

**ÄLANDSBANKEN**

Code of conduct

# Code of conduct

## Aim

The aim of this code of conduct is to present the principles that guide our ways of working, our business relations as well as our customer relations at the Bank of Åland, and thus help us act responsibly. The code of conduct applies to the bank's employees and to the bank as an employer as well as the bank's relations to its customers, owners, investors, suppliers, and partners. The code of conduct is revised annually or when needed. The Board of Directors is responsible for drafting additional instructions for specific areas and sectors as needed. The Board has responsibility for ensuring that the organization facilitates the practical application of this code of conduct.

## Our values

Our fundamental value as a responsible actor have guided our actions and our business undertakings ever since 1919. Our high level of awareness of and company-wide commitment to issues of sustainability underpin our compliance work and help us to develop our sustainability approach continuously.

Our core value words are ambitious, personal, and responsible. For us, valuing diversity, equality and fairness is a given. Our values and ethical guidelines express a collective standpoint that shall permeate our actions and function as the basis of our daily work. Our business shall be conducted in a sustainable manner with a long-term horizon, both from a financial, social and an environmental perspective.

## Governance and leadership

### Employees

All employees shall be treated with respect and dignity. We strive to be a safe place of employment which provides fair and equal opportunities for development and long-term relationships both externally and internally.

Diversity and inclusion form the foundation that helps each employee thrive based on his/her own skills, qualifications, and experience. All employees shall have equal access to professional development regardless of their gender, ethnicity, language, religion, political or other views, union membership, family relations, age, sexual orientation, gender identity or physical capability. We have zero tolerance for discrimination, harassment, sexual harassment, and bullying.

We ensure that all employees have the competency

required for the work they are responsible for conducting. Skills and competencies are updated on a continual basis. We also carry out the obligatory training required of certain positions within the company, such as licensing and certification.

### Employee responsibility

All employees are expected to carry out their work tasks and assume responsibility for understanding, prioritizing, and delivering in accordance with what is expected of each professional role, together with their respective teams and others within the organization.

Using communicative measures and training, the Group shall actively promote ethical conduct among its employees. The work of each employee shall be informed by professionalism and high ethical standards. The Group's employees are obliged to follow applicable regulations, policies and guidelines and act in a way that upholds trust in the Bank, in the Group, and the financial sector.

### Leader responsibility

At the Bank of Åland, leadership is informed by the Group's principles and expectations regarding leadership. Each leader is responsible for supporting, coaching, and following up the development of employees as well as ensuring social sustainability by way of continuous dialogues. Leaders shall make sure that the work goals set for each employee and their team are clear, relevant, and easy to comprehend. Leaders are responsible for maintaining high functionality and high professional commitment in their teams, and they must ensure that each team member has the competency, skills, and qualifications required for performing their respective tasks well. It is each leader's responsibility to see to that everyone on their team is acquainted with and follows this code of conduct, along with all other relevant regulations and guidelines.

### Compliance

The foundation of our corporate culture is adherence to regulative frameworks and good praxis. We maintain this culture by providing employees with regular training and by continuously monitoring external regulation changes. Our compliance personnel supports the whole organization in matters related to compliance.

### **Secure management of data/Confidentiality**

We manage all our assets, both material and the immaterial, with the help of well-established processes, technology, expertise, and up-to-date information. All data, including but not limited to customer data, is processed securely to prevent unauthorized, unintentional, or harmful exposure, modification, or damage. We process all data in accordance with the currently applicable classifications and requirements.

### **Customer data protection**

The right to integrity must be respected. We may only gather and use personal data in connection with one of the following: legal obligation, contract, consent, or legitimate interest. As a rule of thumb, we keep our customers and our employees informed regarding how we manage personal data.

### **Money laundering and terrorist financing**

We have an obligation to prevent the Bank of Åland from being exploited for financial crimes. We have the responsibility to control and manage the risk of financial crime, and our way of working is informed by a solid knowledge of our customers, partners, suppliers, and other financial actors. As a part of the financial system, we assume responsibility for preventing, identifying, and reporting money laundering, terrorist financing, and fraud.

### **Bribery and corruption**

We work actively to prevent, identify, and combat bribery and corruption. Neither employees nor consultants may give or receive gifts or perks which exceed specified limits. It is characteristic for acceptable gifts and perks that they are given and received openly and without any contingent obligations or expectations.

### **Market abuse**

We shall promote the general trust in the markets and prevent market abuse from happening by regulating how our insider register is managed, how our employees, certain consultants, and their related parties may participate in trade finance, how we store information regarding private transactions carried out by employees, certain consultants, and their related parties, and how we detect and report suspected market abuse while monitoring trading orders and transactions.

