

United Bankers | Climate roadmap 2023-2050



BUILDING WEALTH IN A RESPONSIBLE WAY

Approved by the Board of Directors / Sustainability Steering Group 21.9.2023



Introduction

United Bankers is a Nordic wealth management company specializing in real assets. The primary objective of our investment activities is to achieve the best possible returns, both in the long and short term, while adhering to responsible practices, at the risk level chosen by each client. United Bankers' climate action, as well as climate efforts within our investments contribute and secure long-term value creation. Within our asset management operations, our investment products are intricately linked to all sectors of the economy and intertwined with global value chains.

United Bankers aims to achieve climate-resilient growth and net zero emissions by no later than the end of 2050. This climate roadmap, we outline interim goals, key actions and methods to track our progress.

The majority of United Bankers' impact on the environment and society occurs through our investments. The only way to reduce climate risks is to bring about changes in the real economy. Therefore, we aim to drive real emissions reductions by offering our customers a product range that ena-

ble investment in carbon sequestration and transition to a low-carbon and climate-resilient economy. We believe that providing such investment opportunities is at the core of responsible wealth creation.

We have been committed to the UN Principles for Responsible Investment since 2012 (UN PRI). We promote achievement of the goals of the Paris Climate Agreement and the Sustainable Development Goals defined by the UN 2030 Agenda.

Towards significant emission reductions, carbon sequestration and economic growth

United Bankers pursues climate-resilient growth. Our goal is to implement United Bankers' growth strategy while simultaneously aligning with international long-term climate targets. We aim to exert positive influence on reducing the carbon footprint of our investments. We invest in low-carbon and carbon sequestration solutions and we aim to increase the carbon sequestration of our investments to exceed the greenhouse gas emissions of our investments by 2030. Simultaneously, we work actively on reducing the carbon footprint of our internal operations. Our overarching longer term objective is to achieve net zero emissions and net negativity by 2040–2050 at the latest.

We are working to ensure that our operations are in line with the goals of the 2015 Paris Agreement. The goal of the Paris Agreement is to limit global temperature increase to 1.5°C. In its 2018 report, the Intergovernmental Panel on Climate Change (IPCC) stated that in order to reach this goal, global carbon emissions must be halved by around 2030 and net carbon emissions must be reduced to zero by 2050.

Our approach consists of the following key themes:

- Setting short- and long-term science-based climate targets in line with best international practices (Science-Based Targets initiative)
- Reducing emissions from our own activities (scope 1, scope 2, scope 3) and yearly reporting on our progress
- Reducing the emissions and increasing the carbon sequestration of United Bankers' product portfolio (scope 3, category 15) and yearly reporting on our progress. As part of this work, we emphasise the following:
 - investment in climate solutions
 - timberland investments that sequester carbon and function as carbon sinks
 - investment in companies transitioning to or with the potential and desire to transition to a low-carbon economy
 - engagement with high-emission portfolio companies to promote the climate transition
- analysis and management of climate risks as part of achieving carbon neutrality
- promoting collaboration, climate actions, partnerships and the advancement of new climate solutions

This climate roadmap complements United Bankers' Principles for Responsible Investment. The Principles for Responsible Investment and the supplementary practical guidelines for responsible investment steer all our investment decisions.

United Bankers' Sustainability Steering Group and, at the highest level, the Board of Directors of United Bankers oversee the implementation of our climate roadmap. We report on our progress every year in our annual report and sustainability report, which include information on climate risk assessment and management in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) reporting framework. We will continuously assess, amend, and develop our climate roadmap in line with the evolving climate science and the development of best practices among international investors.

