



United Bankers

SUSTAINABILITY REPORT 2022





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Sustainability at United Bankers

At United Bankers, sustainability is broadly defined as economic, social, and environmental responsibility. As a company, United Bankers wants to take responsibility and support sustainable development of society and the environment. Continuous improvement of sustainability in cooperation with stakeholders is a priority for United Bankers. By acting responsibly, the company contributes to client satisfaction and to the well-being and job satisfaction

of its employees. United Bankers believes that by acting sustainably, it can also improve the profitability and competitiveness of its business and increase its positive impact on society and the environment. Sustainability is a key part of the company's value creation process as well as United Bankers' growth strategy. United Bankers wants to be worthy of the trust of all its stakeholders.

UNITED BANKERS' SUSTAINABILITY HIGHLIGHTS 2022

Responsibility at the center of operations

- United Bankers defined its sustainability focus areas
- A public version of the company's Code of Conduct was developed alongside the previous internal code of conduct
- Sustainability organisation reformed - Stronger Sustainability Steering Group and ESG team
- Integration of sustainability risks into Group processes
- The company participated in the Reputation&Trust survey with the aim of building a positive and responsible image of the company

Meaningful work and inspiring opportunities

- Finland's Most Inspiring Workplaces 2022 (Suomen Innostavimmat Työpaikat) award to United Bankers
- Diversity targets set for Group

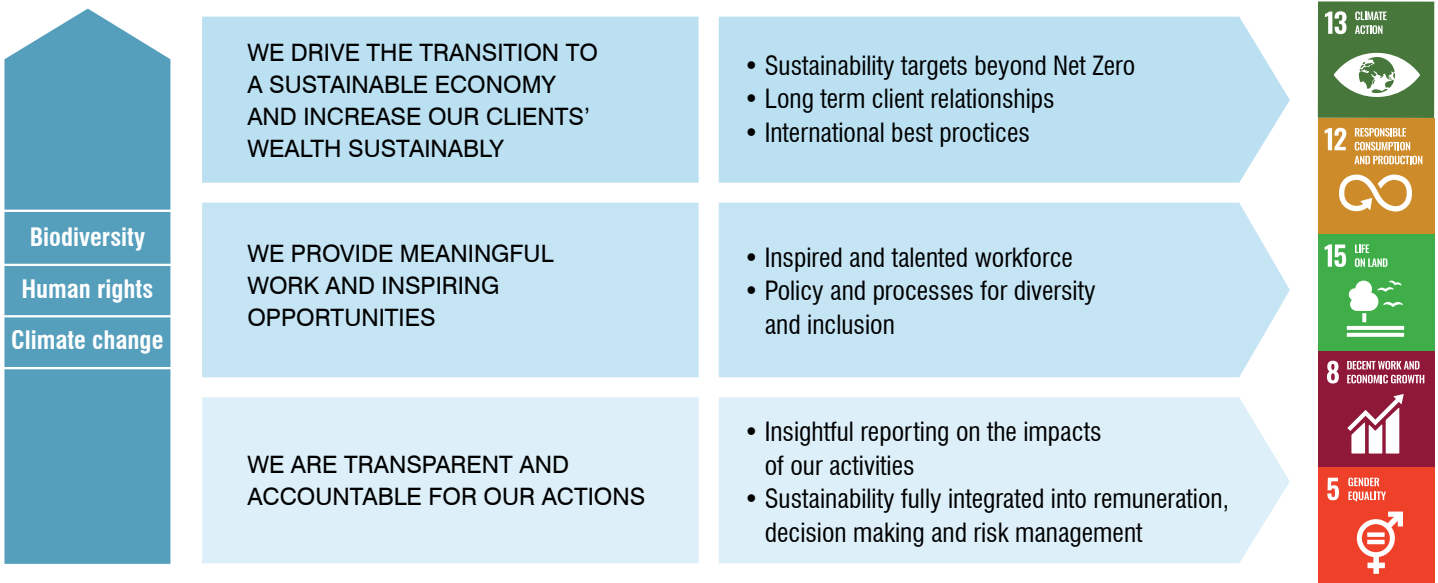
Towards a sustainable society

- Launch of marketing and fundraising for a new green transition fund
- Sustainability classification of products
- Carbon footprint calculation for United Bankers - the basis for the Group's climate work
- Promoting responsible investment through active ownership
- Integrating climate and human rights risks into investment activities

Transparency and reliability as cornerstones of administration and communication

- The Group's sustainability reporting was developed with reference to GRI standards
- New ESG reports for United Bankers funds and the UB 360 asset management model
- Calculation of the Group's carbon footprint
- Launch of energy consumption monitoring
- Integrating client sustainability preferences into the assessment of products and services suitable for clients

FIGURE 1:
SUSTAINABILITY FOCUS AREAS



Sustainability focus areas

United Bankers wants to take responsibility for society and the environment and contribute to the achievement of the Sustainable Development Goals. In practice, sustainability is reflected in client and stakeholder relations, responsible investment and product range, employee well-being and sound corporate governance. In addition, climate change, human rights and biodiversity are relevant cross-cutting sustainability themes. Based on the materiality analysis conducted in 2022, United Bankers' sustainability priorities have been grouped as follows:

- Sustainable products and good stakeholder and client relations: **driving the transition to a sustainable economy and increasing our clients' wealth sustainably**
- Meaningful and inspiring work: **offering meaningful work and inspiring opportunities**
- Reliable and transparent governance: **transparent and accountable for our actions**

Reporting principles

The sustainability report covers all United Bankers Group companies. The sustainability report is published once a year with the Annual Report. This report covers the period of 1 January – 31 December 2022. The sustainability information has not been verified. The report uses the Global Reporting Initiative (GRI) Sustainability Reporting Standards as a reporting framework (with reference to -level). The GRI index can be found on page 53.

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Responsibility at the center of operations

Measures and achievements 2022

- United Bankers defined its sustainability focus areas
- A public version of the company's Code of Conduct was developed alongside the previous internal Code of Conduct
- Sustainability organisation reformed - Stronger Sustainability Steering Group and ESG team
- Integration of sustainability risks into Group processes
- The company participated in the Luottamus&Maine (Trust & Loyalty) survey with the aim of building a positive and responsible image of the company

Sustainability principles and policies

Our clients and their needs are at the heart of our work at United Bankers. United Bankers operates in a responsible manner, economically, environmentally, and socially, and promotes sustainability in its operations and investments. The company is guided by not only its values, but also international commitments, best practices, and financial regulation. The key [principles and commitments](#) that guide United Bankers' sustainability are set out in the Code of Conduct and Responsible Investment Principles.

The commitments contained in these principles are integrated into the company's governance system, policies and strategies and their implementation is regularly monitored. As the majority of these commitments are central to United Bankers' investments and products, their implementation is described in more detail in the [Responsible Investing section](#).

United Bankers' Code of Conduct

In 2022, United Bankers published its Code of Conduct, which it already had in place internally. The Code of Conduct guides all employees to act in accordance with shared values, guidelines and policies. The aim of these is to strengthen mutual trust and open communication within the organisation. At the same time, they aim to advance the external stakeholders' positive image of the company. All stakeholders play an important role in the development of the company's activities. As a result, United Bankers seeks to advance continuous and open interaction with all stakeholders.

The United Bankers' Code of Conduct sets out the company's values, business principles, guidelines and practices that help ensure responsible conduct and open interaction with stakeholders. As a listed company, United Bankers complies with the Finnish Corporate Governance Code for listed companies, the rules of Nasdaq Helsinki and the applicable securities market legislation and the official regulations issued under it, which serve as a basis for open and transparent governance and communication. The Code of Conduct, in turn, sets out the company's other guidelines and practices that support, among other things, the promotion of equality and non-discrimination, help build the company's reputation and create a secure and confidential framework for managing client and other stakeholder relationships.

International commitments

Since 2012, United Bankers has been committed to the [UN Principles for Responsible Investment \(UN PRI\)](#). United Bankers continuously develops its activities in line with these principles and reports annually to the PRI in a [public report](#).

In 2022, United Bankers committed to respecting human rights in its operations in accordance with the [UN Guiding Principles on](#)

[Business and Human Rights \(UNGPR\)](#). United Bankers will exercise due diligence and avoid violating human rights in its operations and business relationships. This commitment covers the principles of fundamental rights as defined in the [UN Declaration of Human Rights](#) and the [International Labour Organisation \(ILO\) declaration](#). The integration of human rights considerations into sustainable investing and the Group's activities as a whole began in 2022 and will continue in the coming years. These commitments are included in the United Bankers Principles for Responsible Investment, which were approved by the United Bankers Board of Directors in May 2022.

United Bankers' human rights commitments are integrated into the company's sustainable investing processes, including due diligence and monitoring processes. In 2022, training on the updated processes was provided to the entire portfolio management team. For more details on the sustainable investing processes, please see the section "[Aiming for an investments portfolio with good governance and respect for human rights](#)". In addition, in 2022, United Bankers started to integrate the identification of human rights risks as part of its so-called counterparty screening of its business partners. The company's compliance function ensures that counterparty screening is carried out in accordance with the updated guidelines.

As of 2021, United Bankers is committed to assessing the climate risks of its operations according to the international [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#) guidelines. The climate risk assessment is integrated into the company's responsible investment processes, such as investment due diligence and monitoring, as well as its risk management guidelines and processes. For more information on responsible investment processes, see the section [Responsible Investing](#). For more information on risk management, see the section [Managing sustainability risks](#).

Integrating sustainability principles into practice

During 2022, United Bankers' Responsible Investment Principles were updated to better reflect the ever-evolving sustainability expectations and new industry regulations. The updated Principles were approved by the United Bankers Board of Directors in May

2022 and included, among others, an assessment of sustainability risks and principal adverse impacts, as well as human rights commitments. The sustainable investment policies were also refined. The Responsible Investment Principles bring together the key principles, commitments and practices that guide investment activities. Central to this is a commitment to due diligence in the selection and monitoring of investments and the selection of partners.

United Bankers is seeking to make the company's values, ethical principles and responsible investment principles a part of every employee's daily life by expanding on individual themes in the personnel magazine and by discussing their practical aspects at biannual personnel events. In addition to being part of the orientation of all new employees, regular training sessions are organised for all employees on the content of the principles and any potential updates. In 2022, training was provided to all United Bankers employees on the content of the Code of Conduct and the Responsible Investment Principles. In addition to these general trainings, in-depth training on the application of the Responsible Investment Principles in portfolio management was provided to portfolio managers. The Principles are communicated to other stakeholders as described in [Table 3](#). In addition, the Principles are publicly available on the United Bankers [website](#).

Promoting sustainability together with interest groups

In addition to its own activities, United Bankers' policy is to promote the sustainability of the financial sector as well as responsible investment through a range of advocacy organisations and initiatives. United Bankers has been a member of the Finnish Association for Responsible Investment (Finsif ry) since 2018. Finsif's mission is to promote sustainable investing in Finland. In 2022, United Bankers expanded its sustainability network. United Bankers became a member of Finance Finland, the financial industry lobby group. The company is a member of Finance Finland's Sustainability Committee, which, among other things, comments on national and international EU regulation in the preparatory phase and promotes key sustainability issues in the financial sector. In 2022, United Bankers also became a member of the Finnish Venture Capital Association and participates in the association's activities as a deputy member of the Sustainability Committee.

UN Sustainable Development Goals

United Bankers strives to contribute to the achievement of the UN Sustainable Development Goals. Among the SDGs, the most important for United Bankers are:

- **Goal 5: Gender equality**
- **Goal 8: Decent work and economic growth**
- **Goal 12: Responsible consumption and production**
- **Goal 13: Climate action**
- **Goal 15: Life on land**

These goals have been identified as key priorities based on United Bankers’ activities and the focus areas of its core fund portfolio. United Bankers seeks to especially contribute to the achievement of these goals both through its own activities and through the investment products it offers. Private companies and investors play a key role in achieving the SDGs. United Bankers therefore seeks to take the SDGs into account through, for example, the design of its product range and new products.

The Sustainable Development Goals (SDGs) aim to put global development on a path that safeguards human well-being and human rights, economic prosperity and social stability in an environmentally sustainable way. The SDGs are universal, although actions to promote them may vary from country to country and sector to sector. All the SDGs are closely interlinked: no one goal can be pursued at the expense of another.

Defining focus areas

For United Bankers, sustainability means broad economic, social and environmental responsibility, both in the company’s own operations and in its investment activities, products and services. In

2022, for the first time, United Bankers defined its sustainability focus areas through a materiality analysis. The aim is to ensure that sustainability reporting and future sustainability focus areas and targets meet stakeholder expectations and focus on topics that are material to the company. At the same time, the conditions were created for setting sustainability targets for each focus area and for better linking remuneration and compensation to key sustainability topics.

The materiality analysis was based on workshops held with United Bankers’ Executive Committee and Board, financial industry benchmarking, and comments and perspectives received from key stakeholders (incl. industry research and institutional client interviews and feedback). United Bankers’ ESG team and Sustainability Steering Group reviewed the results thematically to assess the relevance of environmental and social impacts in areas identified as important by stakeholders.

During 2022, the relevant sustainability issues were grouped into clear themes. The materiality analysis and prioritisation of the topics took into account the importance of the issues for stakeholders and for United Bankers’ business, as well as the company’s ability to develop the areas and thus the sustainability of its business. United Bankers’ stable earnings performance, the sustainability of its investing activities and products, together with long-standing customer and partner relationships and a thriving team, are issues that United Bankers has identified as particularly important in ensuring its competitiveness and creating long-term value for its stakeholders. The foundations of sustainability include customer privacy and data security, prevention of corruption and money laundering, sustainability risk management and transparent and sound corporate governance, all of which financial regulation has defined a clear framework for.

TABLE 1: GROUPING OF SUSTAINABILITY FOCUS AREAS BASED ON MATERIALITY ANALYSIS		
FOCUS AREAS	<ul style="list-style-type: none">• Stable earnings performance• Responsible investing and sustainable products• Long-term and trusting relationships with clients and partners• Open communication with stakeholders• A thriving team	The main areas of sustainability work that UB has identified as important to ensure its future competitiveness and to create value for its stakeholders in the long term.
IMPORTANT TOPICS	<ul style="list-style-type: none">• Top-level expertise• Direct environmental impact• Fairness, equality, equity and diversity• Employer image and brand	Issues relevant to UB and its stakeholders that enable more sustainable business . These are partly determined by law. However, UB itself determines the extent to which it develops these areas of sustainability in order to be a sustainable business and to meet the expectations of its stakeholders now and in the future.
FOUNDATION	<ul style="list-style-type: none">• Customer privacy and data security• Taxes and tax footprint• Prevention of corruption, bribery and money laundering• Sustainability risk management- Reliable and transparent governance (corporate governance code)	The areas that lay the foundations for wealth management and are directly linked to stakeholders’ trust in UB and its business. These are always managed in accordance with applicable legislation and regulatory requirements .



Why are companies important? When the UN Sustainable Development Goals and Agenda 2030 were being prepared, it became abundantly clear that the objectives could not be achieved through official development cooperation alone. According to some estimates, the cost of achieving the SDGs is USD 4,000 billion. A major percentage of this money should come from the private sector - i.e., from companies and business operations. Yet it is obvious that companies are unable to solve all the problems related to sustainable development. Attaining the Sustainable Development Goals calls for cooperation between numerous sectors, and responsible businesses have an important role to play in this.

Managing and leading sustainability

During 2022, United Bankers reformed its sustainability organisation and strengthened its ESG team. Sustainability is a central part of United Bankers’ operations and is integrated into many of the Group’s activities. In addition to the United Bankers Board of Directors, subsidiary boards and executive management, a Sustainability Steering Group and an ESG team have been in place in the United Bankers Group from 2022 onwards to organise and implement sustainability and responsible investing.

