsible production of palm oil and manufacture of tobacco products. In addition to these criteria, EAB never invests in the adult entertainment sector.

In the case of indirect investments, we require that the funds we accept in our portfolio comply with the PRI. We also use the ESG rating in the selection of target funds.

In the case of property investments, responsibility covers an ESG evaluation of the properties being acquired in terms of energy consumption, location, soil and building materials, among other aspects. Important issues at the construction or renovation stage include ensuring appropriate working conditions, preventing the underground economy and considering environmental aspects, as well as finding solutions that make sense from the perspective of the property's entire lifecycle. As a lessor in the maintenance of a property, we promote environmentally friendly, energy-efficient as well as health and safety solutions.

EAB Group has a cross-functional working group that coordinates responsible investments in portfolio management and the overall development of the company's responsibility. Responsibility has been integrated with portfolio management by making the portfolio managers responsible for compliance with the responsibility principles in the funds and the portfolios they manage. Risk management monitors compliance with the blacklists, and submits reports to the management on compliance with the guidelines and lists.

We annually submit a public report to the PRI organisation on our responsible investment operations. In 2020, we achieved the second highest rating of A in strategy and governance.



Focusing on customer interests

The principles of responsible investments guide all our investment operations. We believe this is how we can offer our customers better yield and an opportunity to make a positive impact on our shared future. The starting point of our services is getting to know the customer’s goals and needs to ensure that the products we offer them are suited for their risk profile and optimally supplement their assets when taking the big picture into account.

We are a genuinely active asset manager. This means that we manage investments above all based on our investment strategy instead of benchmark indices. In our investment operations, we utilise our own innovative funds, the funds available from our largest owner BNP Paribas and open architecture investment solutions. This enables our customers to utilise the full spectrum of the finance markets, from alternative types of property and direct investments in securities to cost-effective index products.

Our remuneration practices do not encourage unnecessary risk-taking by overemphasising equity investments, for example. The development of our investment products and services is based on our customers’ needs and best interests. We continuously monitor the feedback we receive from customers and the success of our investments. We aim to offer our customers the best service experience in the industry.



You can influence through investments

As part of responsible investment operations and product development, Elite Alfred Berg practises impact investing where positive externalities, such as emission reductions, are an additional target in addition to profit. Environmental aspects are also important from a financial perspective because energy savings in property investments often translate to direct financial benefits, for example. In addition, demand for impact investment products is growing strongly among both private and institutional investors.

Alternative fund Elite Intian Aurinko is a key part of our impact investment product range. It consists of investments in solar energy production in India. The fund's total value is some EUR 17 million, and the production plants that own it annually produce zero emission energy equivalent to the average carbon footprint of some 5,000 people in Finland.

We have invested half a million euros from our own balance sheet in Elite Intian Aurinko. According to our calculations, this compensates for the annual carbon footprint of all our employees. We have done this to prove that we are as good as our word. For private investors and depositors, we can offer BNPP's Climate Impact equity fund, for example. It has a good expected yield and offers an opportunity to actually influence global climate and environmental issues. The fund invests in companies that develop technologies involving renewable energy sources, processing and recycling of waste, boosting of agriculture, or reduction of energy or water consumption.

Impact investing is one of our product development focus areas. In 2021, we will expand our range of green alternative energy funds with a new fund, Elite Alfred Berg Renewable Energy Infrastructure, which will invest in sustainable energy production mainly in Europe. We expect it to become significantly larger than Elite Intian Aurinko, which was established in 2018.