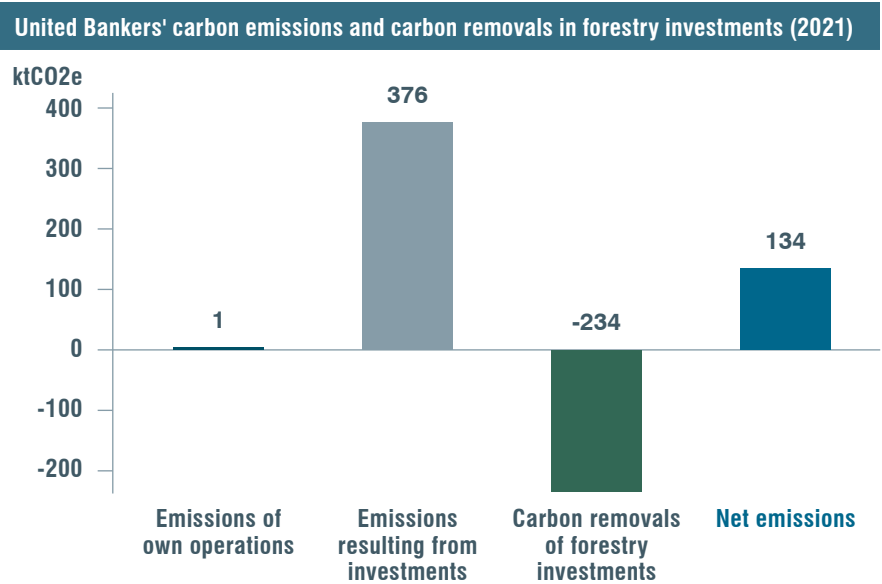


Situation analysis as the starting point of the roadmap

The climate roadmap is part of the continuum of United Bankers' climate action. In 2022, United Bankers' carbon footprint was calculated for the first time. The calculation was based on 2021 data, and adhered to the international GHG Protocol standard and the methodologies developed for the financial sector by the Partnership for Carbon Accounting Financials (PCAF). This calculation serves as a foundation for United Bankers' efforts in setting and achieving short- and long-term science-based climate goals.

Based on the results, United Bankers' carbon footprint at the end of 2021 was 377 ktCO₂e, and United Bankers' own operations (scope 1, scope 2 and the scope 3 emissions

outside of the investment portfolio) accounted for 0.3 per cent of this. The remaining 99.7 per cent was made up of the carbon footprint of investments (scope 3, category 15). Therefore, a significant part of United Bankers' climate work will focus specifically on the climate impact of investments. In addition to the carbon footprint of United Bankers' investments, the carbon sequestration and carbon sinks of timberland investments are significant, as the results showed that the carbon sequestration of forests accounted for two-thirds of greenhouse gas emissions from investments in 2021. We aim to take the carbon sequestration and carbon sinks of timberland investments into consideration in United Bankers' climate work in line with evolving international best practices.