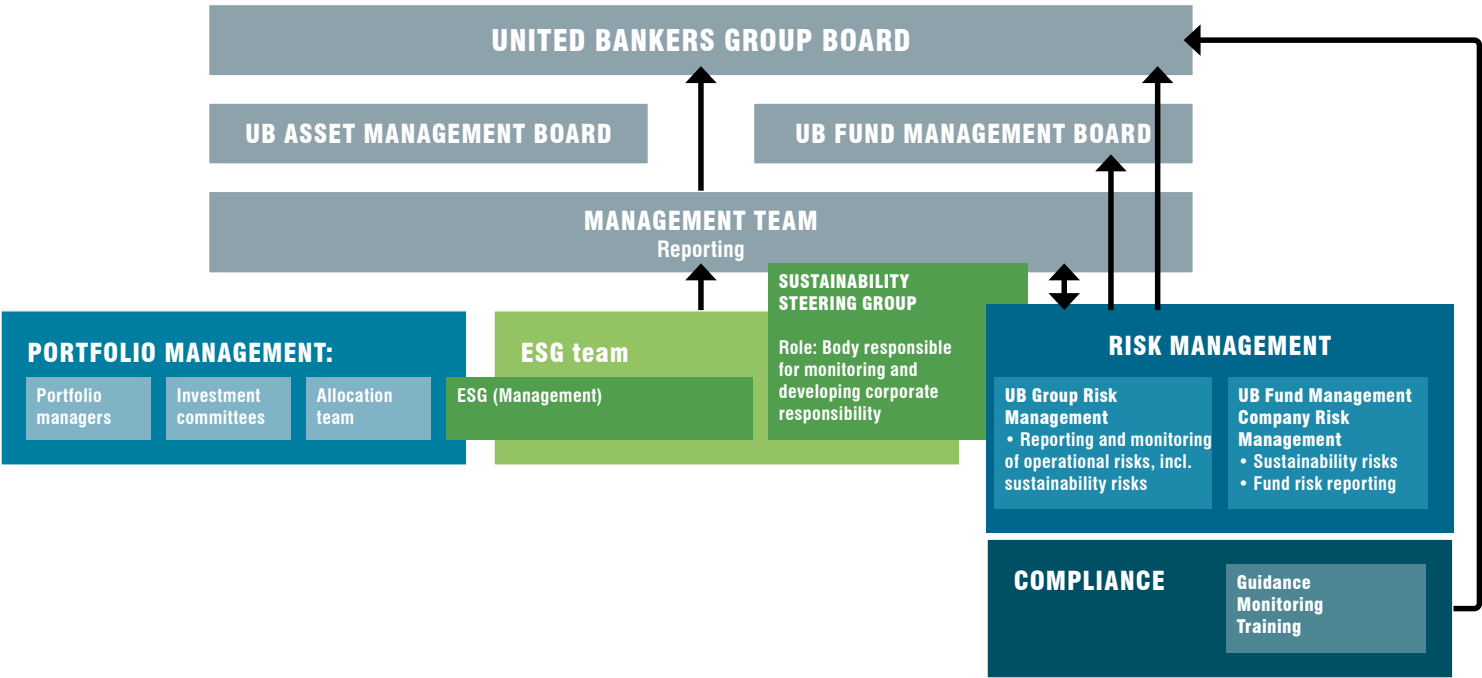
The Board of Directors of the parent company is responsible for the management and proper organisation of the United Bankers Group. The Board of Directors decides on the organisation and methods of sustainability work within the Group and monitors sustainability activities, their results and the associated risks. The Board of Directors of United Bankers establishes the Group’s Corporate Sustainability Policy and Responsible Investment Principles, which ensure that activities comply with laws, regulations, guidelines and good international practices. The role and responsibilities of the Board of Directors are described in more detail in the [Annual Report](#), in Corporate Governance Statement section.

The parent company’s executive management (management team) and the CEOs of each Group company manage the day-to-day administration of the Group companies in accordance with the principles and guidelines set by the Board of Directors of the parent company. A person responsible for sustainability has been appointed to the Management Team, and the Head of ESG reports to this individual. In practice, the executive management ensures that the principles and regulations governing sustainability are integrated into the company’s policies and processes. The executive management reports to the Board of Directors on sustainability issues in accordance with the Board’s annual calendar.

The Sustainability Steering Group monitors the sustainability risks of United Bankers’ operations, identifies ways to manage them, provides guidance on managing sustainability risks in investments and improves the sustainability performance of its operations. The risk management function integrates sustainability risks into the Group’s risk management.

United Bankers focuses especially on identifying and managing the following sustainability risks in its investments:

**FIGURE 2:
MANAGING AND LEADING SUSTAINABILITY**



To steer sustainability and responsible investment, United Bankers Group has a Sustainability Steering Group, chaired by the Head of ESG. The Steering Group reports to executive management. The Steering Group is responsible for developing and monitoring the sustainability of the business. It is also responsible for providing guidance on the application of the Responsible Investment Principles and for preparing an update of the Principles for approval by the Board of Directors.

The ESG team acts as an expert team on sustainability issues, supporting portfolio management, business operations, and risk management on sustainability issues as well as develops the sustainability of operations. The ESG team reports to the Head of ESG.

Managing sustainability risks

The sustainability risks of United Bankers’ activities include both the sustainability risks related to investments and the sustainability risks of the Group’s other activities. A significant part of United Bankers’ sustainability risks relates to investments and their impacts and performance. During 2022, United Bankers updated the sustainability risk management principles for its investment products, updated the risk management policies for its investment products and clarified the sustainability risk management principles. In addition, the identification of human rights risks related to business relationships was integrated into the company’s operations.



Especially human rights risks and climate risks are considered not only from an investment perspective but also from the perspective of the United Bankers Group, and are therefore separated into their own entities. This is because United Bankers is committed to operating in accordance with the principles of the UN Global Compact (UNGC) and reporting its climate risks in accordance with the TCFD.

CLIMATE RISKS AND OPPORTUNITIES IN ACCORDANCE WITH THE TCFD FRAMEWORK

In recent years, the Task Force on Climate-Related Financial Disclosures (TCFD) has established itself as the world's leading standard for climate-related financial reporting. According to the TCFD, the direct and indirect business impacts of climate change are considered through four main elements: governance, strategy, risk management and metrics. Consistent and transparent climate reporting leads to better risk management, more informed investment decisions and more integration of climate issues into strategic management. In 2021, United Bankers committed to reporting on climate change risks and opportunities in line with the TCFD recommendations. United Bankers' first TCFD report will be published as part of the 2022 sustainability reporting.

GOVERNANCE

The risks and opportunities presented by climate change have a significant impact on United Bankers' investment activities and sustainability work. The United Bankers Board of Directors and Executive Committee have made climate change and the green transition a priority across the Group for both strategic and humane reasons. At the Board level, climate issues are regularly addressed as part of the Group's broader sustainability work. The Board of Directors also approves the United Bankers Responsible Investment Principles, which guide investment activities by defining responsible investment policies and practices. The Head of ESG of United Bankers is part of the extended executive team that meets several times a year.

In addition to the Board of Directors and the Executive Committee, climate issues are discussed monthly in the Sustainability Steering Group, coordinated by the Head of ESG. The Steering Group includes people from the Executive Committee as well as from the legal, risk management, communication, and portfolio management functions. The Steering Group oversees the implementation of United Bankers' responsible investment principles in the Group's

investment activities and determines how climate risks and opportunities are considered in investment decisions. Practical climate work is developed within the United Bankers ESG team to meet the needs of the Group as a whole. Climate-related development projects are drafted by the ESG team and taken through the Steering Group to the Executive Committee and the Board of Directors for discussion, thus deepening the dialogue between management, owners, and climate experts. Efforts are also being made to integrate climate objectives into United Bankers' business through, among other things, United Bankers' products, climate targets and remuneration.

STRATEGY

Working to mitigate climate change is one of the focus areas of United Bankers' business. At United Bankers, the most significant climate risks and opportunities relate to investment activities, as the direct environmental impact of the Group's own operations is limited. In 2021, the majority (99.7%) of the Group's total carbon footprint was made up of the carbon footprint of the investments in the products offered by the group (Scope 3, Category 15). This highlights the importance of climate work in asset management. United Bankers' process to identify climate-related risks and opportunities in the short, medium, and long term was launched in late 2022, with the aim of identifying the most significant climate drivers in each asset class to ensure regular monitoring.

Climate risks and opportunities affect United Bankers' business, strategy, and budgeting in many ways. A climate roadmap to guide United Bankers' overall climate work will be developed during 2023. In 2022, a Group-wide carbon footprint calculation was carried out to acts as a basis for the climate roadmap. As part of the preparation of the climate roadmap, the strategic objectives and indicators for climate impact management will be refined for different time perspectives.

Climate work at United Bankers focuses on the continuous development of investment products and their strategies to consider climate-related risks and opportunities. Climate metrics are reviewed throughout the investment period, from the investment decision to the sale of the investment. These metrics include the carbon intensity of the investment and the carbon risk of the investment as defined by the TCFD, which describes the investment's transition risk. In addition, [United Bankers' Principles for Responsible Investment](#) define climate-based exclusion criteria for activities such as coal production, its use in energy generation, and oil sands extraction. Active lobbying and voting on climate-related issues at shareholder meetings are also an important part of daily portfolio management. Climate opportunities are an important part of United Bankers' product development and investment strategy formulation.

A climate scenario analysis for United Bankers' investment products will be carried out in the timeframe and scope defined in the Group's climate roadmap. Climate scenario analysis and calculation methods are constantly evolving, and monitoring these developments is an integral part of the work of the United Bankers Sustainability Steering Group and the ESG team.

RISK MANAGEMENT

According to the TCFD, climate risks are divided into two main categories according to their nature. Physical risks describe natural disasters and extreme weather events resulting from the progression of climate change, and are typically classified into acute (e.g. forest fires and floods) and chronic (e.g. sea level rise due to melting glaciers) risks based on time horizons. Transition risks describe the new market-based risks created by actions people and societies take towards a low-carbon lifestyle in terms of legislation, technology, markets, and reputational damage. Climate risks are often regional, i.e. different regions are exposed to different risks.

Climate risk management is an integral part of United Bankers' sustainability risk management. In addition to United Bankers portfolio managers, the Sustainability Steering Group provides guidance and decides on certain sustainability risk management measures, including the interpretation of the United Bankers exclusion list, as appropriate. Information and analysis concerning risks as well

as the recommendations and decisions of the Steering Group are also shared with the Group Risk Management function. In addition, United Bankers seeks to contribute to the advancement of sustainable investing and the minimisation of sustainability risks through initiatives such as co-ownership initiatives, participation in general meetings, and direct corporate influence. The range of instruments varies depending on the investment and the role of United Bankers.

Climate risks are identified and assessed as part of United Bankers' daily portfolio and risk management. Responsibilities are divided so that the risk analysis of individual investments is primarily the responsibility of portfolio management, while the management of the aggregate climate risk of United Bankers' products is the responsibility of the responsible investment team and the Sustainability Steering Group. The Risk management function integrates climate risks into the risk management of the Group as a whole. The Board of Directors is responsible for the direction of the company's climate strategy. The risk analysis utilises company-level data from several independent ESG data sources, including Morningstar, Sustainalytics and Bloomberg. In addition, United Bankers actively monitors the setting and achievement of climate targets through CDP and other similar databases.

For fixed income and equity funds, at the heart of the climate risk analysis are carbon intensity and carbon risk indicators, which allow portfolio managers and the ESG team to quickly understand the relative greenhouse gas emissions of a company and its exposure to transition risk. If the indicators indicate a high level of climate risk, the next step in the analysis is to examine the current status of and progress towards the company's science-based climate targets. The analysis will also include, where appropriate, a comparison of the climate risk of the investee within a relevant reference group, as climate risks depend on the company's industry and geographical location. The analysis of physical climate risks will be introduced as part of the analysis of fixed income and equity funds as soon as possible.

[Carbon risk is a measure of transition risk](#) developed by Sustainalytics. The carbon risk indicator shows the level of risk to the value of an investment caused by the transition to a low-carbon economy. The indicator also shows how vulnerable an asset is to changes

originating from the fossil fuel phase-out and the green transition. Low carbon risk indicates good readiness, and high carbon risk indicates poor readiness concerning the reduction of fossil fuel use from a business point of view.

The climate risk analysis of real estate funds focuses on physical climate risks, unlike that of bond and equity funds. As United Bankers’ real estate funds invest in all Nordic countries except Iceland, the average climate risks are significantly lower than in Central Europe and the Americas, for example. In terms of regional risks, flood risk affects some properties in coastal areas. According to estimates, one property of all properties is considered to be at medium-level risk of flooding. In terms of climate risk, properties are categorised as low, medium, or high risk. United Bankers works to keep the climate risk of its property portfolios low. In the future, efforts will be made to further refine the assessment of physical risks. The [GRESB international real estate sustainability assessment](#), which includes several climate risk indicators, will also be used to assess real estate investments

In forest funds, the management of physical climate risks is strongly linked to the management of the financial risks of the fund, as the forest holdings in which forest funds invest are directly exposed to both acute and chronic physical risks. United Bankers aims to develop climate risk indicators suitable for forest funds.

METRICS AND TARGETS

United Bankers’ objective is to keep the climate risks of the entire Group at a level that does not result in significant negative impacts. Methodologies and metrics for assessing climate risk vary by asset class and require further development. United Bankers aims to proactively identify the climate risks that are relevant to its operations and to identify opportunities related to the green transition.

United Bankers’ greenhouse gas emissions are reported in Chapter [Carbon footprint of United Bankers’ products](#).

United Bankers aims to reduce the negative impacts of its investments, increase the positive impacts of its investments on society, the environment and good governance, and actively promote sus-

tainable practices. The carbon footprint of the Group and its products was calculated for the first time in 2022, and will be published on a regular basis in the future. The calculation includes United Bankers’ funds as well as full mandate portfolios where United Bankers makes investment decisions on behalf of the client. For information on United Bankers’ carbon footprint, please refer to Chapter [Carbon footprint of United Bankers’ products](#).

Comprehensive information on greenhouse gas emissions is essential for planning and targeting climate action. The calculation will be used to develop the climate roadmap for United Bankers and to set more precise climate targets in 2023. As part of the development of the Climate Roadmap, the indicators used to monitor climate work will also be refined.

CLIMATE CHANGE-RELATED OPPORTUNITIES

United Bankers wants to take responsibility for mitigating climate change and also offer its clients climate-friendly solutions. United Bankers aims to make the most of the opportunities related to climate change in the development of the Group’s business. The design of new products particularly takes climate considerations into account. Today, United Bankers’ alternative funds and real estate funds in particular offer the opportunity to invest in building a sustainable society and advancing sustainable growth and innovation. Through United Bankers’ funds, it is possible to invest in areas such as real estate, forests that mitigate climate change, or green innovations in the forest sector. The aim is that United Bankers’ products will continue to offer customers even more opportunities to grow their wealth with the help of the green transition.

As an example of the evolution of its product range, in 2022 United Bankers launched the new UB Forest Industry Green Growth Fund I, which focuses on innovations in the forest sector. This fund will offer investors the opportunity to benefit from innovations and value creation driving the green transition in the forest sector. For more information on United Bankers’ products, see Chapter [Sustainable products and services](#).

TABLE 2:
CLIMATE RISK INDICATORS OF DAILY VALUED EQUITY AND FIXED INCOME FUND

Fund	Carbon Intensity ¹ (tCO2e/USDm)	Morningstar Fund Category Average ²	Carbon Risk ³	Morningstar Fund Category Average ²	Fossil Fuel Involvement ⁴	Morningstar Fund Category Average ²	Percent of AUM Covered ⁵
UB Asia REIT Plus	176.3	136.0	11.4	9.2	0.0%	0.0%	77.3%
UB American Equity	-	137.0	-	7.8	-	5.1%	-
UB Emerging Markets Infra	775.3	851.6	7.2	11.5	16.3%	46.1%	91.1%
UB Europe AI	101.8	118.1	8.4	7.3	3.7%	8.3%	96.8%
UB European REIT	41.7	66.0	7.2	6.6	0.0%	0.4%	89.0%
UB Global REIT	113.9	117.7	9.2	9.8	0.0%	0.5%	92.4%
UB High Yield	-	156.2	-	10.0	0.6%	6.0%	37.6%
UB Infra	437.0	851.6	8.1	11.5	41.2%	46.1%	96.7%
UB Fixed Income Plus	185.0	145.8	9.3	9.7	5.2%	6.3%	78.4%
UB Short-Term Bond	-	90.1	-	9.4	2.3%	3.8%	35.2%
UB Global	322.9	186.6	-	8.4	9.2%	6.4%	66.2%
UB Timberland Global	-	721.3	-	21.3	0.0%	36.0%	45.6%
UB North America REIT	100.0	100.5	11.0	10.1	0.0%	0.0%	93.6%
UB Smart	-	147.2	-	7.8	3.6%	5.4%	47.4%
UB Finland	150.8	107.5	7.8	8.0	9.4%	8.1%	70.5%
UB Thales Argo	15.6	84.1	2.8	5.2	0.0%	3.0%	88.2%

¹ Carbon intensity describes the ratio of a company’s greenhouse gas emissions (Scope 1 and Scope 2) to its revenues. Carbon intensity can be divided into the following categories: very low (0–15), low (15–70), medium (70–250), high (250–525), and very high (≥525). As there is no upper limit to the metric, very large greenhouse gas emissions can lead to a very high carbon intensity. The fund’s carbon intensity is calculated as a weighted average of the carbon intensities of the fund’s investments.