Materiality assessment and report limitations

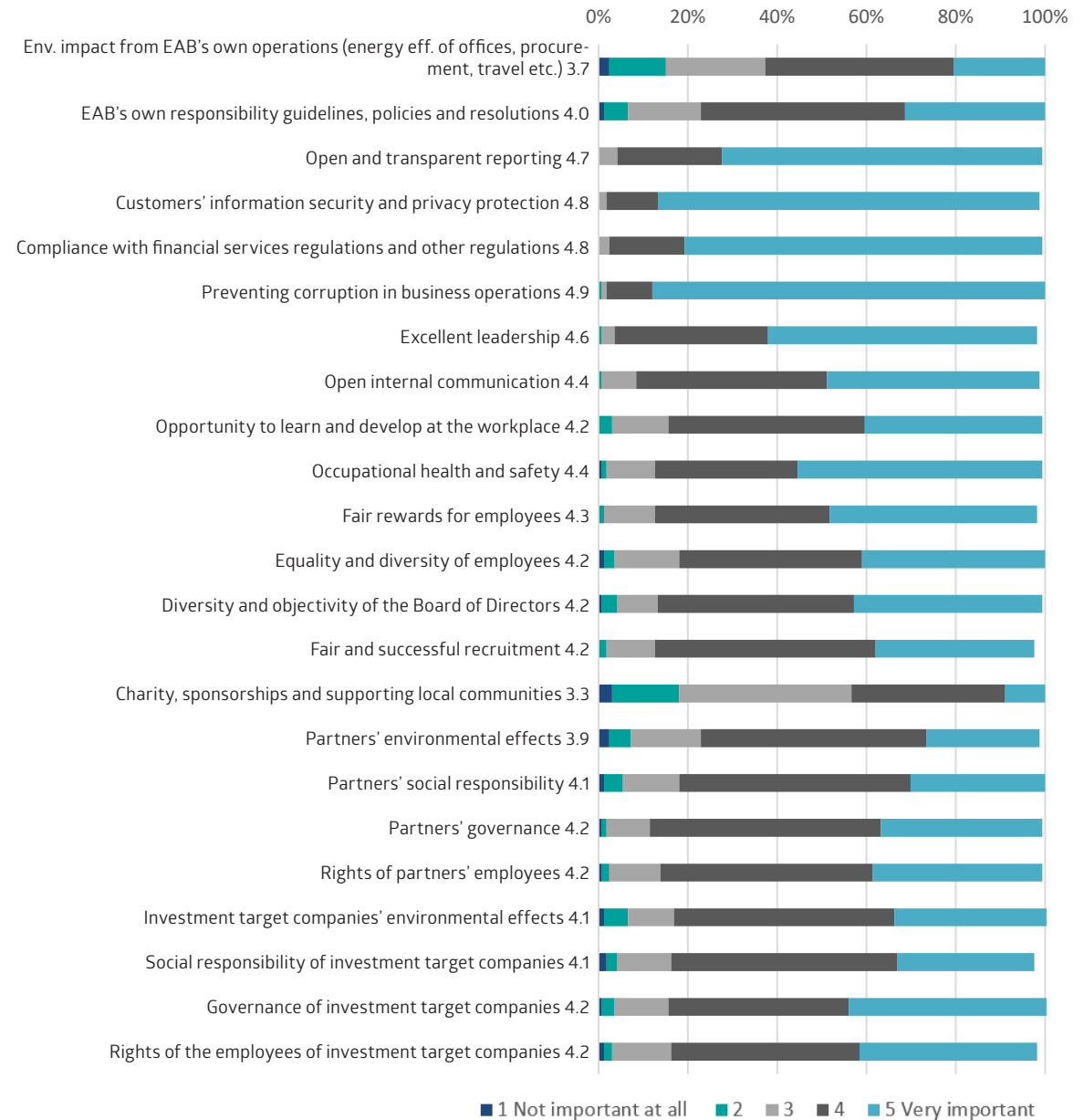
Financial, social and environmental responsibility aspects that are relevant to Elite Alfred Berg have been determined by assessing their impact on EAB's business and the Group's opportunity to influence its stakeholders and the environment through them. For the materiality assessment, EAB's senior management outlined – partly based on the Nasdaq ESG reporting framework – responsibility aspects that were prioritised with a stakeholder survey in the autumn of 2020. A total of 166 replies was received, most of them from private customers. Employees provided the second largest number of replies. The survey results are utilised in the determination of the material aspects to be included in this report and the development of EAB's corporate responsibility strategy.

