

SUSTAINABILITY MISSION STATEMENT

AKA Ausfuhrkredit-Gesellschaft mbH



aka EUROPEAN
EXPORT + TRADE
BANK

1 Sustainability Mission Statement

The transformation of our economy is one of the key challenges that society must face both today and in the future. The shift offers the opportunity to focus on a balanced and inclusive economy that enables the long-term well-being of our planet and living beings. The implementation of sustainable business practices promotes this preservation and leads to a stronger perception of corporate responsibility.

The financial sector's importance for the essential changes towards a sustainable and climate-neutral economy has also moved centre stage. As a leading specialist credit institution for export and trade finance in Europe, we are aware of the crucial role we play in shaping a more responsible and environmentally conscious financial landscape. The focus of our business activities is on financing and risk assumption in developing and emerging countries. With our products and services, we have an impact on the transformation of the economy and society. Furthermore, sustainable trade and the development of sustainable infrastructure are fundamental drivers of growth and prosperity, both in Europe and in developing and emerging countries.

We are committed to fulfilling our contribution in the creation of a greener, more responsible and more efficient economy. With our products, services and digital solutions, we strive to support and accompany our customers on their own transformation journey.

Sustainable action is a central component of our values and we are committed to creating long-term values for customers, investors and society and aligning them with environmental and social aspects.

The central premise of our transformation activities is the incorporation of the United Nations' 17 Sustainable Development Goals (SDGs) and the implementation of the requirements of the European Green Deal and the Paris Agreement. We are aware of the fundamental impact of our financial decisions and are applying a holistic approach to driving forward the transformation of the economy. We strive to align our business activities with global initiatives, support the sustainable transformation of our customers, offer innovative products and solutions and also contribute to climate and environmental protection and social equity with our own projects. Our financing activities in developing and emerging countries support living conditions at regional, national, European and global level in which prosperity is distributed as fairly as possible, ecosystems are preserved and social equity is promoted.

Our mission is to fulfil our sustainability principles, act responsibly and be an employer of integrity. We focus on a continuous monitoring of the effects resulting from our actions and strive to increase the positive contribution of our business decisions.

2 Sustainability Principles and Fields of Action

2.1 Sustainability Principles

We act in accordance with the following sustainability principles:

We are an enabler

AKA supports and finances its customers in the sustainable transformation and aligns economic success in line with ecological and social responsibility.

We are an innovator

AKA transforms banking operations to Net Zero and aligns this with internationally recognised principles and standards.

We are reliable

AKA implements processes, structures and guidelines, which ensure further development of a sustainable organisation.

We are dialogue-oriented






AKA, as a network partner and platform provider, is in dialogue with stakeholders on the transition to sustainable business activities.

We are responsible

AKA represents values and norms, which have a positive contribution to its employees and the organisation.

2.2 Fields of Action

These sustainability principles provide orientation and set the framework for five fields of action, which are an essential part of our strategic and operational objectives: **Business Model, Operating Model, Management System, Communication & Public Relations** as well as **Corporate Culture & Employees**.

 <p>Management System</p> <p>Establishment of sustainable corporate governance and embedding in a functional management system. Design and control by C-level.</p>	 <p>Corporate Culture</p> <p>Sustainability is integrated into the corporate culture. Employees are the key for implementation and have to be involved.</p>	 <p>Business Model</p> <p>Transformation of the business model into a sustainable approach in order to generate new opportunities and consequently company growth.</p>
 <p>Communication & Public Relations</p> <p>Target group-orientated communication with internal and external stakeholders.</p>		 <p>Operation Model</p> <p>Conversion to a sustainable operation model based on CO2 emissions: "Avoid - Reduce - Compensate".</p>

2.2.1 Business Model

We are an enabler
 AKA supports and finances its customers in the sustainable transformation and aligns economic success in line with ecological and social responsibility.

Origination:

By providing financing, we support the transformation of the economy and contribute to the megatrends identified by the United Nations: “climate change”, “urbanization”, “technological innovation”, “inequalities” and “demographic developments”.