² Morningstar fund category is a peer group compiled of similar funds based on the instrument distribution, industry, and geographic weighting of the fund’s investments. The peer group for each fund is stated in quarterly fund ESG reports available at [www.unitedbankers.com](#).

³ Carbon risk, a metric developed by Sustainalytics, illustrates the transition risk caused by climate change. According to the TCFD (Task Force on Climate-Related Financial Disclosures), transition risk refers to market-based risks related to legislation, technology, markets, and reputational harm driven by societal actions aiming for a low-carbon economy. Sustainalytics classifies carbon risk on a five-point numerical scale: negligible (0), low (0–10), medium (10–30), high (30–50), and severe (≥50).

⁴ Fossil fuel involvement describes the extent to which the fund’s investments are exposed to thermal coal mining and electricity production, oil and gas production and energy production, and oil and gas products and services.

⁵ Percent of AUM covered illustrates the extent to which carbon emissions data is available for the fund’s investments in the Morningstar Direct database. All carbon data available in the Morningstar Direct database is produced by Sustainalytics, an ESG analytics company. If the aggregated carbon data coverage of the fund is less than 67%, Morningstar Direct does not calculate the fund’s total carbon figures.

Stakeholder engagement

United Bankers' key stakeholders are customers, employees, shareholders, investors, public authorities, organisations and professional bodies, investees, partners and the media. Key stakeholders are defined as those whose views influence United Bankers' activities or who have a particular interest in the company and those who are particularly affected by United Bankers' activities.

An open and active dialogue with stakeholders provides a basis for understanding their views and needs and helps United Bankers to identify which areas of its operations should be prioritised and developed. It is also important to communicate with stakeholders concerning the company's objectives, policies, values, and changes in the business environment to build mutual understanding and trust.

During 2022, United Bankers sought to understand its stakeholders' views of the company by, for example, [participating in Scandinavian Financial Research's surveys on institutional clients](#)' views on asset managers and by participating in the [Reputation&Trust survey](#), which looks at a company's reputation and perceptions among investors more broadly. Personnel satisfaction and well-being are regularly surveyed, and a comprehensive annual personnel survey is carried out with an external partner. In addition, United Bankers maintains an ongoing meaningful dialogue with its stakeholders (see [Table 3](#)).

Feedback from stakeholders is important to United Bankers, both for the development and monitoring of its activities. In particular, United Bankers' relationship managers, portfolio managers and ESG team actively interact with stakeholders and actively seek to answer questions on sustainability and provide advice on issues such as responsible investing. Feedback on sustainability from stakeholders is channelled to the ESG team or the Sustainability Steering Group in order to improve performance based on the feedback.

Whistleblowing channel

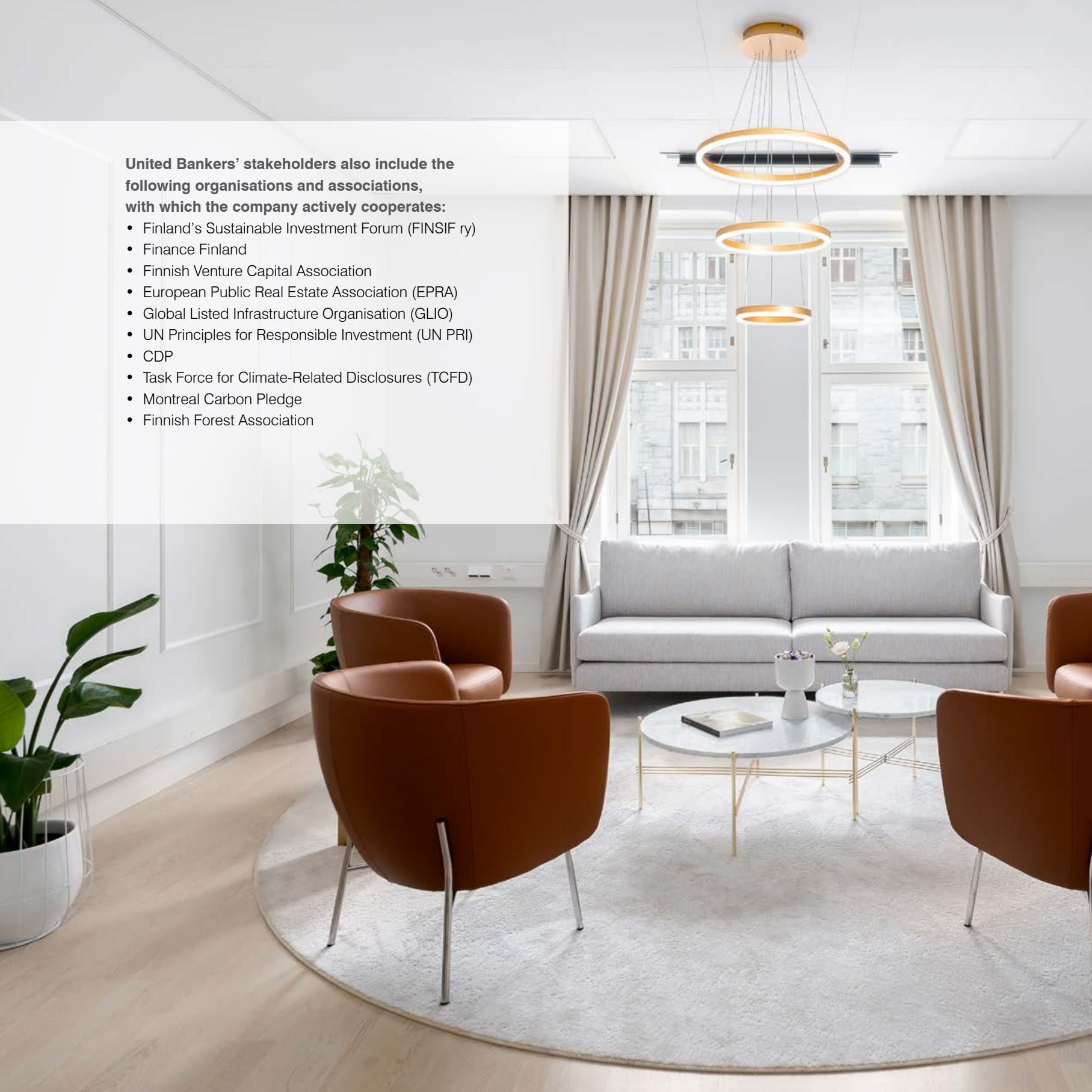
Feedback is important for United Bankers in terms of developing both operations and monitoring. In accordance with financial regulation, investment firms within the United Bankers Group have an appropriate whistleblowing channel in place, allowing Group employees to report suspected breaches of financial market rules and regulations through an internally independent channel. The aim of using the whistleblowing channel is to strengthen compliance with good governance and legislation, to help reveal misconduct and to increase the organisation's transparency. The Whistleblowing Channel is primarily intended for reporting suspected breaches of financial market rules and regulations, but at United Bankers it can also be used more widely to report misconduct and other malpractice or accountability concerns.

In the United Bankers Group, you can submit a complaint via an electronic form completely anonymously. The volume of whistleblowing reports filed through the whistleblowing channel is reported annually to the Board of Directors. In 2022, no complaints were made through the whistleblowing channel.

United Bankers strives to maintain meaningful stakeholder dialogue in all areas of the company's operations as described in the table on the following page.

TABLE 3:
STAKEHOLDERS AND STAKEHOLDER DIALOGUE

Stakeholder group and expectations	Channels	Activities in 2022
Clients <ul style="list-style-type: none">Competitive and sustainable products and servicesUseful additional services and advisoryTrustworthiness and data protectionAppropriate and useful service channelsResponsible behaviour	<ul style="list-style-type: none">Customer feedbackWebsite and social media channelsCustomer meetings, events and webinarsEmails, newsletters and calls	<ul style="list-style-type: none">Information on funds and asset management strategies was provided in accordance with the disclosure regulationInternal processes were developed to improve efficiency and customer serviceParticipation in the SFR survey
Employees <ul style="list-style-type: none">Fair treatment and open communicationJob stability and competitive salaryOpportunities for professional developmentHealth and well-being at work	<ul style="list-style-type: none">Intranet and HR systemOccupational health careDevelopment discussions and training sessionsPersonnel survey and other internal surveysStaff meetings	<ul style="list-style-type: none">Employees' skills were developedIncreased training for and interaction with supervisorsStaff surveys were used to develop activitiesImprovement of the recruitment process
Shareholders and investors <ul style="list-style-type: none">Creating long-term valuePerformance developmentFavourable share price performance and good dividend yieldSolvencyResponsible behaviour	<ul style="list-style-type: none">Financial statements, biannual reports, annual reportCorporate Governance StatementRemuneration policy and reportStock exchange and press releasesAnnual General Meeting, investor, and portfolio manager meetingsWebsite	<ul style="list-style-type: none">The aim of the operational development was to achieve long-term stable performanceThe company participated in several investor eventsConsidered economic, social, and environmental responsibility in operationsContinued implementation of the growth strategyConducted a study on the company's reputation (Reputation&Trust)
Authorities <ul style="list-style-type: none">Compliance with regulationsIntegrating sustainable finance regulation into businessOpen, transparent, and reliable reportingContinuous dialogue	<ul style="list-style-type: none">Communication by telephone and electronicallyParticipation in events and trainingMeetings with the authorities	<ul style="list-style-type: none">Business was developed to meet changes in the operating environment, taking into account laws, regulations, and legislationOpen communication and continuous dialogue
NGOs and expert organisations <ul style="list-style-type: none">Cooperation on sustainability issuesResponsible behaviourContinuous dialogue and exchange of information	<ul style="list-style-type: none">WebsiteContact by telephone and electronicallyParticipation in meetings and training	<ul style="list-style-type: none">Participation in the activities of industry associations such as the Forestry Academy for Decision Makers, FINSIF, Finnish Venture Capital Association, Finance Finland
Investees <ul style="list-style-type: none">Reliability and predictabilityOpen dialogue and cooperationResponsible behaviour	<ul style="list-style-type: none">WebsiteContact by telephone and electronicallyParticipation in meetings and training	<ul style="list-style-type: none">Co-initiatives including CDP,ISSDirect lobbying and dialogue with investeesVoting at general meetings (ISS Proxy Voting)Tenant satisfaction surveys in real estate funds
Partners (incl. agents and distributors) <ul style="list-style-type: none">Fair and equal treatmentCompetitive products and servicesReliability and sound financial situationOpen dialogue and cooperation	<ul style="list-style-type: none">WebsiteMeetings and trainingContact by phone and e-mail	<ul style="list-style-type: none">Information and training on products and servicesImprovement of activities based on feedbackOpen communication and continuous dialogue
Media <ul style="list-style-type: none">Timely, reliable, and transparent communicationExpertise	<ul style="list-style-type: none">Press and stock exchange releasesEvents and interviewsWebsites and social media channelsNewsletters, emails, and calls	<ul style="list-style-type: none">Information on topical issues was provided through multiple channelsRapid response to media enquiries and requests for interviewsRegular meetings with media representatives
Local communities <ul style="list-style-type: none">Employment and leisure opportunitiesSupport for communities and business partnerships	<ul style="list-style-type: none">Meetings, events, and webinarsBy telephone, electronically or by letterWebsites and social media channels	<ul style="list-style-type: none">Supported the Finnish Red Cross, the Baltic Sea Action Group and the Little Traveller (Pieni Kulkija) projectContinued cooperation with the Gubbe elderly care serviceSurveys and information to landowners in forest fundsCooperation with hunting clubs in forest funds



United Bankers' stakeholders also include the following organisations and associations, with which the company actively cooperates:

- Finland's Sustainable Investment Forum (FINSIF ry)
- Finance Finland
- Finnish Venture Capital Association
- European Public Real Estate Association (EPRA)
- Global Listed Infrastructure Organisation (GLIO)
- UN Principles for Responsible Investment (UN PRI)
- CDP
- Task Force for Climate-Related Disclosures (TCFD)
- Montreal Carbon Pledge
- Finnish Forest Association

Driving the transition to a sustainable economy and increasing our clients' wealth sustainably

Goals

In all its activities, United Bankers aims to reduce in the long term the negative impacts of its investments, increase the positive impact of its investments on the environment, society, and good governance, and promote sustainable practices. United Bankers aims to contribute to the achievement of the UN Sustainable Development Goals. In addition, United Bankers seeks to identify and take into account the sustainability risks of its investments in its investment activities.

During 2022, United Bankers defined for the first time its sustainability focus areas with the help of a materiality analysis. The company started a process based on sustainability focus areas, with the aim of defining sustainability goals for each focus area. The goal-setting process aims to ensure that the goals meet the expectations of stakeholders and support United Bankers' other strategic objectives.

United Bankers aims to promote the UN's sustainable development goals. The key means of promoting the goals of sustainable development is that the company seeks to offer its clients investment products that contribute to achieving the goals of sustainable development. Currently, some of the United Bankers' products aim to promote certain sustainable development goals. Some of the products do not have an actual promotion goal in the product's investment strategy, but where possible, information is available on how the product promotes different aspects of sustainable development.

For United Bankers' equity and fixed income funds as well as UB 360 asset management (excl. UB 360 bonds), the company monitors and reports on how each fund's portfolio contributes to the achievement of the SDGs. This monitoring considers all the SDGs, as multi-strategy funds in particular can contribute to several goals at the same time. On the other hand, funds investing in infrastruc-

ture or real estate, for example, may contribute to objectives specifically related to these sectors. The characteristics of each fund in relation to the SDGs are further detailed in the 2022 update of the fund-specific ESG reports.

Real asset funds investing in properties aim to promote and monitor the implementation of the UN SDGs, which are the most relevant for each fund's sector.

For example, the key SDGs for property funds are:

- Goal 11: Sustainable cities and communities
- Goal 13: Climate action
- Goal 7: Affordable and clean energy

For real asset funds investing in forests, the key sustainability objectives are:

- Goal 13: Climate action
- Goal 15: Life on land
- Goal 9: Industry, innovation and infrastructure

Progress towards these goals will be monitored, by monitoring, for example, the contribution of forests to carbon sequestration and climate change mitigation.

Measures and achievements 2022

- Launch of marketing and fundraising for a new green transition fund
- Sustainability classification of products
- Carbon footprint calculation for United Bankers - the basis for the Group's climate work
- Promoting responsible investment through active ownership
- Integrating climate and human rights risks into investment activities

Sustainable products and services

A significant part of United Bankers’ impact on society and the environment is realised through the investment products and services it offers. Climate change and the green transition are challenging the wealth management industry. The positive impact of investments comes from what the investees do and how responsibly and sustainably they operate. With United Bankers’ diverse range of funds, with a focus on real assets, clients have a choice of a variety of solutions distinctive from mainstream offerings. The offering also includes investment products from carefully selected partners.

United Bankers aims to promote sustainable investing. This is reflected in the company’s product range, which aims to find profitable investments for clients that also take into account the environment and society and are actively involved in building a sustainable world.

All United Bankers funds and UB 360 asset management solutions take into account the key sustainability risks of each industry and the key factors related to climate change mitigation and the changes it will bring. This is to ensure that the investments will continue to thrive in a world of green transition.

In addition, United Bankers’ alternative funds and real asset funds in particular offer the opportunity to invest in building a sustainable society and advancing sustainable growth and innovation. Through United Bankers funds, it is possible to invest in areas such as real estate, forests that mitigate climate change, or green innovations in the forest sector. The aim is for United Bankers’ products to offer customers opportunities to grow their wealth with the help of the green transition.