According to the materiality assessment (see Fig. 1), the key responsibility aspects pertaining to EAB's own operations include customers' information security and privacy protection, the prevention of corruption in business operations, compliance with regulations, and open and transparent reporting. Almost all respondents considered these very important. Most respondents also considered all responsibility aspects related to human resource management important or very important.

Meanwhile, most respondents did not consider environmental effects from EAB's own operations, formal guidelines, policies and resolutions on responsibility, and the company's charity equally important. Only a few respondents considered these aspects very important. Due to this observation, this report does not cover the Nasdaq ESG indicator E6 (water usage), and for the time being, the company has not identified any need to prepare the environmental administration policies laid down in indicator E7. The report covers all the other indicators laid down in the Nasdaq Nordic ESG reporting guide at least at the key point level.

The replies to the materiality survey especially emphasised EAB's indirect liability for the responsibility of its partners and the companies in which it invests. No material differences between the ESG aspects (environmental responsibility, social responsibility and governance) were identified in terms of indirect responsibility; instead, all the aspects were considered important or very important. The results comprehensively emphasise the importance of responsible procurement and encourage EAB to consider the other responsibility aspects in addition to environmental effects in its product development and investment decisions.

Figure 1. Results of the materiality survey



Environmental responsibility

Elite Alfred Berg's own operations do not cause any significant direct environmental effects, and the main use of energy is related to its office premises. The Group's key environmental effects are generated indirectly through its investment operations. However, EAB is aware that it can promote positive environmental effects by reducing the amount of paper it uses, developing digital services, reducing air travel and energy consumption, and procuring low emission electricity, for example.

Other actions important for EAB are increasing environmental awareness of its customers and employees, and offering products and services that can reduce harmful environmental effects. By constantly developing its electronic service channels and making good use of the opportunities provided by technology, EAB can offer new services that cause smaller environmental loads.

Our goals are to ensure that our offices support the wellbeing of our employees and to keep the utilisation rate of the offices as high as possible. We aim to place our offices at central locations to ensure that they are easy to reach by customers and employees by public transport. In larger units, we have shower rooms for employees who come to work on foot or bicycle, and we also offer healthy snacks and beverages. We also reduce our carbon footprint by increasing the use of digital conferencing to minimise travel and by using digital solutions to reduce the amount of paper used.

EAB has modern offices with technological solutions to promote energy efficiency. Heat, water and air conditioning (district cooling) are included in the rent of the offices, and some of the consumption data is not available from the lessor. EAB sorts and recycles the office waste generated in its offices. Special attention is paid to reducing the volume of waste and proper sorting of waste.

Supplier responsibility, including environmental responsibility, is taken into account in procurement. The EAB Group does not have a separate environment or climate change policy, but the theme is strongly present in the investment decision processes pertaining to all our asset classes, and particularly in the product development of our clean energy fund portfolio. In this connection, the Board and senior management assess climate change risks and opportunities based on expert information.

Environmental responsibility indicators

	2020	2019
Carbon dioxide emissions from electricity consumption, CO ₂ , tons	11.20	15.02
Carbon dioxide emissions from electricity consumption per person	0.13	0.15
Carbon dioxide emissions from electricity consumption per net turnover, g/EUR	0.66	0.83
Electricity consumption per person, kWh	902.46	1,086.90
Electricity consumption, kWh	79,416.73	106,516.20
Share of renewable energy, %	35	35
Share of nuclear power, %	33	33
Share of fossil fuels, %	32	32
Carbon dioxide emissions from air travel, kg (estimate)	10,762.60	37,201.50
Total paper consumption, kg	676	878
Paper consumption per person, kg	7.68	8.95

