



ALMPARTNERS

Corporate Social Responsibility Report 2022

www.almpartners.com



Business description

Dynamic, energetic, and rapidly growing, ALM Partners provides risk management, regulatory reporting, top-tier expertise and solutions in data and systems for financial and insurance industry players. ALM Partners assists its clients in achieving their business goals through highly skilled professionals, individually tailored services, and innovative technical solutions. We primarily operate in Finland and Sweden, but also increasingly in the Nordic countries, the Baltics, and other parts of Europe.

The ALM Partners Group (hereafter referred to as ALM Partners) consists of the parent company ALM Group Ltd and its subsidiary ALM Partners Ltd. The majority of ALM Partners Group is owned by our employees. During the year, we welcomed 13 new shareholders, and by the end of 2022, we had a total of 47 partners. The foundation of our business operations is based on the technical and industry-specific expertise of our employees, customer-centric attitude, and efficient services that promote business growth. By the end of 2022, we had 125 employees, an increase from 87 employees in the previous year (2021).

Our operational revenue grew by 21.5% in 2022 to EUR 10.3 million from EUR 8.1 million in 2021. Throughout the year, we made significant investments in growth, product development, and particularly in our personnel. In 2022, we recruited 18 young professionals into our two six-month Trainee programs to enhance their skills for future challenges in the finance industry. Despite our investments, our profitability remained strong. Our operational EBITDA was 7.6% of our revenue, which was a good result considering our growth pace and investments.

In March 2022, we acquired Figure Financial Management's regulatory reporting business and integrated it into ALM Partners. This acquisition enabled ALM Partners to provide comprehensive banking and regulatory reporting services on an even broader scale. The acquisition included 12 regulatory reporting experts who joined our company to strengthen our expertise in the field.

Creating new productive jobs in the private sector is the only guarantee for the continuation of our society's well-being. Therefore, our societal impact significantly increased in 2022. Overall, the total amount of direct and indirect payments made to our society increased by 17.8% to over EUR 4 million, which accounted for 38.8% of our revenue. In practical terms, this means that our contribution to our society per person-year was nearly EUR 38,000 in 2022.

CEO's letter

Recent events in Europe have demanded a significant shift in mentality. Russia's attack on Ukraine shook the general sense of security. The awakening of inflation and the rise in interest rates forced us to reconsider the economic framework. The flows of people driven by instability have been utilized as a political tool, while businesses struggle with the challenges of skilled labor availability.

We consider it particularly important that companies, including ALM Partners, treat their employees with respect, appreciation, and fairness. At the same time, companies must bear their responsibility within a broader societal context as good employers and conscientious taxpayers, ensuring the preservation of a secure society, skilled individuals, and societal stability. Instead of merely meeting the minimum standards set by laws, we strive to exceed our own and societal expectations and take on a greater level of responsibility. As a few examples of this, we provided immediate support to aid Ukraine after the major Russian attack in 2022 (in humanitarian work) and implemented principles enabling employee ownership.

During the past year and the beginning of this year, ALM Partners has made unprecedented investments in our personnel by significantly recruiting new staff members. Supporting the well-being and satisfaction of our employees is central, ensuring that both new and experienced professionals can sustain high levels of expertise in the midst of demanding client projects within our ambitious and goal-oriented work environment.

Let us continue to do our part - and even more - to strengthen shared well-being, not only within our own company but also more broadly in Finland and Europe.

Aaro Mäkelä
CEO
ALM Partners



Values and strategy

The goals set for the year 2022 were strongly connected to stakeholders, customers, company values, and their development. Our values and strategy are as follows:

Mission

We help our financial industry clients achieve their business goals.

- Through our high-level experts,
- Individually tailored services, and
- Innovative technical solutions.

Vision

The most skilled and respected partner for financial industry companies

- ALM Partners is a growing and renowned partner for financial industry companies, as well as an innovative pioneer.

Values

We trust each other and are reliable

- Internal perspective: We believe in and trust each other.
- Customer perspective: Our products and services are of high quality. We uphold our commitments.

We operate transparently

- Internal perspective: We communicate and discuss openly.
- External perspective: Our operations are transparent and jointly planned with the customer.

We value each other and our partners

- Internal perspective: Each one of us is a valuable individual.
- Customer perspective: We respect our customers' time and values.