In 2022, United Bankers started fundraising for the new UB Forest Industry Green Growth Fund I LP, a new fund investing in sustainable and resource-efficient forest- and bio-based industries. The fund aims to mitigate climate change and promote the green transition by investing in forest and bio-based solutions that contribute to climate change mitigation and improve resource and material efficiency, for example by reducing carbon emissions and replacing fossil raw materials. The fund will support the forest-based and bio-based industries in growing and commercialising solutions to mitigate climate change. At the same time, it offers investors the opportunity to benefit from innovations that contribute to the green transition in the forest sector. The UB Forest Industry Green Growth Fund I LP has a 10-year mandate and a target size of EUR 300 million and is an excellent complement to United Bankers’ strong expertise in forest investment.

In 2022, the sustainability classification of United Bankers’ products under the EU’s regulation on sustainability-related disclosures in the financial services sector (SFDR) was completed (Table 4). The majority of United Bankers’ funds (19 funds) are so-called light green funds under Article 8 of the SFDR, which promote environmental and social features. In addition, two of these funds have committed to investing a portion of their assets in sustainable investments aligned with the EU taxonomy criteria. In addition, United Bankers has three SFDR Article 9, so-called dark green, forest funds that are committed to making sustainable EU Taxonomy aligned investments.

UB 360’s asset management strategies (excl. bonds) are also so-called light green investment products under Article 8 of the SFDR, which promote environmental and social features. United Bankers’ personalised wealth management solutions also offer the possibility to select environmentally and socially responsible investments as well as sustainable investments according to the client’s preferences.

TABLE 4:
UB FUNDS – SFDR CLASSIFICATION

SFDR CLASSIFICATION	
FIXED INCOME FUNDS	
UB High Yield	8
UB Fxed Income Plus	8
UB Short-Term Bond	8
REGIONAL EQUITY FUNDS	
UB American Equity	6
UB Finland	8
INFRASTRUCTURE FUNDS	
UB Emerging Markets Infra	8
UB Infra	8
REIT-FUNDS	
UB Asia REIT Plus	8
UB European REIT	8
UB Global REIT	8
UB North America REIT	8
OTHER FUNDS	
UB Global	8
UB Smart	8
UB Thales Argo	8
UB Europe AI	8
UB Corporate Lending Fund I	8
REAL ESTATE FUNDS	
UB Nordic Property	8
UB Finnish Properties	8
FOREST AND FOREST INDUSTRY FUNDS	
UB Forest Industry Green Growth Fund I	8
UB Timberland Global Fund	8
UB Nordic Forest Fund II	9
UB Nordic Forest Fund III	9
UB Timberland Fund	9

Responsible investment practices

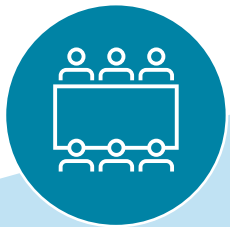


ESG INTEGRATION IN INVESTMENTS

The sustainability aspects of investments are analysed as part of investment decisions.

Portfolio managers have access to ESG databases provided by Sustainalytics, Morningstar and Bloomberg. ESG databases provide portfolio managers with easy access to corporate responsibility information when making equity and fixed income investments. For example, portfolio managers can search for companies' sustainability scores (ESG score), sustainability risk information, information on the share of revenue generated by controversial activities, potential ESG violations, information on companies' carbon risks and emission reduction targets, and information on the main adverse impacts.

An investment-specific ESG analysis is part of all investments, including in alternative funds. In these funds, ESG analysis and value creation are an integral part of the investment process and ESG analysis is integrated into the due diligence, investment and portfolio management processes of each fund. Approaches and data sources vary across asset classes and funds.



ENGAGEMENT AND ACTIVE OWNERSHIP

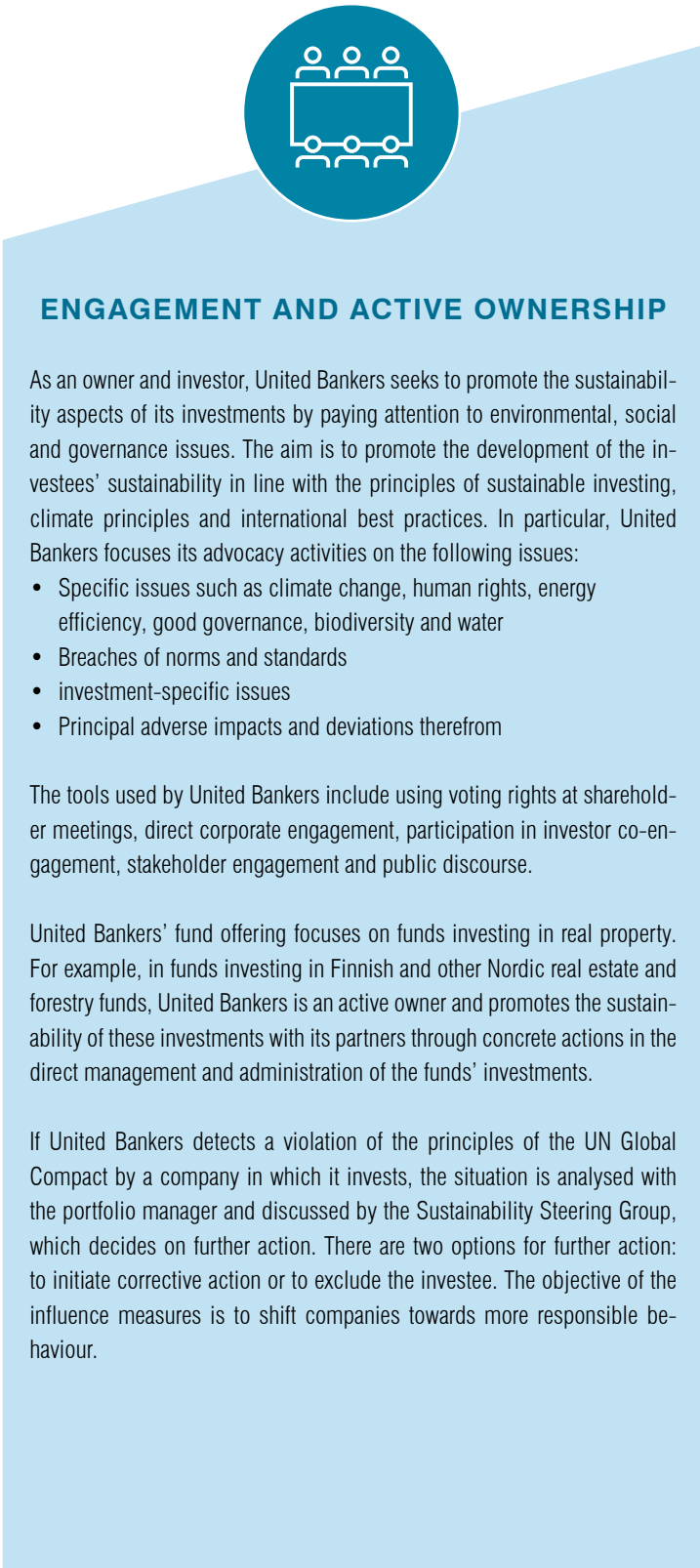
As an owner and investor, United Bankers seeks to promote the sustainability aspects of its investments by paying attention to environmental, social and governance issues. The aim is to promote the development of the investees' sustainability in line with the principles of sustainable investing, climate principles and international best practices. In particular, United Bankers focuses its advocacy activities on the following issues:

- Specific issues such as climate change, human rights, energy efficiency, good governance, biodiversity and water
- Breaches of norms and standards
- investment-specific issues
- Principal adverse impacts and deviations therefrom

The tools used by United Bankers include using voting rights at shareholder meetings, direct corporate engagement, participation in investor co-engagement, stakeholder engagement and public discourse.

United Bankers' fund offering focuses on funds investing in real property. For example, in funds investing in Finnish and other Nordic real estate and forestry funds, United Bankers is an active owner and promotes the sustainability of these investments with its partners through concrete actions in the direct management and administration of the funds' investments.

If United Bankers detects a violation of the principles of the UN Global Compact by a company in which it invests, the situation is analysed with the portfolio manager and discussed by the Sustainability Steering Group, which decides on further action. There are two options for further action: to initiate corrective action or to exclude the investee. The objective of the influence measures is to shift companies towards more responsible behaviour.



EXCLUSION

Exclusion is one of the most concrete ways of implementing responsible investing. United Bankers will not invest or will exit from investments that it does not consider responsible. United Bankers has excluded certain industries from its investments on ethical grounds. The investment business has a general exclusion list for all investments (excl. index-based products):

- companies involved in the manufacture and sale of controversial weapons (landmines, cluster bombs, depleted uranium, biological and chemical weapons) and companies involved in the development and production of nuclear weapons
- companies whose main business is tobacco, weapons, coal production, gambling or adult entertainment

A company that violates the UN Global Compact principles may be excluded from investment by a decision of the Sustainability Steering Group. The Sustainability Steering Group can either take action to remedy the situation or exclude the investment.

In addition, United Bankers avoids investing in companies that generate 30% or more of their revenue from the use of coal in energy production or from oil sands. United Bankers may waive this exclusion if the company has a clear plan to change its operations.



REPORTING

United Bankers' responsible investing is based on openness and transparency. Sustainability reporting consists of Group Sustainability Reporting and the Responsible Investment Review, as well as regularly published product-specific ESG reports.

From the beginning of 2023, United Bankers will publish more comprehensive public ESG reports for all its equity and fixed income funds and UB 360 asset management (excluding UB 360 bonds), allowing anyone to monitor the sustainability of these investments. The ESG reports show, for example, the development of sustainability risks of the investments, the development of ESG ratings, Global Compact violations, carbon intensity and carbon risk as well as company-specific ESG data for the fifteen largest holdings.



Responsible investing

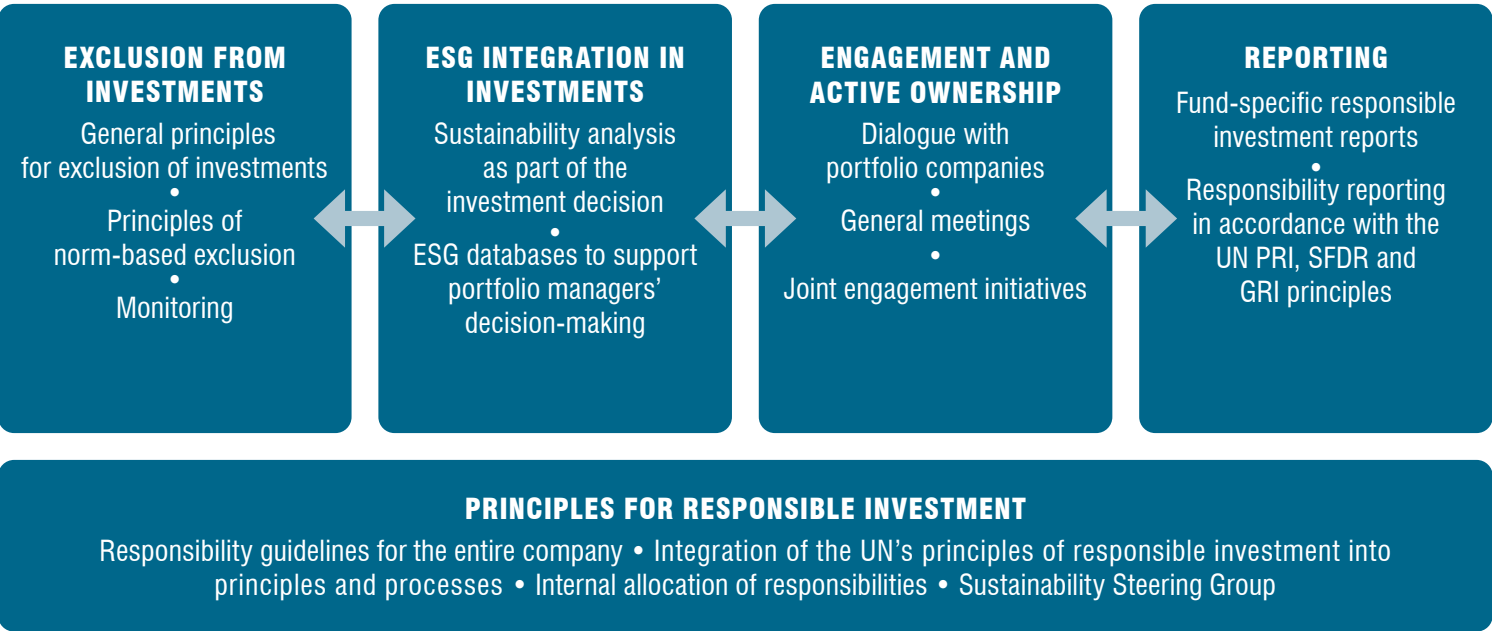
A responsible investor takes environmental, social and governance issues into account in investment activities. Responsible investment is at the heart of United Bankers' products. At United Bankers, we believe that considering sustainability issues alongside financial metrics improves our understanding of the investment and the risks and opportunities associated with it. Consideration of these issues is also expected to improve the conditions for investment returns.

United Bankers wants to offer its clients the opportunity to make sustainable and profitable investments and grow their wealth responsibly. The objective of investing is to achieve the best possible return at the level of risk chosen by clients in a sustainable manner, both in the long and short term. As part of this objective, investment

decisions take into account how environmental and social responsibility and good governance are implemented in the investments.

At United Bankers, the consideration of sustainability or environmental, social and governance (ESG) issues is integrated into our investment and portfolio management activities as well as the design and development of our products and services. United Bankers signed the UN Principles for Responsible Investment (UN PRI) in 2012. In line with these principles, United Bankers, promotes sustainability objectives as an active owner of its investments, develops appropriate reporting on sustainability issues, and has integrated sustainability analysis into its investment processes.

[United Bankers' Principles for Responsible Investing](#) guide the investment activities of the entire Group. They define the company's responsible investing policies.



Carbon footprint of United Bankers' products

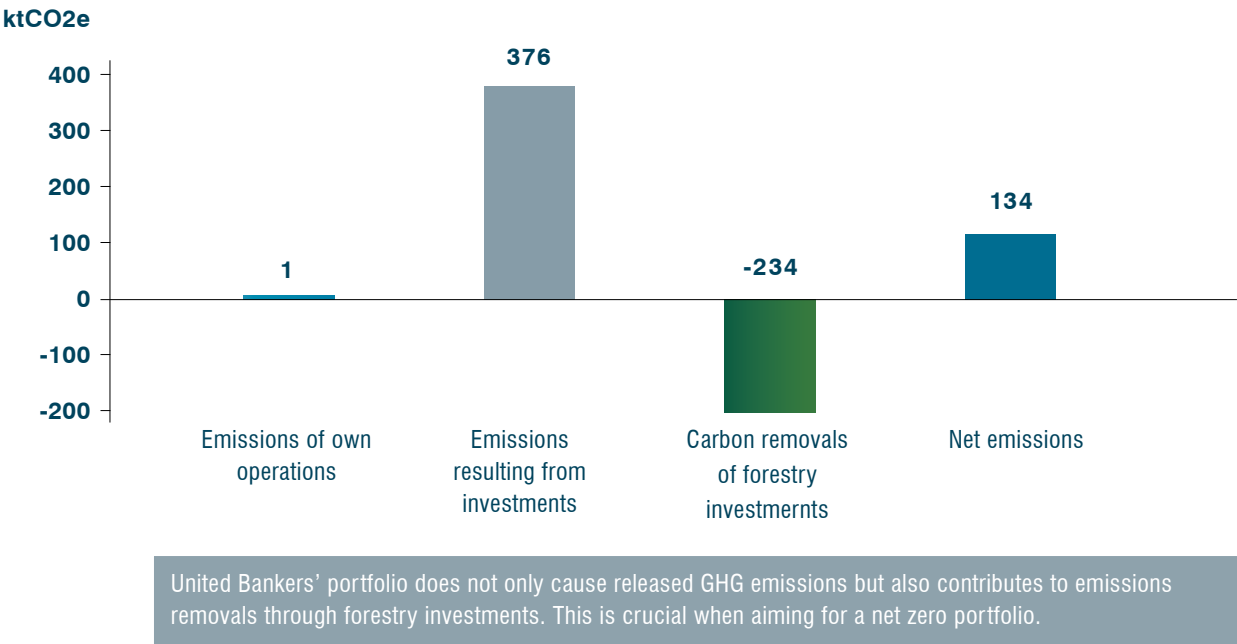
United Bankers wants to take responsibility to mitigate climate change and offer its clients climate-friendly solutions. Information on carbon emissions is key to planning and focusing climate action. In 2022, United Bankers calculated the Group's carbon footprint for the first time and started calculating the carbon footprint of its investments. The calculation will be used to develop the company's climate roadmap and set climate targets.