Social responsibility

Elite Alfred Berg as an employer

Elite Alfred Berg's vision is to become a forerunner in responsible investment and grow into the most respected Nordic asset management expert. To achieve this goal, we need successful strategic decisions and excellent products and services, as well as dedicated employees who are proud of their work, cherish the company values and corporate culture, and respect the shared operating methods. We monitor the opinions of our employees and constantly strive to improve our results. The results of a personnel survey carried out in November 2020 indicate that EAB's employee experience is at a good level but varies between teams. According to the survey results, the employees highly value leadership and investments in wellbeing at work. On the other hand, the opportunity to influence the development of one's own work and communication between teams clearly need to be improved. We will launch shared and team-specific development projects on these themes starting in early 2021. The plan is to carry out the next personnel survey to monitor the development of dedication in one to two years.

We support the wellbeing of our employees by offering them health care services exceeding the mandatory level and a variety of sports benefits. Our employees have the right to use one paid working hour per week to exercise with a colleague. We also arrange weekly fitness groups, body care and jogging together. During the COVID-19 pandemic, we have realised all of these on Teams. In 2019, the Group established a wellbeing at work team, including a wellbeing coach who prepares individual programmes for our employees to support their wellbeing according to their wishes. Support is available for proper ergonomics, diet, physical exercise and mental wellbeing, for example. Investments in management and leadership could already been seen in the results of the personnel survey. Good management is the best way to improve wellbeing at work, which is why Elite Alfred Berg finds it important to increase the level of leadership. The employees have used many of the support measures, especially in 2020 when they were working from home due to the pandemic.

We encourage all our employees to participate in the development of the company and its operating methods through teamwork, by providing feedback on the intranet and by replying to surveys. We offer our employees competitive rewards and benefits to ensure that their

motivation and commitment, as well as EAB's employer image, remain at a level that promotes the company's business. It is important to prepare for increased competition for competent personnel by maintaining a positive employer image. Satisfied and committed employees are a prerequisite for good results – and the best PR a company can get.

Since 2017, the Group has had a personnel fund in which the employees' performance bonuses go in full or in part, and through which the employees can benefit from the company's success. EAB Group Plc arranged a private share issue to the employees in 2018. Through the issue, a significant number of the employees are also shareholders in the parent company. All employees, particularly those working in customer service, regularly attend internal training. Through continuous training, we aim to promote communication between the teams, increase general know-how regarding investment services and related regulation, among other themes, as well as ensure the continuity of competence and an increasing level of expertise within the organisation. As an employer, Elite Alfred Berg invests in ensuring that the employees have good opportunities to increase their own level of competence to become experts in their field and grow as persons and leaders based on their individual resources and motivation.



CEO's salary and equal salary level of genders (S1, S2)

Social responsibility indicators (S1, S2, S3, S4, S5, S7)

	2020	2019
Ratio of CEO's salary and median earnings during the year, % (S1)	4.6	4.1
Ratio of the salary of female and male employees during the year, % (S2)	Supervisors 1.4 Other/supporting employees and experts 1.0	Supervisors 2.0 Other/supporting employees 1.2
Employee turnover during the year, % (S3)	14.0	26.0
Total number of employees at the end of the year	88	87
Number of employees by gender at the end of the year (S4)		
Female	33	35
Male	55	52
Number of employees as full-time resources at the end of the year, persons (S5)	91	90
Employment with contract valid until further notice at the end of the year, persons	79	79
Fixed-term employment contract at the end of the year, persons	9	8
Share of fixed-term employees at the end of the year, %	10.23	9.20
Full-time total at the end of the year, persons	83	81
Part-time total at the end of the year, persons	5	6
Registered accidents at work during the year, pcs (S7)	2	0
Sick leaves during the year, days per person	5.3	2.6

Equality (S6)

Equality, fairness, non-discrimination and equitable treatment are important principles for Elite Alfred Berg. EAB has prepared an equality plan, including actions to promote equality and equitable treatment, and agreements on how to monitor these actions. The plan is regularly reviewed and updated, and it covers all the Group companies.