### **Conflicts of interest**

It is of utmost importance for us that the financial markets retain the trust of the public. We are aware that conflicts of interest may arise within all areas of our work and are therefore prepared to take necessary action to prevent, identify, and manage such conflicts of interest that may weaken our pro-

fessional ability to reason or carry out our work in a way that best serves the interests of our customers, shareholders, suppliers, partners, or the Bank of Åland. Employees may not be engaged in tasks that may give rise to conflicts of interest, whether the tasks are related to their role as employees or private persons, or to their undertakings in some other context. Employees shall always inform their employer of any external commissions.

### **Customer relations and complaints**

We strive to build long-term customer relations based on openness, sincerity, and respect. Managing customer complaints well is an important part of promoting and maintaining customer satisfaction and trust. Therefore, it is crucial that we always manage complaints from customers and others professionally. Customers must always be treated in a courteous, kind, and correct manner.

### **Whistleblowing**

We promote good corporate governance and strive to maintain a high standard of corporate ethics. Therefore, we work proactively in order to prevent and detect serious violations of internal and external regulations or grave wrongdoings within our business. As a part of this proactive work, we apply an internal reporting system for the purpose of detecting misconduct.

To ensure that employees feel they can trust the reporting system, the process guarantees integrity and protects employees against any measures of retaliation.

### **Focus areas within our sustainability work**

Our values, applicable law and the adopted principles listed below form the foundation of our work as a responsible actor.

- The United Nations' Principles for Responsible Investment (UNPRI), which entails that the Group's social and environmental responsibilities are analyzed and controlled in accordance with the principles.
- The United Nations' Environment Programme Finance Initiative (UNEP FI), which strives to align the global banking sector with the Paris Agreement and with the United Nations' global development goals.

### **Sustainable Investments, sustainable credits, social responsibility, environmental responsibility**

Our aim is to ensure that the undertakings of the Group are sustainable in the long term, both financially, socially, and environmentally, as well as to contribute to sustainable development in general. This applies to all our actions, ranging from decisions involving credit and investments, advisory

services and purchases. Thus, we can retain the trust of the public as a serious and sustainable actor.

Our work is informed by the sustainability strategy provided below.

#### **Sustainable investments:**

- ESG integration as a method – all investment decisions are screened for sustainability-related risks and possibilities associated with the company in question. The decisions are based on the sustainability analysis crafted by MSCI, which includes the principles of the UN Global Compact agreement.
- Exclusions – we exclude all companies involved in the production of controversial weapons, pornography, betting, tobacco products (including cannabis), or coal. We collaborate selectively with companies that produce alcoholic beverages.
- Continuous development of a sustainable product selection and transparent reporting.

#### **Sustainable credits:**

- Economic sustainability, including an assessment of the customer's ability to repay their loan.
- Financing for projects deemed sound.
- Social responsibility:
  - To maintain a high ethical standard by following regulations and requirements as well as safeguarding internationally adopted human rights.
  - To contribute to the prevention of corruption, money laundering and other criminal activity
  - To be an attractive employer that
    - Protects the employees' rights and promotes a safe and secure working environment for everyone.
    - Offers fair working conditions and equal pay for equal work.
    - Promotes learning from both male and female experience and expertise and ensuring their equal representation in different areas, roles, and positions within the company.
    - Creates a corporate culture wherein diversity is seen as an asset.
- To determine competency requirements for all employees based on applicable regulations and requirements as well as map out the bank's competency needs based on company strategy/roadmap.
- To assume an active role in societal development of the Åland Islands.

#### **Environmental responsibility**

- To cut our carbon emissions by transitioning into:
  - Sustainable consumption and production
  - Sustainable energy use
  - Sustainable travel praxis and internal communication.
- To contribute to cutting carbon emissions globally by raising awareness through Åland Index.
- To contribute to a cleaner Baltic Sea by promoting sustainability-enhancing initiatives through the Bank of Åland's Baltic Sea Project.

We measure, report, and follow up our sustainability-related activity, and publish our findings on our website annually as a part of our online sustainability report. Our carbon emissions are accounted for in our quarterly reports, while the Baltic Sea Project and the sustainability-related aspects of our funds are reported on in our annual report.

#### **The responsibilities of our suppliers/partners**

When choosing our suppliers/partners, we take into consideration the potential collaborator's values and how these inform the work of the company in practice.

Our suppliers/partners have the duty to:

- Uphold a high ethical standard by following regulations/requirements and support internationally acknowledged human rights.
- Contribute to combating corruption, money laundering and other criminal activity.
- Contribute to cutting carbon emissions
- Be a company that
  - Protects employee rights and promotes a safe and secure working environment for all
  - Has fair and decent working conditions with equal pay for equal work
  - Strives to ensure that the expertise and experience of both men and women comes into use and is represented in all areas, roles, and positions within the business
  - Creates a corporate culture where diversity is seen as an asset.

Our suppliers/partners have the duty to ensure that their potential subcontractors follow these same principles in their work. Each supplier/partner is responsible for regularly following up and scrutinizing their own as well as their subcontractors' business in order to ensure that they live up the required standards. We may check up on our suppliers or partners to make sure that they comply with the requirements listed above.