The calculation was performed in 2022 based on the year 2021 and followed the GHG Protocol and the Partnership for Carbon Accounting Financials (PCAF) methodology.

In 2021, the total carbon footprint of the investments in United Bankers products was 376 ktCO₂e (Scope 3, Category 15) and the weighted carbon intensity (WACI, S1+S2+S3) was approximately 211 tCO₂e per million euros invested. The weighted carbon intensity (WACI S1+S2) of the bond and equity funds was approximately 70 tCO₂e per million euros invested. In addition to the emissions from investments in United Bankers' products, the product range also includes carbon sequestering forest funds. If carbon emissions from both investments and carbon sequestration are taken into account, United Bankers' net carbon emissions amounted to 266 ktCO₂e.

The calculation includes United Bankers' funds as well as the discretionary portfolios for which investment decisions are made by United Bankers on behalf of the client. The data from the calculation will be used as a basis for setting United Bankers' climate targets and monitoring emission reductions.

FIGURE 3:
UNITED BANKERS' CARBON EMISSIONS AND CARBON REMOVALS IN FORESTRY INVESTMENTS (2021)



Information regarding carbon removals of forestry investments and net emissions has been corrected 11.5.2023 due to an error in the original data.

PROMOTING SUSTAINABILITY THROUGH ACTIVE OWNERSHIP

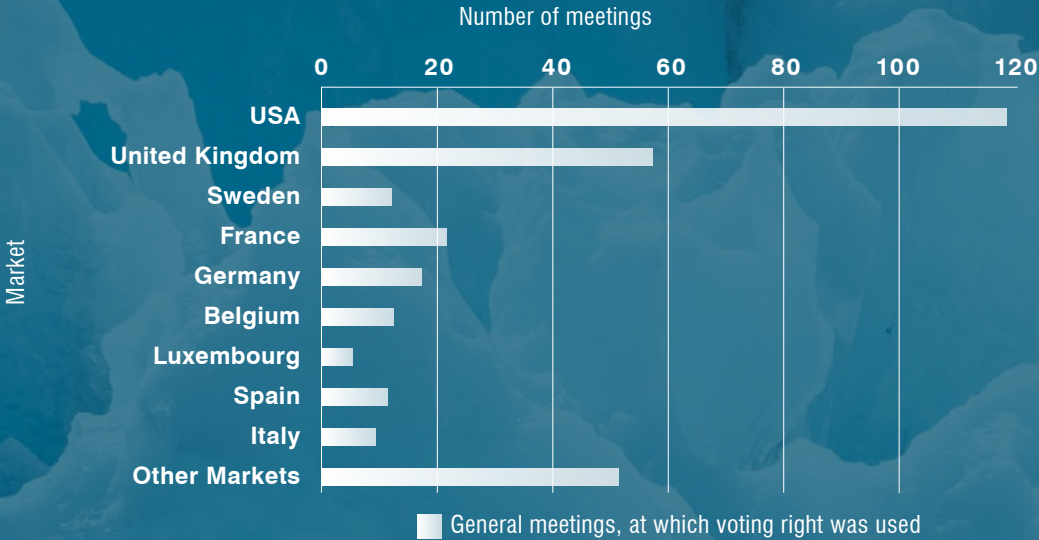
United Bankers promotes the sustainability of its funds’ investments internationally. Investors play a key role in promoting sustainability, as funding and capital flows drive companies to act more sustainably.

As of 2021, United Bankers’ daily equity funds have been using the proxy voting service provided by ISS ESG, an Institutional Shareholder Services Inc. company. Through this service, United Bankers votes at the AGMs of its portfolio companies around the world. United Bankers uses proxy voting to promote sustainability-related issues such as transparency, equality, climate change mitigation and setting climate targets in its portfolio companies.

Proxy Voting experts analyse the companies in the United Bankers funds’ portfolios and AGM materials and, based on this analysis, prepare voting positions that promote sustainability and comply with the principles of the International Sustainability Proxy Voting Guidelines. United Bankers’ portfolio managers can choose to amend the pre-formulated positions or allow the voting to proceed according to the draft positions. The service is available for investment objects domiciled outside of Finland.

In 2022, United Bankers funds exercised their voting rights through ISS Proxy Voting at a total of 313 AGMs. The majority of votes were concentrated in North American and European markets.

FIGURE 4: GENERAL MEETINGS VOTED BY MARKET



WORKING TOGETHER TO ACHIEVE CLIMATE TARGETS

In 2022, United Bankers supported CDP’s Science-Based Targets climate initiative. The engagement campaign encourages companies to set emission reduction targets under the Science Based Targets initiative, covering emissions across the company’s entire value chain. These emission targets, aligned with the Paris Agreement, would limit the global average temperature increase to 1.5°C.

On behalf of United Bankers and other participating organisations, CDP sent letters to more than 1,000 companies around the world. These companies included JD.com, China’s largest online retailer; Qantas, an Australian airline; BASF, the world’s largest chemical company; Caterpillar, FedEx, General Electric, Wal Mart de Mexico and Wilmar International. The one thousand companies targeted by the initiative play a crucial role in efforts to limit global warming, as they produce a combined 7 gigatonnes of Scope 1 and Scope 2 emissions and have a combined market capitalisation of more than USD 25 trillion, representing 44 per cent of the MSCI All Country World Index.

Globally, more than 3,500 companies, representing around one third of the world’s business market value, are already involved in the Science Based Targets initiative (SBTi). Of these, more than 1,200 companies have already adopted the 1.5°C target. SBTi data shows that the average company that has set climate targets is reducing its emissions by 8.8 per cent per year, well above the 4.2 per cent required to limit the global average temperature increase to 1.5°C

Biodiversity

United Bankers aims to increase its understanding of the impact of its activities on biodiversity and to contribute to finding ways to prevent biodiversity loss. Understanding the impacts and risks of biodiversity loss on business is also key to United Bankers' efforts to build a sustainable business.

The main impacts of United Bankers' activities on biodiversity relate to the investments in its products. The global ESG databases used to assess and monitor listed investments in 2022 contained limited information on the impacts of investments on biodiversity. As a result, significant direct and indirect impacts of the investments, such as habitat change and degradation and species loss, have not yet been assessed for the listed investments.

United Bankers' alternative funds include direct real estate funds investing in Finland and other Nordic countries. In 2022, the vast majority of investments were in existing, previously zoned urban or suburban areas. In the Nordic countries in particular, zoning procedures take into account nature values, so the direct biodiversity impacts of United Bankers' real estate fund investments, for example related to land use changes, are assessed to be relatively low. The indirect impacts of real estate funds on biodiversity have not yet been assessed. United Bankers is continuously striving to promote better ways of assessing the biodiversity impacts of its products.

United Bankers' forest funds invest in sustainable forestry by investing directly or indirectly in forest property and/or forest company securities. The funds aim to contribute to climate change mitigation by sequestering atmospheric carbon dioxide in growing trees and forest soil. In 2022, United Bankers

funds owned a total of 150,109 hectares of forest, of which 131,118 hectares were in Finland and the rest in the Baltic countries.

The funds' forest investments focus on commercial forests, where forest management affects the forest habitat and its biodiversity in many ways. Biodiversity is a prerequisite for the forest's well-being. Together with partners responsible for the operational management of forest properties, United Bankers' forest fund team of forest managers and forestry experts continuously develops the funds' forest management from the perspectives of biodiversity, climate impact and economic viability. The impact and quality of forest management in United Bankers funds is monitored not only by the company itself, but also by external evaluators and authorities. The activities are developed through continuous evaluation, utilizing best practices in the forestry sector and conducting collaborative research projects with partners.

United Bankers' forest funds work to safeguard biodiversity in practical forest management in a number of ways. The funds' forest management follows the principles of sustainable forest management. Sustainable forest management is ensured through certification, which is also profitable for investors due to, among other things, the demand for and price trends of certified wood. United Bankers' forest funds aim to have all forest holdings in Finland (131,118 ha in total) PEFC and FSC certified. Outside Finland, the funds require at least one of the two certificates. The FSC certification is particularly important for biodiversity, as in Finland, for example, it requires that at least 5 per cent of the certified forest area is excluded from economic use in order to safeguard biodiversity.

In 2022, 100 per cent of the forests owned by United Bankers' forest funds in Finland were PEFC-certified and 76 per cent FSC-certified. Of the forests outside Finland, 44 per cent were FSC-certified and 90 per cent PEFC-certified. The certification rate of United Bankers funds' forests is relatively high, considering that around 85 per cent of all forests in Finland are PEFC-certified and just under 10 per cent FSC-certified.

To safeguard biodiversity, United Bankers' forest funds have also set longer-term goals to double the proportion of deciduous trees in their Finnish forests from the current level to a total of 20 per cent, and to promote continuous cover forestry on lush peatlands. Increasing the proportion of deciduous trees can improve biodiversity, while at the same time increasing the wood production capacity of forests and improving their climate resilience. Continuous cover forestry can also have a positive impact on biodiversity. In addition, the water balance of peatlands is maintained in a better condition, reducing leach-

ing into the environment and improving the overall carbon balance of forests.

In 2022, the combined protected area of United Bankers' forest funds was 8,856 hectares. Of this, approximately 4,806 hectares have been excluded from economic use in accordance with the protection requirements of FSC certification. The protected areas include different types of sites protected under various regulations and criteria, such as the Forestry Act, the old forest protection programme, Natura, the grove protection programme, peatland protection programmes, other private forest protection or, for example, due to various species occurrences. Depending on the protection criterion, the relevant body has defined the protection criteria and monitors the implementation of the protection measures and the achievement of any conservation objectives.

Protected sites of United Bankers funds sites	Strictly protected areas, ha (FSC)	Special treatment forest, ha (FSC)
Finland	4,049	4,049
Estonia	589	-
Latvia	-	-
Lithuania	168	-
Total	4,806	4,049

United Bankers’ forest funds are actively investing in the establishment of private protected areas to safeguard biodiversity. United Bankers’ forestry experts work with the authorities to identify sites for the establishment of private protected areas in areas of particular natural value. In the course of their activities, the funds have established a number of private protected areas, including under the METSO conservation programme, the Helmi action programme and Natura 2000. Through voluntary protection, the funds aim to safeguard sites of high biodiversity values. The protected areas include different types of old-growth forests and rare and endangered species. In 2022, United Bankers’ forest funds had a total of 700 hectares of private protected areas. The ELY Centres are involved in the establishment and monitoring of private protected areas. Private protected areas of United Bankers’ forest funds, status on 31.12.2022:

Ecological restoration of forests became a topic of public discussion in 2022. On the land of a United Bankers forest fund in Puolanka, voluntary ecological restoration measures were tak-

en to restore a stream (Tasonjoki-Siltajoki) in 2022. The stream had been degraded at the outset due to, among other things, the effects of forest drainage implemented by ditches decades ago. The aim of the restoration is to return the area to its natural state and a private protected area will be later established in the affected area. The success and final impact of the restoration work, which was completed in 2022, can only be assessed after a longer period of time. United Bankers’ forest funds are also involved in a peatland restoration project in Pudasjärvi, for which planning began in 2022.

METSO and Helmi are voluntary forest protection and restoration programmes for Finnish forest owners. Voluntary conservation safeguards forest habitats that are representative in terms of tree structure and species diversity. Through these programmes, the natural values of forests are protected and managed to ensure the conservation of biodiversity. The aim of the programme, which combines forest conservation and economic use, is to halt the decline of forest habitats and forest species and to establish a favourable trend in biodiversity.

PRIVATE PROTECTED AREAS OF UNITED BANKERS’ FOREST FUNDS, SITUATION 31.12.2022:

County	Surface area, ha	Year established	Protected natural values
Kainuu	106.0	2021	Old rocky pine forest area, gorge
Tavastia Proper (Kanta-Häme)	11.4	2018	Old ridge forest area, bogs in natural state
Kainuu	71.3	2022	Natural bogs and streams
Northern Savonia (Pohjois-Savo)	0.1	2020	Deciduous coastal forest
Northern Savonia (Pohjois-Savo)	3.6	2020	Deciduous swamp zone, coastal forest
Central Finland (Keski-Suomi)	3.0	2022	Various types of swamp
Kainuu	33.0	2021	Old natural forest area, decaying wood
Kainuu	113.0	2021	Old pine forest and a natural swamp area
Central Ostrobothnia (Keski-Pohjanmaa)	320.7	2021	Natural forest area adjacent to the Salamajärvi National Park
Northern Savonia (Pohjois-Savo)	4.7	2019	Mixed riverside forest
Kainuu	18.8	2022	Ancient natural spruce forest area, swamp
Northern Savonia (Pohjois-Savo)	15.0	2022	Old natural spruce forest area
Total	700.6		

AIMING FOR AN INVESTMENT PORTFOLIO WITH GOOD GOVERNANCE AND RESPECT FOR HUMAN RIGHTS

Good governance and respect for human rights are key elements of responsible investing. In its Responsible Investment Principles, United Bankers requires that its investees and partners operate in accordance with international best practices, standards, and agreements. United Bankers requires respect for human rights, anti-corruption and environmental considerations as defined in the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the ILO Labour Conventions.

In 2022, the assessment of good governance and the human rights impacts of investments was integrated into United Bankers’ investment processes. In United Bankers’ investment processes, respect for human rights and good governance is reviewed as a part of the due diligence process for each investment. For listed investments, the review is carried out using international ESG databases. For example, the ESG databases of Sustainalytics and Morningstar provide information on whether a potential investment target complies with the UN Global Compact principles, whether the target is at particularly high risk of violating the principles or whether human rights-related norm violations have already occurred. For unlisted investment targets, investment-specific human rights risk analysis and due diligence studies are used, among other things.

United Bankers monitors the human rights and good governance performance of investee companies during the investment period. The Sustainability Steering Committee regularly reviews the status of the funds’ portfolios. In the event of non-compliance, the Steering Committee may decide to take action to remedy the situation. This may involve, for example, dialogue with the company. If it is not possible to remedy the situation within a reasonable period of time, the investment will be withdrawn.

The human rights impact of investments is part of United Bankers’ ongoing monitoring of the human rights impacts of its operations and business relationships, in line with the UN Guiding Principles on Business and Human Rights (UNGPs). Work on human rights impact assessments of investments will continue in the coming years as methodologies and data sources continue to evolve.

Meaningful work and inspiring opportunities

Measures and achievements 2022

- Finland's Most Inspiring Workplaces 2022 (Suomen Innostavimmat Työpaikat) award to United Bankers
- Diversity targets set for the Group

United Bankers' success is built on a thriving and committed workforce. At the heart of creating an inspiring and fair workplace are a culture of open communication and honesty, adherence to common rules, and a willingness to help.

A commitment to United Bankers' values and adherence to the ethical principles contribute to the success of the company. In all their activities, the personnel strives to find the most suitable solutions for clients and to produce first-class customer experiences. United Bankers employees form a team, where everyone plays an important role and their skills and input contribute to achieving common goals.

Working at United Bankers

At the end of 2022, the United Bankers Group employed 148 people (full-time equivalents), an increase of 8 per cent compared to the end of the previous year. Of these 148, 142 were permanent and 6 temporary employees. The majority of the personnel worked in Finland. The offices in Sweden and Luxembourg employed each 2 individuals. During the year, 31 new employees joined the Group's Finnish offices, of whom 23 were hired on a permanent basis and 8 on a fixed-term basis. A total of 16 people left the company during the year, of which 9 were permanent and 7 temporary. During 2022, employee turnover was at a low level. In Finland, the turnover rate was 6.8 per cent. There was no turnover in the other countries.

In addition to employees, United Bankers' clients are served by 32 tied agents. The company also uses external consultants for projects such as IT and development. The average number of consultants in 2022 was 6.