Occupational health and safety action plan (S8)

To promote occupational health and safety and maintain the employees' working capacity, EAB has prepared an action plan that covers working condition development needs and the impact of factors influencing the working environment and related development needs. The plan is available to the employees of EAB on the intranet. Furthermore, a healthcare professional specialising in employee wellbeing works at EAB to support the employees in the maintenance and development of their mental and physical wellbeing.

Operating principles on human rights violations and child labour (S9 and S10)

EAB has not prepared any separate operating principles on human rights violations and child labour. All jobs at EAB are expert positions, in which the risk of human rights violations has been deemed low. Risks of human rights violations in the supply chain are assessed on a case-by-case basis if necessary.

Governance

The governance of EAB Group Plc is based on the company's articles of association, the Limited Liability Companies Act, the Securities Markets Act, the market abuse regulation, guidelines issued by the European Banking Authority (EBA), guidelines and orders issued by the Financial Supervisory Authority and the currently valid rules of Nasdaq Helsinki. EAB Group Plc is the parent company of the EAB Group. As a mixed financial holding company and the holding company of an investment service company, the company is obligated to comply with national and European regulations concerning the financial sector.

The company operates in accordance with the Corporate Governance Code of the Securities Market Association (SMA). The Corporate Governance Code is available on the SMA website at www.cgfinland.fi.

EAB Group Plc separately prepares the annual corporate governance statement required by the Corporate Governance Code, but it is also included in the company's annual report. The corporate governance statement and other information required by the Corporate Governance Code are available on the Group's website at www.eabgroup.fi/sijoittajat/hallinnointi. The company's annual report, including the financial statements, the Board of Directors' report and the auditor's report, is available at www.eabgroup.fi/sijoittajat/talousraportit-ja-esitykset.

	2020 (after the annual general meeting)	2019
Board members total	8 (100 %)	7
Female (G1)	2 (25 %)	1
Male	6 (75 %)	6/7
Number of Board committees and share of female chairpersons	2/2 (100 %)	2/2
Board members independent of the company (G2)	5/8	5/7
Board members independent of major shareholders	4/8	5/7
Independent members	4/8	4/7

Diversity of the Board (G1)

The company has established principles concerning the diversity of its Board of Directors, published at www.eabgroup.fi/sijoittajat/hallinnointi/monimuotoisuus. The purpose of the principles is to ensure that the members of its management constitute as diverse a group as possible. The quality and scope of the company's business operations (principle of proportionality) have been taken into account when preparing the principles. The Board annually reviews the effectiveness and relevance of the principles and operating methods.

In terms of the effectiveness of the Board's work, it is important that the Board has a sufficiently large number of members, as well as members of different ages with broad and varied experience and expertise. Diversity of the Board also includes having both male and female members. The company seeks to take this proactively into account when making changes to the composition of the Board.

The Board members' broad-based expertise and experience support the achievement of the company's strategic goals. In addition to sector-specific expertise, this includes the following:

- Business management
- Development and management of strategies
- Knowledge of the capital markets .

During the 2020 financial period, the Board of EAB Group Plc complied with the company's diversity requirements, including the target of having representatives of both genders on the Board. During the 2020 financial period, as of the annual general meeting on 22 September 2020, the composition of EAB Group Plc's Board was as follows: Therese Cedercreutz (chair), Helge Arnesen, Julianna Borsos, Pasi Kohmo, Janne Nieminen, Topi Piela, Vincent Trouillard-Perrot and Juha Tynkkynen. The Board has two committees: an audit committee and a remuneration committee. Therese Cedercreutz, Chair of the Board, also chaired both committees.