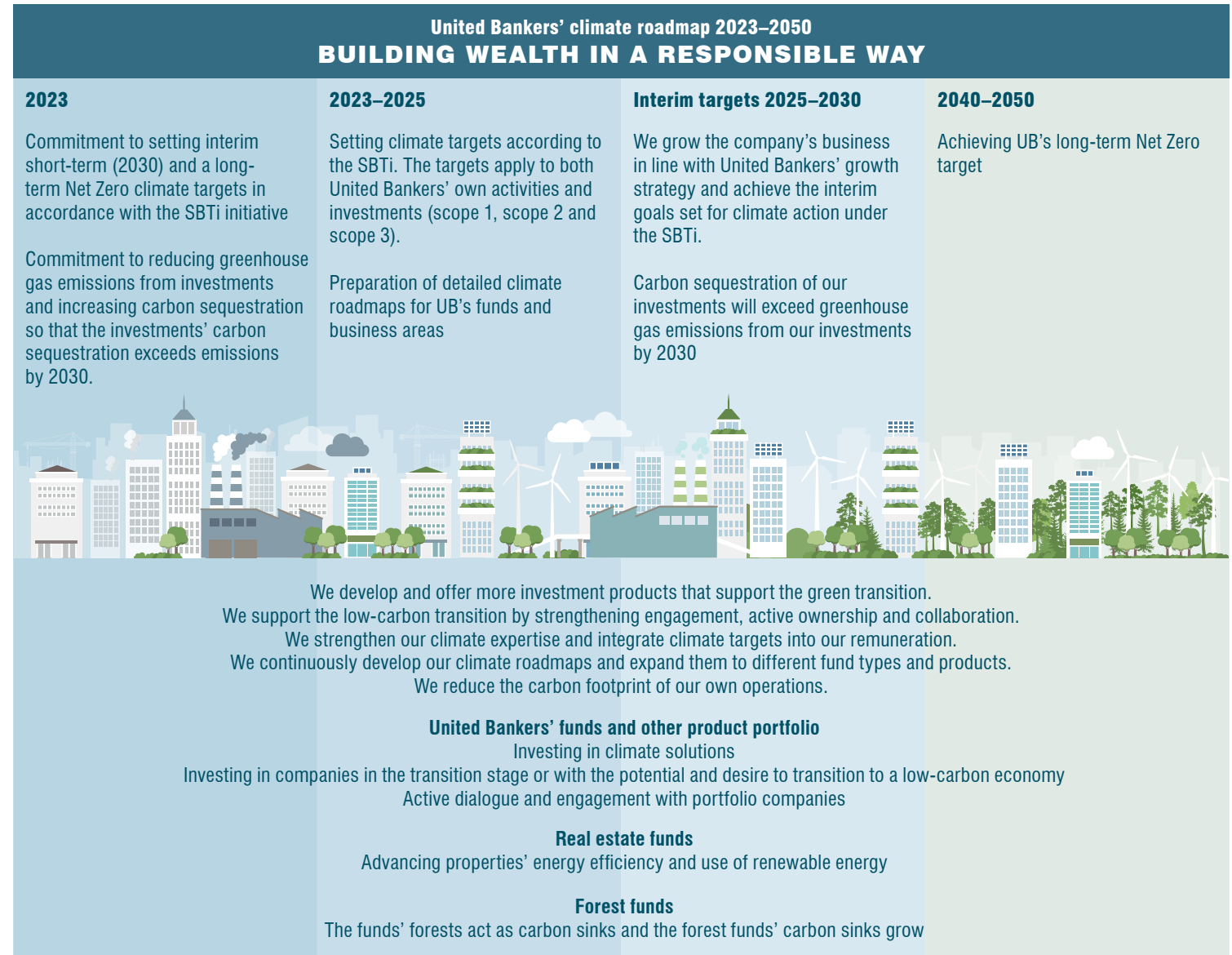
United Bankers' investment portfolio does not only generate greenhouse gas emissions, its timberland investments also sequester carbon. This is significant for the achievement of a carbon net-negative portfolio, where the amount of carbon sequestered exceeds the amount of emissions.

Financial sector companies can report the greenhouse gas emissions and carbon sequestration of their investments separately. However, emissions reporting should focus mainly on greenhouse gas emissions.

United Bankers' key climate actions over the years from 2012 ->					
2012	2019	2020	2021	2022	2023
<ul style="list-style-type: none"> Signing of the UN PRI 	<ul style="list-style-type: none"> UB's general climate targets incorporated into the Principles for Responsible Investment 	<ul style="list-style-type: none"> Montreal Carbon Pledge UB support to the CDP initiative starts 	<ul style="list-style-type: none"> Commitment to reporting climate risks in line with TCFD Calculation of forest funds' carbon balances starts 	<ul style="list-style-type: none"> Calculation of United Bankers carbon footprint according to PCAF accounting standard Climate risks included in annual reporting and sustainability reporting Tightening of the criteria for climate-based exclusions in investments Carbon neutrality target set for property funds (2035 carbon neutral for use-phase energy) 	<ul style="list-style-type: none"> Renewed ESG reporting for Article 8 funds and asset management, including metrics for carbon risk and carbon intensity United Bankers' climate roadmap 2023–2050

Climate action from 2023 onwards:

- We commit to setting short- and long-term climate targets based on the Science Based Targets initiative (SBTi) for United Bankers. Our long-term targets are the SBTi Net Zero climate targets
- To achieve these targets, we will develop business sector and/or asset class-specific roadmaps with interim targets and benchmark levels, key measures and indicators. We also continuously develop United Bankers' overarching climate roadmap and its implementation through the separate asset class-specific roadmaps
- We integrate climate action into remuneration mechanisms at different levels of the organisation
- We will continue to develop the analysis and management of climate risks
- We will continue and enhance our internal training on climate change
- We will update the United Bankers Principles for Responsible Investment





United Bankers Plc

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