United Bankers complies with labour laws. The company is not an organised employer and does not have collective agreements in place. However, the company complies with the collective agreement for the financial sector, where applicable. All employees are covered by a written employment contract and, in the case of management positions, by a management contract. Notice periods are in accordance with labour legislation and typically one or in some cases two months' notice is given by both parties.

At United Bankers, the HR organisation supports supervisors and management in all HR-related processes and issues and is in close co-operation with employees. The personnel has elected a representative councillor to represent them in various employment matters and negotiations. Labour law is also respected, including in relation to change negotiations.

Job satisfaction and well-being

United Bankers is committed to the physical and mental well-being of its employees. The company takes care of its employees' well-being by providing high-quality and comprehensive occupational health care services. All United Bankers' employees are covered by health insurance supplementing the statutory occupational health insurance. The insurance covers, among other things, specialist care, including visits to specialists, medical check-ups, X-rays, and personal vaccinations. Wellbeing and fitness at work are also supported through sports and cultural activities and various wellness and sports events.



The work of United Bankers' personnel is mainly office-based and demanding professional work with a low risk of accidents. Employees work in office conditions and mainly at computer terminals. One of the ways of ensuring safety at work is to ensure that employees in the Helsinki office are familiarised with the building's emergency plan. The work involves occasional peaks in activity, which require good self-management and organisational skills. Psychosocial stress is the most significant health stress factor at work for different occupational groups.

United Bankers has a low rate of personnel sickness absence, which continued to fall in 2022 from the previous year. In particular, sickness absences due to respiratory diseases, mental disorders and musculoskeletal disorders decreased significantly. United Bankers employees had no work-related illnesses. Static loads on the neck and shoulders, upper limbs and lower back are known to be a particular stress factor. Remote work can pose challenges to good work ergonomics. In the office, workstations are equipped with electrically or manually adjustable desks and adjustable chairs. The majority of employees have more than one screen at their disposal.

In 2022, three accidents at work were reported in the Group, all of which were minor accidents such as slips and falls. No accidents occurred during commuting.

United Bankers has an occupational health and safety committee, whose tasks include promoting occupational health and safety and developing working conditions and measures to maintain working capacity. The committee supports the rest of the work community in maintaining a positive working atmosphere and works closely with the occupational health provider to promote well-being at work with a focus on preventive action. The health and safety committee meets whenever necessary, but at least four times a year. United Bankers also has an early support model to prevent, for example, long periods of sickness absence.

In addition to good health, opportunities to influence one's work-life balance also contribute to staying fit for work. Flexibility in working life is supported through, for example, teleworking opportunities, flexible working hours and the possibility to work a shorter working week. United Bankers supports employees with families in their daily lives by, among other things, providing the opportunity for a to a childcare service for sick children.

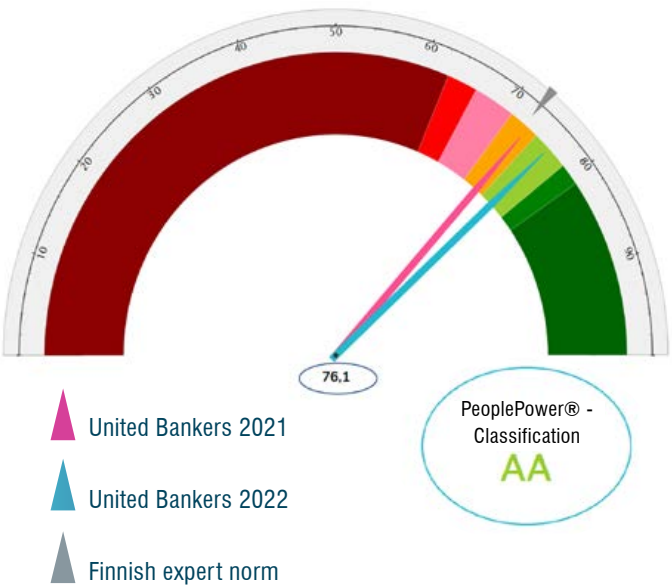
Recognition for a good workplace

United Bankers measures employee engagement and satisfaction annually. According to the 2022 Employee Survey, employee satisfaction at United Bankers is at an excellent level. The company was awarded the title of Finland's Most Inspiring Workplaces 2022. This is an annual Finnish professional life recognition, awarded to the highest-scoring organisations that participated in the Eezy Flown PeoplePower survey. The award reflects both the high level of commitment of United Bankers' personnel as well as the success of the company's long-term, inclusive development of its operations. As many as 93 per cent of the employees responded to the survey. The survey was administered to both employees and tied agents. United Bankers' overall results went up significantly compared to the previous year and were also well above the average for Finnish professional organisations. The overall result was also more positive than the average for the financial and insurance sector. Among the strengths identified in the survey were confidence in management's ability to make the right decisions, active communication of strategy and prospects, quality of service to clients, and good conditions for personnel well-being. The personnel described United Bankers as "evolving, professional, flexible, reliable and fair". 94 per cent of respondents agreed that overall United Bankers is a very good place to work.

The results of the Employee Survey are presented and openly discussed throughout the organisation. The results are used to set development objectives for the whole organisation for the coming year. Supervisors go through the results with their teams and agree on development objectives together with their team.



PEOPLEPOWER® CLASSIFICATION IS RELATED TO THE PERFORMANCE LEVEL NORMS OF THE UNIT UNDER CONSIDERATION



PERSONNEL SURVEY RESPONSE RATE

93%

RESPONDENTS CONSIDERING UNITED BANKERS AS A VERY GOOD PLACE TO WORK

94%

Training and development

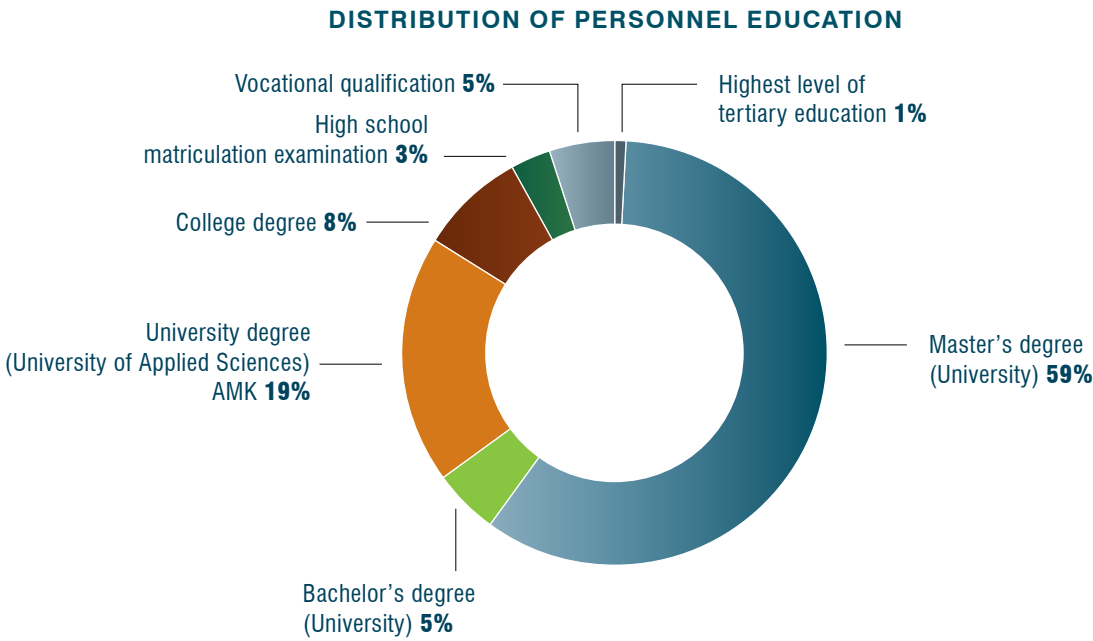
United Bankers is an organisation where the professional development of its personnel, as well as the sharing of knowledge, contribute to the sustainability of its operations. The employees' professional skills are maintained and developed through continuous training. In addition to training required by regulation, the company also provides its personnel with other training and development opportunities in an employee-oriented manner. United Bankers provides opportunities for all its employees to deepen, broaden and update their professional skills. According to information provided by personnel, the number of days of training done in 2022 was approximately two days per employee. In 2022, United Bankers chose to focus on supporting and developing supervisor work. In addition, all employees were offered the opportunity to participate in first aid training. The one-day first aid training was completed by 16 people.

The career development discussion process is used to regularly discuss not only the development of each employee's skills, but also motivation and job satisfaction. All United Bankers' employees

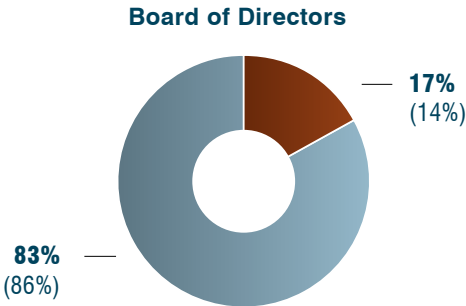
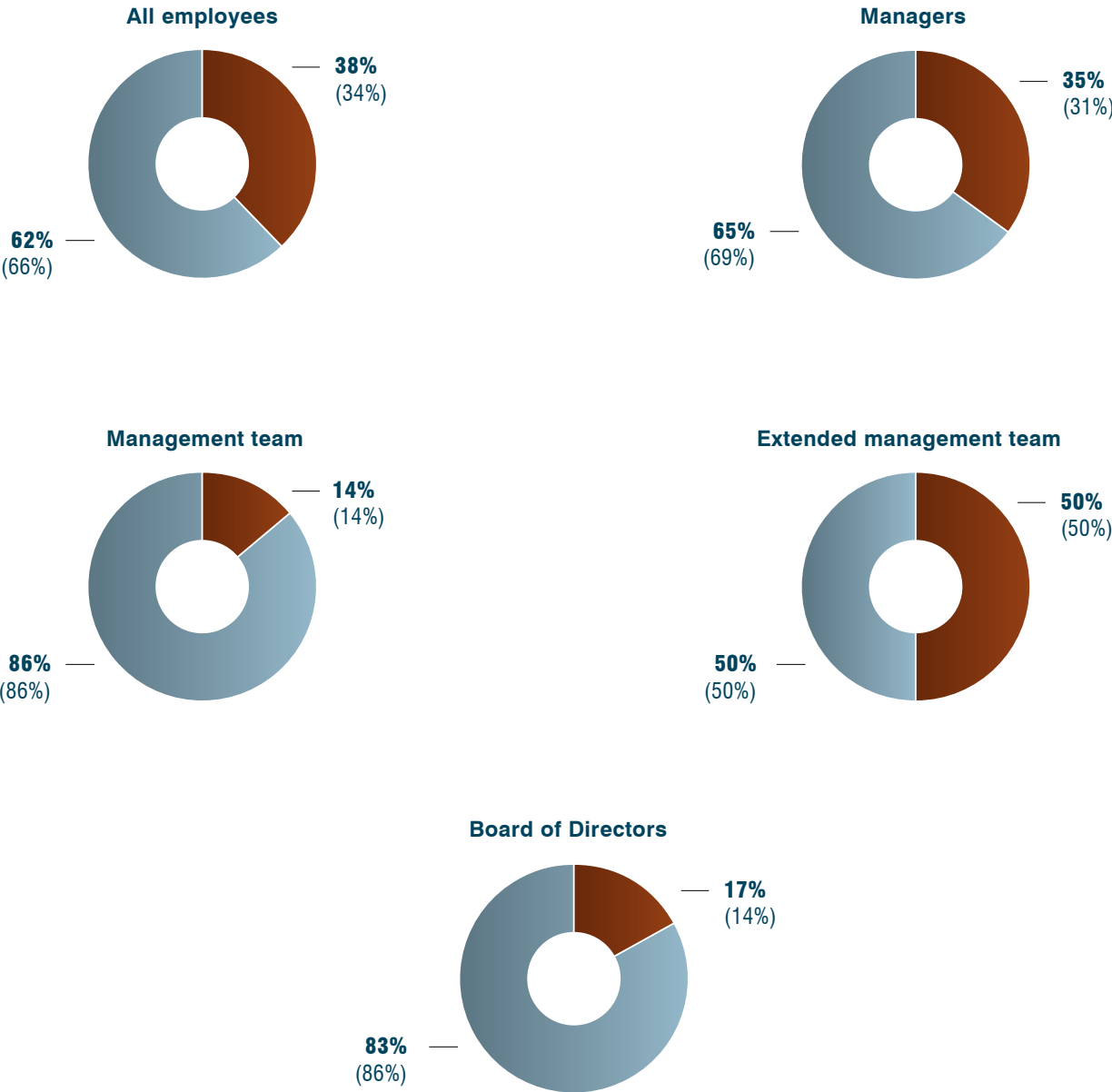
are subject to development reviews. According to the Employee Survey, 74 per cent of respondents had had a performance review in the last 12 months. Eight per cent of respondents had not had a development discussion, as the employment relationship had only recently started.

Equality and non-discrimination

United Bankers is committed to promoting equality, diversity and non-discrimination in all its forms. Equality and non-discrimination are an important part of the daily life of a diverse and multilingual organisation. The aim is to achieve equality in compensation and rewarding and to provide equal career and skills development opportunities for all. Equality is a fundamental right and its realisation is ensured in all aspects of the company's operations, in management and in the human resources policy. United Bankers' equality and non-discrimination plan covers all of United Bankers' operations in Finland and has been implemented as part of the company's occupational health and safety programme. The key objective of the equality and non-discrimination plan is to support the creation of a thriving work environment.



GENDER DISTRIBUTION*



* Breakdown by number of personnel, the year 2021 distribution in parentheses.

The skills of supervisors in managing diverse employees and in dealing with cultural differences are regularly developed. Personnel are informed about the company's management principles and how they can influence their own work. According to the Employee Survey, the majority of United Bankers' personnel felt that the company was equal. The company's ethical guidelines and whistleblowing channels were also generally well known.

United Bankers aims to ensure that none of its employees experience harassment or other inappropriate treatment. The company has a policy for dealing with inappropriate treatment and harassment under which every incident that comes to its attention is addressed. Harassment or inappropriate treatment can be reported through the company's whistleblowing channel. In the personnel survey, three people reported having experienced discrimination during 2022. Of these, two said the situation had been resolved, but one respondent said that discrimination still persisted.

United Bankers diversity targets confirmed in 2022

In 2022, the Board of Directors of United Bankers set diversity targets for the Group, valid until 2024, to maintain and promote diversity, gender equality and equality in the workplace. At the end of 2022, the targets set by the company had been met for the time being.

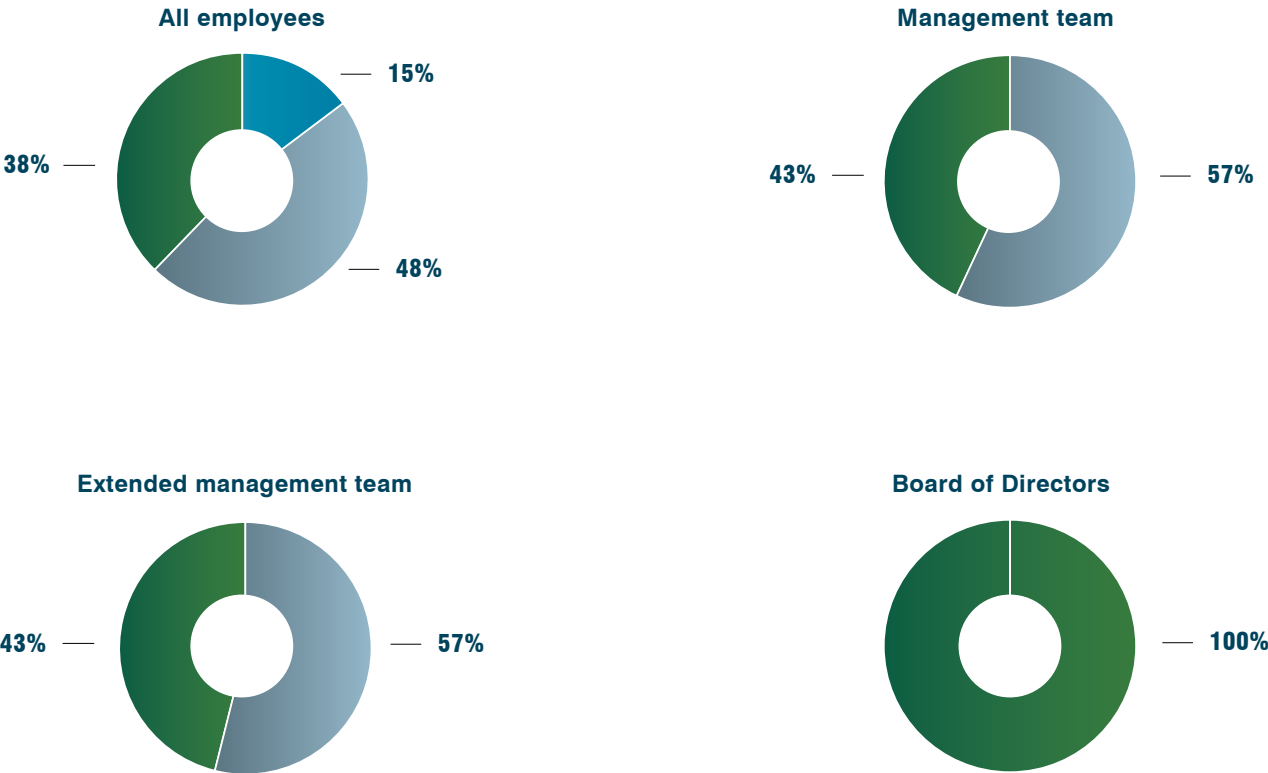
Recruiting new employees is a key element in achieving diversity objectives. United Bankers welcomes all applicants equally and selects talented people of all ages, with different skills, educational and cultural backgrounds, regardless of gender. Where the applicant pool allows, both genders should be represented in the final stage of the selection process. The most suitable person for the post will always be selected.