Objectivity of the Board (G2)

According to principles of the Group's governance, the CEO cannot be the chairperson of the company's Board. The Board's rules of procedure, minutes and other documents pertaining to the Board's operations are not made publicly available. Reports on the Board's operations are given in the annual governance report where applicable.

Remuneration (G3)

EAB Group's parent company EAB Group Plc and the Group companies EAB Fund Management Ltd and EAB Asset Management Ltd follow remuneration principles approved by the Boards of the companies, which guide the remuneration for management and employees. The remuneration principles apply to all EAB Group employees.

Furthermore, EAB Group Plc has a remuneration policy for governing bodies, approved by the annual general meeting. Fees and other financial benefits paid to the members of the Board of Directors and the CEO of the Group in 2020 are presented in the remuneration report. The remuneration policy, the remuneration report and information on the remuneration of the Management Group are available on the Group's website at www.eabgroup.fi/sijoittajat/hallinnointi/palkitseminen.

Where applicable, in their remuneration policies, the companies follow the regulations on remuneration in the Finnish Act on Investment Services, Act on Credit Institutions, Act on Common Funds and Act on Alternative Investment Fund Managers, relevant statutes issued by the Ministry of Finance, the EU Regulation on prudential requirements for credit institutions and investment firms (575/2013), the EU Remuneration Regulation (604/2014), the European Securities and Markets Authority (ESMA) remuneration guidelines, valid interpretations and regulations on remuneration by the Financial Supervisory Authority and the Securities Market Association Corporate Governance Code.

Employees' remuneration is based on total remuneration, which consists of a fixed element, a variable element and other employee benefits. The goal with remuneration is to support the achievement of the Group's strategic goals, as well as long-term growth and financial success, and to commit the employees to acting in accordance with the Group's goals. The remuneration systems have been created to function side by side with and contribute to effective risk management.

The EAB Group uses four remuneration systems. As a rule, all employees are covered by a performance-based remuneration system.

General performance bonus system

Since 1 January 2017, the EAB Group has used a general performance bonus system that applies to personnel not included in the scope of the personal performance bonus system. Bonuses are based on an evaluation of the Group's overall performance, and an evaluation of the performance of the employee's profit centre and the employee's personal performance. The maximum performance bonus is 5% of the Group's result before taxes within six months of the end of the company's accounting period.

Personal performance bonus system

Since 1 January 2017, the EAB Group has used a general performance bonus system that applies to personnel not included in the scope of the personal performance bonus system. Bonuses are based on an evaluation of the Group's overall performance, and an evaluation of the performance of the employee's profit centre and the employee's personal performance. The maximum performance bonus is 5% of the Group's result before taxes within six months of the end of the company's accounting period.

Share-based incentive system

In 2020, the EAB Group introduced a share-based incentive system for the Group's key employees. During the earnings period 2020–2022, the system covers approximately ten key employees, including members of the company's management group. The share-based incentive system consists of three two-year earnings periods, from 1 August 2020 to 31 July 2022, from 1 August 2021 to 31 July 2023 and from 1 August 2022 to 31 July 2024. The Board determines the system's earnings criteria and the goals for each criterion at the beginning of each earnings period.

The potential bonuses from this system during the 2020–2022 earnings period are based on the total return on EAB Group Plc's shares. Any bonuses from the 2020–2022 period will be paid after the end of the earnings period over approximately three years in four instalments. The bonuses will be paid partly as shares of the company and partly in cash.

The key employees must retain ownership of the net shares paid to them based on the incentive system until their total shareholding in the company corresponds to their annual gross salary. They must retain this shareholding as long as they are employed by the Group company.

Remuneration based on performance-based fees

Portfolio managers managing EAB Fund Management Ltd's alternative funds can receive performance-based fees either directly or through the team structure. The Board of Directors confirms the proportional share of the performance-based fee to be paid to the portfolio managers.