We take environmental and social concerns into account and have introduced suitable regulations for their implementation, which are continuously adapted: Projects that are likely to have an unacceptable impact on the environment or social issues are excluded from financing. The financing of new coal-fired power plants and their extension is categorically excluded. Furthermore, we will not finance any new activities in the context of thermal coal mining, for instance mining activities.

Along with our partner banks and export credit agencies, we are working on the implementation of corresponding internationally applicable sustainability regulations. The assessment of environmental, social and human rights aspects, in accordance with the OECD Common Approaches, is of great importance here. Particularly for government backed trade loans this framework provides reliable rules for ensuring the sustainability of transactions.

Credit Risk Management:

Environmental, social and governance risks (ESG risks) have a direct impact on AKA's credit risk positions and consequently take on an important role in AKA's risk management, both in the origination process and in ongoing portfolio management. AKA has implemented a scoring model and a heat map to assess ESG risks and their impact on the overall risk assessment. Through a continuous improvement, we ensure that we can refine our assessment of the ESG risks and the overall risk assessment.

2.2.2 Operating Modell

We are an innovator

AKA transforms banking operations to Net Zero and aligns this with internationally recognised principles and standards.

We strive to systematically transform our banking operations towards Net-Zero and thus reduce the carbon footprint of our operations. The implemented measures are reducing both avoidable and unavoidable carbon emissions. These measures are continuously reviewed, adjusted if necessary and incorporated into the relevant regulations.

2.2.3 Management System

We are reliable

AKA implements processes, structures and guidelines, which ensure further development of a sustainable organisation.

Responsible committees have been established in our management system for the purpose of integrating and perpetuating the topic of sustainability in business operations. Key elements are the Sustainability Board and the Sustainability Roundtable. Both ensure that the topic of sustainability is anchored in the company at various levels. Details of the sustainability governance structure are further regulated in specific guidelines and through clear processes, ensuring that the topic of sustainability is managed in accordance with regulatory requirements and other optional policies.

2.2.4 Communication & Public Relations

We are dialogue-oriented

AKA, as a network partner and platform provider, is in dialogue with stakeholders on the transition to sustainable business activities.

We conduct an open dialogue with our stakeholders on various sustainability subjects. By analysing the environment, trends and materiality, we identify relevant sustainability goals that we integrate into our sustainability strategy. Regular dialogue and an open approach ensure the continuous development of sustainable business activities. Furthermore, the systematic

development of the CSRD reporting will lead to an even more detailed presentation of our sustainable impact in future. Joining the PCAF initiative (Partnership for Carbon Accounting Financials) is also a key component of sustainability reporting. This enables us to work together with other financial institutions on a more precise data situation and methodology for reporting the Scope 3 carbon footprint.

2.2.5 Corporate Culture & Employees

We are responsible

AKA represents values and norms, which have a positive contribution to its employees and the organisation.

As a responsible employer we foster a respectful relationship with our employees in order to ensure the future viability of our company. We see it as a given that the transformation of our business and operating model is only possible with the involvement of all employees. The ESG-AKAdeMy, which offers various learning and exchange formats for our employees, was founded specifically for training and awareness-raising in the topics surrounding sustainability.

We are also committed to the fundamental values of our corporate culture: a fair compensation system, diversity and equal opportunities throughout the company for the professional development of all employees (regardless of gender, origin, ethnicity, religion, disability, age or sexual identity), work-life balance (for example: part-time and home office options), responsible health management and other social offers. We attach particular importance to diverse teams that bring together a distinct internationality as well as different generations in the workforce.

3 Outlook and impact on the strategic and operational objectives

The AKA-specific sustainability fields of action provide guidance for both the strategic perspective and the operational measures for perpetuating the complex array of topics surrounding sustainability within the company. From a strategic perspective the focus is on developing a holistic sustainability strategy from which suitable measures can be derived at operational level. Through this integration into all areas of the company and the consistent application of the overarching guiding principles on sustainability, AKA makes a significant contribution to its sustainable transformation and also supports its customers in their own developments.