UNITED BANKERS' DIVERSITY TARGETS:

- Both genders are represented in at least 1/3 of all specialists in the company
- Both genders represented in at least 1/3 of all supervisors
- The composition of the Board of Directors and the management team is always sufficiently representative of both genders (for more information on the objectives regarding the composition of the Board of Directors, see: [Annual Report](#).)
- The objective is to increase the number of minority gender representatives on the Board by making recommendations to the largest shareholders, who will prepare a proposal for the composition of the Board of Directors to the Annual General Meeting. The composition of the Board of Directors should be in line with United Bankers' business and strategic needs and its members should have appropriate professional skills, education, experience, and knowledge of the industry.

AGE DISTRIBUTION*

 Under 30  30–50  Over 50



*Breakdown by number of personnel

Transparency and reliability as cornerstones of administration and communication

Goals

Sound corporate governance is one of the cornerstones of United Bankers' operations. United Bankers' activities are always based on good corporate governance, legislation and regulatory guidelines. Effective and accountable governance is based on a high level of expertise within the company and on continuous improvement.

United Bankers strives to communicate openly, transparently and equitably with all its stakeholders. The aim of communication is to build and maintain a positive corporate image of the Group and to give a true and fair view of the Group, its activities, objectives, strategy, and financial situation.

During 2022, United Bankers sought to increase interaction with its stakeholders and to identify their views, wishes and potential concerns. A number of initiatives were also undertaken to assess the current state of sustainability in various areas, including the Group's carbon footprint and investor confidence. These surveys will serve as a benchmark and guide the setting of targets for the future.

Measures and achievements 2022

- Developing the Group's sustainability reporting in line with GRI
- Renewal of ESG reports for funds and the UB 360 asset management model
- Calculation of the Group's carbon footprint
- Began monitoring energy consumption
- Incorporating customer sustainability preferences into the assessment of products and services suitable for customers.

Environmental impacts

Carbon footprint

In 2022, United Bankers started to monitor the environmental impact of its activities by calculating its carbon footprint for the first time. United Bankers' 2021 carbon footprint was 377 ktCO₂e (Scope 1-3) and carbon intensity in relation to revenue was 0.8 tCO₂e/MEUR (Scope 1-2) and 8,602 tCO₂e/MEUR (Scope 1-3). The vast majority of the carbon footprint (99.7%) was made up of the [carbon footprint of United Bankers' products](#). The calculation was performed during 2022 on 2021 emissions and followed the methodology of the [GHG Protocol](#) and the [Partnership for Carbon Accounting Financials \(PCAF\)](#), the international financial carbon accounting standard. The value of the investment portfolio on 31 December 2021 was used to calculate the carbon footprint of the investments.

Excluding products and the investments they contain, the carbon footprint of the Group's other activities, such as maintaining the office and business travel, totalled 1.5 ktCO₂e in 2022 (Table 5), an increase of 19 per cent compared to 2021. The increase in the carbon footprint is due to, among other things, returning to the office after COVID-19 restrictions and the resulting increase in purchased services. To minimise emissions, offices in Helsinki and Turku use renewable electricity. In addition, United Bankers introduced the Edenred commuting benefit in October 2022 to encourage its personnel to use public transport for commuting.

Energy consumption

United Bankers' energy consumption in 2022 was approximately 284 MWh, of which electricity consumption was approximately 166 MWh (58.3%) and heat and cooling consumption was approximately 118 MWh (41.7%). Energy consumption increased by about 3.3% compared to 2021. The increase in consumption was main-

ly due to the removal of COVID-19 restrictions and the return of staff to the office. In addition, United Bankers opened local offices in Kuopio and Oulu. Energy consumption has been compared to 2021, as 2021 has also been chosen as the benchmark for the company's carbon footprint. The calculation is based on data from energy companies and data from Statistics Finland, Motiva and Energiföretag on average office heat consumption.

FIGURE 5:
UNITED BANKERS' CARBON FOOTPRINT (EXCL. INVESTMENTS), KTCO₂E (2021)

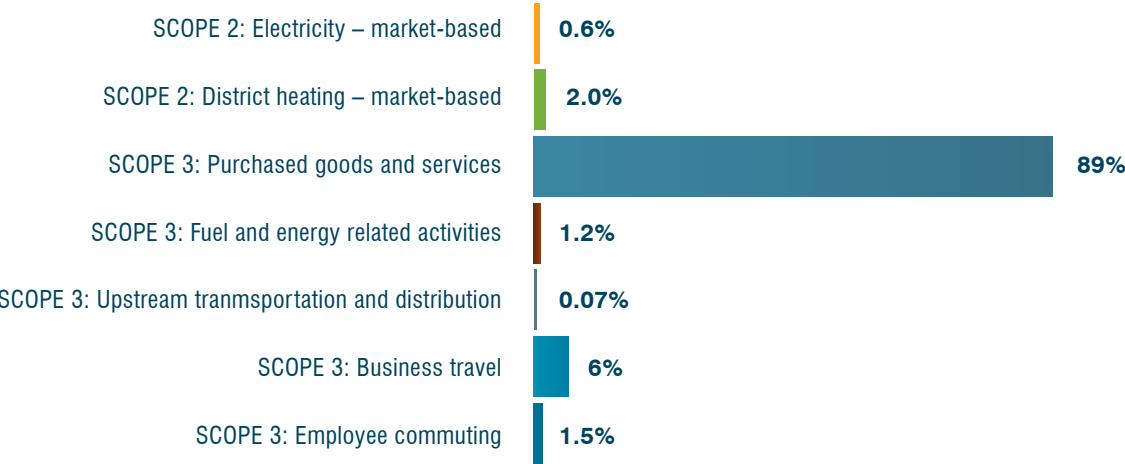


TABLE 5:
UNITED BANKERS' CARBON FOOTPRINT

Emissions source	Emissions 2021 (tCO ₂ e)	Emissions 2022 (tCO ₂ e)
Scope 1	0	0
Scope 2 (Market-based)	33,3	33,7
Scope 3–15 (Investments within United Bankers products)	375 470,0	Available Q2 2023
Scope 3, Others	1 240,7	1 482,1
Total	376,744	Available Q2 2023

**RESPONSIBILITY
SOCIETAL IMPACTS**

To take responsibility for the sustainable development of society and the environment, United Bankers has integrated sustainability into its strategy, operations and values. In addition, it recognises that corporate social responsibility extends beyond the Group's own sphere of activity to the wider society. Each year, United Bankers supports projects and initiatives related to sustainable development of society and the environment.

**UNITED BANKERS SUPPORTED RED CROSS RELIEF
WORK IN UKRAINE**

Russia's war of aggression against Ukraine in February 2022 shocked the world. During the year, United Bankers made two significant donations through the Finnish Red Cross to support Ukrainians in the war-torn country. Many United Bankers employees also personally helped Ukrainians, including through financial donations, participating in the collection, shipment and delivery of supplies, and assisting with the transportation of refugees.

**SUPPORTED THE GUBBE ELDERLY CARE SERVICE TO
REDUCE LONELINESS AMONG SENIOR CITIZENS**

In 2022, United Bankers continued to support the activities of the Gubbe senior citizens service. Gubbe Sydänystävä Oy is a new

type of non-medical service established in 2018 with the aim of helping senior to live happier and be more active. The COVID era increased loneliness among older people, but many older people still suffer from loneliness today.

Through the Gubbe service, United Bankers offers seniors help with household chores and regular companionship in their daily lives. At the same time, United Bankers enables young people to find employment for the next year in a meaningful part-time job.

OTHER ENVIRONMENTAL AND SOCIAL SUPPORT

For the second year in a row, United Bankers supported children's commutes to school by supporting the Pieni kulkija ("Little walker") service. United Bankers employees distributed reflective LED vests to first-graders at Katajanokka Elementary School to promote safety on the journey to school.

United Bankers has supported the Baltic Sea Action Group's (BSAG) work to protect the Baltic Sea for many years. The 2022 Christmas gift funds were also directed to BSAG.



THE
FINNISH
RED CROSS



GUBBE
ELDERLY
CARE SERVICE



LITTLE
WALKER



BALTIC SEA
ACTION
GROUP

Responsible communications and marketing

United Bankers' sustainability approach is guided by the values that are important to the company: customer orientation, agility, and team spirit. These values are reflected in everyday work. The company aims to build long-term client relationships based on trust and confidence, and to grow client wealth through solutions that meet each client's individual goals and needs.

Marketing and client relations are based on a customer-centric, responsible and solution-oriented approach, as well as equal and fair treatment of clients. Clients are only offered solutions that are tailored to their specific situation and objectives, always well-founded and designed to withstand different market conditions. To achieve and maintain client confidence, products and services will be communicated honestly and in accordance with current legislation. In addition, communication and marketing will emphasise sustainability by being transparent, professional, and clear.

In 2022, United Bankers has invested in particular in the development of its sustainability reporting. For the first time, the 2022 Annual Report has been prepared in accordance with the Global Reporting Initiative (GRI) principles of international sustainability reporting standards. During 2022, United Bankers also renewed its sustainability reporting for the funds and the UB 360 asset management model (excluding UB 360 bonds), with new product-specific reports coming into effect from the beginning of 2023. With the revised reports, United Bankers wants to communicate its activities to its stakeholders in a more transparent, comprehensive, and clear way.

Due to new sustainable finance regulations, in August 2022, United Bankers added sustainability preferences as part of its assessment of the suitability of products and services for a client. By identifying customer preferences and objectives in relation to sustainability, United Bankers aims to provide clients with products that are best suited to their financial goals and their preferences for the sustainability characteristics of investments. During 2022, United Bankers' financial advisors and other personnel were trained on the process changes related to clients' sustainability preferences.

United Bankers wants to invest in responsible client communication and dialogue. Consistent practices have been established for handling client feedback to ensure that each feedback is responded to in an appropriate manner and within a reasonable timeframe. Maintaining a high level of client satisfaction is important and client satisfaction is monitored through regular client satisfaction surveys conducted by external parties and through collecting continuous feedback on activities.

In 2022, United Bankers participated in the Reputation&Trust survey developed by T-Media, which examines the reputation of organisations and the level to which stakeholders trust the organisation. The goal of participating in the survey was to assess the current state of United Bankers' reputation and trust among its investor base. The survey provided the company with important insights into its strengths affecting reputation, and also helped to identify key areas of development for the company in building its reputation. United Bankers intends to participate annually in this survey, which is widely commissioned for listed companies, in order to set reputational goals, monitor its reputation development and pursue a strong reputation as a competitive advantage.

During 2022, the company did not identify any non-compliance with marketing and communications regulations, nor did stakeholders or external parties report any issues with United Bankers' marketing.

Client privacy and data protection

Investing in data protection is a prerequisite for reliable and client-oriented business operations. United Bankers processes a wide range of personal data on a daily basis, which is used for client relationship management, marketing, stakeholder communication, risk management and personnel-related matters, among others. A significant share of this data is confidential client and asset information covered by banking secrecy. Personal data is processed in accordance with the EU General Data Protection Regulation (GDPR), national personal data legislation and specific financial sector regulations.

Data is processed in both physical and digital form and it is of paramount importance that privacy and banking secrecy are maintained at all times. The good personal data processing practices already established will be maintained and continuously improved to ensure that the confidentiality and privacy of data processing is optimally safeguarded and that they meet the requirements of a changing business environment.

United Bankers continuously monitors and advances client privacy and data security. Employees are regularly trained and all are required to comply with United Bankers' Privacy Policy, Personal Data Processing Policy and other internal guidelines that support the implementation of data protection regulations. In 2022, training on data protection and digital security was provided to all employees. During 2022, United Bankers was not aware of any complaints or breaches relating to client data protection, client data processing or data security.

Preventing corruption, bribery and money laundering

There is always a risk of corruption, bribery and money laundering in the financial sector. United Bankers does not tolerate corruption, bribery or any other illegal activity under any circumstances, and will actively work to combat corruption and maintain and promote transparency. United Bankers complies with Finnish legislation, which incorporates all key international anti-corruption instruments (including The United Nations Convention Against Corruption and The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions).

United Bankers bears its share of responsibility for preventing money laundering and terrorist financing both in Finland and internationally. United Bankers is bound by domestic regulations on the prevention of money laundering and terrorist financing as well as EU sanctions. The company also complies with UN sanctions and OFAC sanctions imposed by the United States. The company carries out an annual risk assessment to identify and assess the risks of money laundering and terrorist financing.

Regulation on the prevention and detection of money laundering and terrorist financing applies to all United Bankers' business activities. Client due diligence is a key obligation of this regulation. It means that to detect unusual transactions, the company identifies and verifies the identity of the client and the person acting on behalf of the client and knows the nature and extent of the client and their activities. Before each new client relationship is opened, client information is reviewed in accordance with regulatory requirements and the company's own internal guidelines.

The regulation also places restrictions on the payment and receipt of various payments and rewards, or incentives. These are intended to improve the quality of the service provided to the client but must not lead to behaviour that is contrary to the client's interests. In its remuneration arrangements, United Bankers seeks to ensure that rewards do not lead to a conflict of interest between the client and the personnel providing the service, for example by not guiding investment recommendations or investment advice to clients. The remuneration model has been structured in such a way that there is no temptation to act against the client's interest in any particular product. The reward criteria include qualitative criteria to encourage action in the best interests of clients.

The United Bankers Code of Conduct guides the lawfulness and ethical conduct of the company's employees. For example, United Bankers employees do not offer, solicit or accept inappropriate gifts, trips or payments. Guidelines for solicitation and acceptance of business gifts are set forth in the company's Code of Conduct.

All United Bankers employees participate in annual anti-money laundering and client awareness training, as well as training on United Bankers' Code of Conduct.

In 2022, United Bankers reported no cases of corruption, bribery or money laundering related to its own activities. The company had no anti-competitive activities or violations of antitrust and monopoly laws.