Applied collective agreements (G4)

EAB uses the collective agreement for salaried employees by Service Sector Employers Palta. The collective agreement is applied to 75% of the employees.

Ethical guidelines and anti-corruption (G5 and G6)

EAB does not condone corruption or any other illegal activity. The company's employees are committed to following principles approved by the Board which aim to guarantee ethical and lawful operations.

The company has policies on the giving and receiving of gifts and representation. An employee of the company or member of the company's management must not accept or give any gifts or benefits that are or could be inconsistent with the best interests of the company or its customers, or otherwise provide any undue advantage to the person receiving or giving the gift, or to any third party. The operating principles are based on the Group's commitment to honest, responsible and transparent operations in all aspects of its business. The Group aims to create and maintain a corporate culture in which bribery is not allowed in any form.

EAB's employees are obligated to comply with the trading guidelines when trading with financial instruments. The guidelines aim to ensure sufficient actions to prevent and manage conflicts of interest, as well as to prevent misuse of inside information or confidential information pertaining to customers and their business. The guidelines are based on legislation on the securities market, investment funds and investment services, regulations by the authorities, the insider guidelines of Nasdaq Helsinki Ltd and the guidelines of Finance Finland.

EAB has comprehensive internal guidelines and operating methods to prevent money laundering and countering the financing of terrorism, as well as to ensure that its customers are known. The principles describe how the operations must be organised, specify responsibility areas and offer detailed instructions on how employees must identify customers, familiarise themselves with the customers and implement continuous monitoring. A money laundering

expert regularly provides training on anti-money laundering and countering the financing of terrorism. Attendance is mandatory.

The company's Compliance function regularly arranges mandatory training on the company's internal guidelines and monitors compliance with the instructions. The company uses a whistleblowing channel for reporting internal malpractice.

The company assesses the ethics of its subcontractors as part of the vendor management process. The plan is to introduce a Supplier Code of Conduct by the end of 2021. Signing the UN Principles of Responsible Investment is a requirement for all funds mediated through the investment operations.

Data protection practices (G7)

In its operations and when processing personal data, Elite Alfred Berg pays special attention to data protection and the privacy protection of its customers. EAB processes the personal data of customers in compliance with the General Data Protection Regulation, legislation on investment services, auxiliary services, and insurance mediation and special legislation, and ensures that privacy protection and confidentiality obligations are followed when processing personal data. Customers' personal data is used to manage customer relations, to realise the assignments given by the customers, to offer and market products and services, in risk management and to develop business operations, for example. For more information on how the personal data of customers and other stakeholders is processed by EAB, please see the Group's website at www.eabgroup.fi/henkilotietojen-kaytto-elite-alfred-bergilla.

EAB has an internal information security and data protection policy that all Group employees, tied agents and data system users are obligated to follow. EAB's data protection practices are described on the Group's website at www.eabgroup.fi/henkilotietojen-kaytto-elite-alfred-bergilla.

Responsibility reporting and ESG reporting practices (G8 and G9)

Where applicable, EAB's corporate responsibility data is presented in this report in compliance with the Nasdaq Nordic ESG 2.0 Reporting Guide. EAB also submits an annual investment operations compliance report to the PRI, the body responsible for the UN Principles for Responsible Investment. EAB did not include any special responsibility data in its financial reports for the 2020 accounting period or report responsibility data in compliance with any frameworks not mentioned here.

Third party verification of the report (G10)

This report has not been verified by a third party. The audit firm KPMG Oy Ab has audited EAB Group Plc's financial statements for the accounting period 1 January to 31 December 2020. EAB Group Plc's Board of Directors and CEO bear the responsibility for the other information in the annual report. This report is part of the company's annual report, and it is considered other information in the auditor's report. Although the auditors do not audit other information, they have assessed in their report whether the other information is materially inconsistent with the financial statements or the knowledge obtained by the auditors, or whether it seems erroneous in any other material respect.



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