UNITED BANKERS’ GENERATED ADDED FINANCIAL VALUE

Generated added financial value for different stakeholders (EUR 1,000)	2022	2021	2020	2019
Revenue (customers)	48 562	43 828	34 358	32 477
Purchasing (suppliers of goods and services)	5 140	5 289	4 614	4 501
Gross profit	43 422	38 539	29 744	27 976
Wages and benefits (personnel)	17 514	16 254	13 966	13 974
Taxes (public sector)	3 635	3 109	1 826	1 515
Financial expenses (creditors)	170	136	137	136
Other expenses (operations and business development)	9 233	7 831	7 291	7 936
Retained earnings	12 871	11 210	6 523	4 415

ECONOMIC VALUE GENERATED AND DISTRIBUTED				
Society income distribution, EUR 1,000	2022	2021	2020	2019
Fee and commission income and expense, net	43 194	38 017	29 355	27 319
Net profit or loss on trading on securities and foreign currencies	-158	400	138	530
	77	20	17	21
Net interest income	120	-45	-69	-86
Other operating income	20	10	166	56
Total income	43 252	38 403	29 607	27 840
Personnel expenses	14 647	13 780	12 213	11 774
Other administrative expenses	6 637	5 402	4 630	5 234
Depreciation, amortization and impairment	1 922	1 938	1 694	1 745
Other operating expenses	676	519	963	978
Impairment losses on liabilities and other receivables	-1	-28	5	-21
Society				
Income taxes	3 635	3 109	1 826	1 515
Social security costs	593	486	354	322
Pension expenses	2 274	1 988	1 400	1 879
Equity holders of the parent company	12 539	10 347	6 234	4 421
Non-controlling interest	332	864	289	-7
Distribution of income	43 252	38 403	29 607	27 840

Tax and tax footprint

United Bankers is headquartered in Finland and has operations in Sweden and Luxembourg through its subsidiaries’ branches. United Bankers pays its taxes in accordance with local legislation in each of the countries where it operates. United Bankers is committed to operating in compliance with all its legal obligations, to providing all necessary information to the relevant tax authorities and to engaging in an open and transparent dialogue with them.

In 2022, United Bankers paid a total EUR 12 million of taxes and tax-related payments.

Earnings performance

United Bankers aims to grow the business, the bottom line, and the value of the company over the long term. Financial responsibility is the cornerstone of United Bankers’ business. By ensuring the capital adequacy and profitability of its business, the company will continue to be able to operate in the future. Through carefully considered and long-term growth investments, the company aims to create added value for its owners and clients alike.

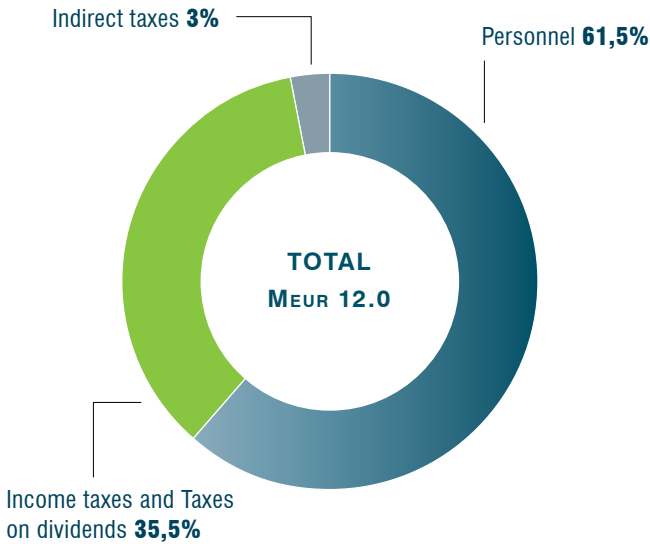
TAX AND TAX FOOTPRINT

Tax table EUR 1,000		
Personnel	2022	2021
Withholding and tax-at-source	4 490	3 966
Pension contributions	2 274	1 988
Social security contributions	593	486
Income taxes and Taxes on dividends	2022	2021
Income taxes	3 635	3 109
Withholding and tax-at-source on dividends	607	414
Indirect taxes	2022	2021
Value added tax on sales	361	387

United Bankers reports on its business and financial performance transparently and accurately so that stakeholders have a true and fair view of the Group’s financial position and operating results. United Bankers’ activities are always based on good corporate governance, legislation, and regulatory guidelines. Honesty and ethics are fundamental principles underpinning our operations.

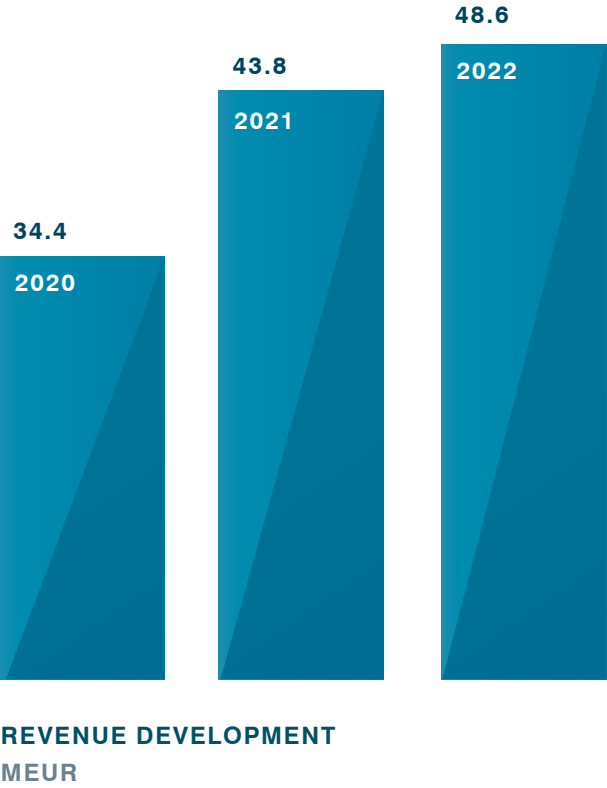
United Bankers is implementing a growth strategy based on the following elements:

- long-term client relationships and exceeding client expectations
- pioneering the development of unique and high-quality products and services
- strengthening a dedicated team of experts
- sustainability at the heart of the business and in ensuring success
- leveraging technology to enhance the client experience and increase efficiency
- growing operations both organically and through acquisitions
- focusing on scalable and recurring revenue generating business



A financially strong company can meet the needs of its clients, take responsibility for the environment, look after its personnel, and provide well-being for society.

In 2022, United Bankers Group's revenue (income from operations) increased by 10.8 per cent to EUR 48.6 million. United Bankers' dividend policy is to pay an annual dividend of at least 50 per cent of earnings per share or cash flow per share¹. The company has been able to steadily increase its dividend in recent years. In accordance with the decision of the 2022 Annual General Meeting, United Bankers paid a dividend to its shareholders for the financial year 2021 totaling EUR 0.80, of which EUR 0.70 was the ordinary dividend. In addition, an extra dividend of EUR 0.10 was paid. The amount of the ordinary dividend was 37 per cent higher than in the previous year. For more details on the development of the Group's financial results, see sections in the Board of Directors' Report and Consolidated Financial Statements.



¹ On February 17, 2023 United Bankers published an updated dividend policy, according to which the company aims to distribute an annual dividend of at least 70 per cent of the earnings per share or cash flow per share, considering the company's financial situation and strategy.



CARBON FOOTPRINT CALCULATION – METHODOLOGY, ASSUMPTIONS AND SOURCES

United Bankers’ carbon footprint was calculated by Gaia Consulting in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition, 2004) and the GHG Protocol Corporate Value Chain standard (Scope 3) (2011). In addition, the PCAF Global GHG Accounting and Reporting Standard for the Financial Industry (first edition, 2020) was used to calculate United Bankers’ investment emissions (Scope 3, Category 15), as it provides more detailed guidance for calculating financed emissions. The carbon footprint of United Bankers’ forest investment products was calculated by AFRY.

United Bankers has no Scope 1 emissions. Scope 2 emissions, i.e. purchased energy consumption data, were obtained for electricity and district cooling for the Helsinki office and electricity and district heating for the Tampere office. The consumption of the other offices was estimated on the basis of the known consumption of the previously mentioned offices (electricity) or on the basis of average consumption per square meter (district heating).

Where possible, primary data directly from service providers was used for the Scope 3 calculation. Where primary data were not available, emissions were estimated using, for example, national averages, public databases and consumption data.

The following categories were taken into account in the Scope 3 calculation:

- 1. Purchased goods and services
- 3 Upstream emissions from the energy used chain
- 4. Upstream transport and distribution
- 6. Work travel
- 7. Commuting to work
- 15. Investments

For category #5 (waste), no information was received from the waste management partner or lessor. However, waste emissions are estimated to be negligible.

Scope 3, category 15, Investments
According to PCAF’s calculation guidelines for financial institutions, portfolio issues are allocated to United Bankers based on the ratio of the amount remaining to the total value of the real estate at inception (commercial real estate), EVIC (listed companies or bonds), or equity to debt (private equity and bonds). The equations used to calculate financed emissions are available in the PCAF documents.

The carbon footprint of forest holdings was calculated using SIMO software. The software is based on domestic studies and follows IPCC guidelines. In addition to tree growth and harvesting, the calculation considers the soil carbon cycle, logging residues and the life cycle of wood products.



GRI Index

Code	Indicator	Location in the report	Information
2-1	Organisational details	Notes to the consolidated financial statements p.97	
2-2	Entities included in the organisation's sustainability reporting	Reporting principles p.6	
2-3	Reporting period, frequency and contact point	Reporting principles p.6	
2-5	External assurance	Reporting principles p.6	
2-6	Activities, value chain and other business relationships	Annual Report: United Bankers in brief p.4 Board of Director's Report - Business segments p.26	
2-7	Employees	Working at United Bankers p.33 Gender distribution p.38	Among part-time employees, 9 were men and 6 women, while among fixed-term employees, 6 were men and 4 women. (The distribution is calculated on a headcount basis) Out of the new employees, 12 were women and 19 men. The age distribution of the new employees was as follows: 11 individuals were under the age of 30, 16 were between the ages of 30 and 50, and 4 were over the age of 50. The more detailed information required by the standard was not currently available in our HR system.
2-8	Workers who are not employees	Working at United Bankers p.33	
2-9	Governance structure and composition	Managing and leading sustainability p.11 Annual Report: Corporate Governance Statement 2022 – Governance structure p.148 Annual Report: Corporate Governance Statement 2022 – Composition of the Board of Directors p.150 Annual Report: Corporate Governance Statement 2022– Committees of the Board of Directors p.155	The Board of Directors and committees of United Bankers do not currently include any representatives from minority groups or stakeholders.
2-10	Nomination and selection of the highest Governance Body	Annual Report: Corporate Governance Statement 2022 – Composition of the Board of Directors p. 150 Annual Report: Corporate Governance Statement 2022 – Competence and independence requirements for the Board of Directors p. 152 Annual Report: Corporate Governance Statement 2022 – Principles concerning the diversity of the Board of Directors p. 152	The nomination and election process of the board does not include considerations from stakeholders other than shareholders.
2-11	Chair of the highest Governance Body	Annual Report: Corporate Governance Statement 2022 – CEO p.130	
2-13	Delegation of responsibility for managing impacts	Managing and leading sustainability p.11-12	
2-14	Role of the highest Governance Body in sustainability reporting	Annual Report: Corporate Governance Statement 2022 – Duties of the Board of Directors p.153	
2-15	Conflicts of interest	Annual Report: Corporate Governance Statement 2022 – Principles concerning related-party transactions p. 161 United Bankers' website	
2-16	Communication of critical concerns		

Code	Indicator	Location in the report	Information
2-18	Evaluation of the performance of the highest Governance Body	Annual Report: Corporate Governance Statement 2022 – Board of Directors' self-assessment p. 155	
2-19	Remuneration policies	Annual Report: Remuneration Report 2022 – CEO's remuneration in 2022 p.170-172	In accordance with the Securities Markets Act, the Remuneration Report covers only the compensation of the CEO and the Board of Directors. The CEO does not receive a sign-on bonus.
2-20	Process to determine remuneration	Annual Report: Corporate Governance Statement 2022 – Remuneration Committee p.156 Remuneration policy for Governing Bodies - Grounds for determining variable remuneration s. 164,165 Annual Report: Remuneration Report 2022 - Decision making related to the remuneration policy p. 163 United Bankers Plc's minutes of the Annual General Meeting 2022 - Deciding on governance bodies remuneration p.5	An external (independent) consultant has attended the meetings of the Remuneration Committee.
2-22	Statement on sustainable development strategy	Annual Report: CEO Patrick Anderson p.6-9	
2-23	Policy commitments	Sustainability principles and policies p.7-8 Aiming for an investment portfolio with good governance and respect for human rights p.32	United Bankers does not pay attention to any particular stakeholder category.
2-24	Embedding policy commitments	Sustainability principles and policies p. 7-8	
2-26	Mechanisms for seeking advice and raising concerns	Whistleblowing channel p.17	
2-27	Compliance with laws and regulations		In 2022, there were no significant cases of breaches of laws or regulations.
2-28	Membership associations	Promoting sustainability together with interest groups p. 8 Membership association p. 19	
2-29	Approach to stakeholder engagement	Collective bargaining agreements	Stakeholder engagement p. 17
2-30	Collective bargaining agreements	Working at United Bankers p.33	
3-1	Process to determine material topics	Defining focus areas p.9	
3-2	List of material topics	Responsibility at the center of operations – Sustainability focus areas p.7 Table 1: Grouping of sustainability focus areas based on materiality analysis p.10	
201-1	Direct economic value generated and distributed	United Bankers' generated added financial value p.47	
201-2	Financial implications and other risks and opportunities due to climate change	Climate risks and opportunities p.13-15	
205-3	Confirmed incidents of corruption and actions taken	Preventing corruption, bribery and money laundering p.46	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Preventing corruption, bribery and money laundering p.46	
302-1	Energy consumption within the organisation	Energy consumption p. 42	
304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity p.29-30	Apart from the measurement of forest holdings in hectares, United Bankers has not assessed its direct and indirect effects on biodiversity with the level of accuracy mandated by the standard.

Code	Indicator	Location in the report	Information
304-3	Habitats protected or restored	Biodiversity p.29-30	United Bankers does not engage in cooperation with external entities for the purpose of conservation or restoration efforts that extend beyond the forest reserves of funds.
305-1	Direct (Scope 1) GHG emissions	Carbon footprint p. 41-42 Carbon footprint calculation – methodology, assumptions and resources p.51	The method employed for calculating emissions was based on the Global GHG Accounting & Reporting Standard for the Financial Industry developed by PCAF. The approach to accounting was based on operational control.
305-2	Energy indirect (Scope 2) GHG emissions	Carbon footprint p. 41-42 Carbon footprint calculation – methodology, assumptions and resources p.51	The method employed for calculating emissions was based on the Global GHG Accounting & Reporting Standard for the Financial Industry developed by PCAF. The approach to accounting was based on operational control.
305-3	Other indirect (Scope 3) GHG emissions	Carbon footprint of United Bankers' products p.26 Carbon footprint p. 41-42 Carbon footprint calculation – methodology, assumptions and resources p.51	The method employed for calculating emissions was based on the Global GHG Accounting & Reporting Standard for the Financial Industry developed by PCAF. The approach to accounting was based on operational control.
305-4	GHG emissions intensity	Table 2: Indicators describing the climate risks of daily valued equity and fixed income funds p.16 Carbon footprint of United Bankers' products p.26 Carbon footprint p. 41-42 Carbon footprint calculation – methodology, assumptions and resources p.51	
401-1	New employee hires and employee turnover	Working at United Bankers p.33	The more detailed information required by the standard was not currently available in United Bankers' HR system. The available data required by the standard for this indicator can be found in the Working at United Bankers section.
401-3	Parental leave		At the end of 2022, three employees were eligible for parental leave. Over the course of the year, a total of seven individuals took parental leave, including three women and four men. By the end of the year, two men had resumed to work at United Bankers. Currently the detailed information needed to meet the standard was not accessible through United Bankers' HR system.
402-1	Minimum notice periods regarding operational changes	Working at United Bankers p.33	
403-5	Worker training on occupational health and safety	Job satisfaction and well-being p.35	
403-6	Promotion of worker health	Job satisfaction and well-being p.33	
403-9	Work-related injuries	Job satisfaction and well-being p.35	
403-10	Work-related ill health	Job satisfaction and well-being p.35	
404-3	Percentage of employees receiving regular performance and career development reviews	Training and development p. 37	The personnel survey is anonymous, so no data is available by gender or employee category.
405-1	Diversity of governance bodies and employees	Gender distribution p.38 Age distribution p. 40	
406-1	Incidents of discrimination and corrective actions taken	Equality and non-discrimination p. 39	
415-1	Political contributions		No political contributions made in 2022.
417-3	Incidents of non-compliance concerning marketing communications	Responsible communications and marketing p.45	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Client privacy and data protection p. 45	





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