We stand together and learn together

- Internal perspective: We encourage each other to develop our own expertise.
- Customer perspective: We anticipate customers' needs and provide innovative solutions for a changing world.

We act responsibly and promote responsibility

- Internal perspective: We aim to support sustainable development and contribute to the creation of new jobs.
 - Customer perspective: We contribute to building a balanced future for the financial industry.
-



Stakeholders

We strive to be a reliable partner for all stakeholders we interact with, and therefore, our stakeholders are at the core of our operations and everyday life. Our strong growth and expanding, international markets lead to the growth of our network, and mutually beneficial relationships are vital for us. Through active dialogue, we aim to find the best practices for our own operations and for developing our relationships with stakeholders, with the ultimate goal of serving our customers better. Our stake holders are:

Stakeholders

- Customers
 - Employees
 - Owners
 - Business partners
 - Goods and service suppliers
 - Schools and universities
 - Local communities
 - Societal entities: including authorities and industry associations
 - Media
-

Sustainability goals and implementation

Our sustainability goals and their implementation have been our main focus in 2022. We have focused on corporate social responsibility and responsible customer work, staff development, customer data protection, as well as financial responsibility and good governance. Our aim has been to incorporate these sustainability themes into our everyday work and continuous improvement.

Corporate social responsibility and responsible customer work

In addition to annual targeted internal projects, we are constantly striving for a better customer experience through customer-centric agile development, seeking and providing feedback through regular supplier meetings for services, end-of-project reports, and satisfaction surveys. We are also working on improving customer communication and listening attentively to their needs. We aim to optimize time and resources through modern architecture and tools, employee development, and assigning the right tasks. Reliability is the cornerstone of our industry, and we strive for it through active listening, agile development, and responsibly guided strategies. In 2022, we also felt it was our responsibility to support the victims of the war in Ukraine, and we donated 5,000 euros to the Save the Children organization.

Skilled and well-being staff

ALM Partners' key asset is our skilled and dedicated staff. Customer trust in us is made possible through the satisfaction, motivation, and development of our employees. The principles of our staff management are based on the company's values and the desire to succeed together. Therefore, taking care of our employees' expertise, sufficiency, and meaningful work has been and will continue to be part of our responsible operations.

Our strong growth and the hybrid working model established due to the Covid-19 pandemic have both required and enabled a more diverse investment in our employees. Our staff's employment and salaries are in accordance with the collective agreement for the financial sector. Our employees are comprehensively insured, and we offer them extensive occupational health and dental care benefits, as well as additional benefits for sports and culture. We provide ergonomic guidelines, team recreational days, and company events.

With the hybrid working model, we want to better accommodate remote workers. We have no geographical restrictions when recruiting, and everyone has been able to work from home if they wish. By default, employees can decide whether to work remotely or in the office. We want to ensure that when working remotely from home, the working conditions are as good as in the office. HR and occupational health assist employees with ergonomics matters. We also support remote work by providing devices and equipment to be delivered to employees' homes. We offer each employee the opportunity to purchase an electric desk for remote work. Additionally, it is possible to have an extra monitor and docking station for home use.



In 2022, we implemented the work commute bicycle benefit from Fleetbike. Bicycle commuting is an environmentally friendly option, and by encouraging employees to cycle to work, we promote an active lifestyle, which contributes to our pursuit of a sustainable future. Our work community is relaxed and cohesive. Our good team spirit also extends to our free time, with active participation in activities such as our Discord channel, board game nights, and various sports events. Our employees have the opportunity to be involved in organizing leisure activities. If we don't already have suitable leisure activities, we welcome new ideas with joy.

Employee well-being and competence development

We aim to enable our experts to learn new skills, either through new, learning-supporting tasks or through training. ALM Partners offers a wide range of business-related and technical training opportunities internally. Our own experts serve as trainers, and generally, anyone is free to participate in any training. In addition, we provide all employees with access to the Coursera learning platform and, if necessary, we also organize external training and coaching as needed.

Environmental responsibility in IT

We have initiated a project to recycle decommissioned computers and other ICT equipment. The devices are either reused by providing them to the next user or disposed of securely. We also strive to maximize the lifespan of all our ICT devices in our own use before they go through the aforementioned process. We also recycle internally used equipment, such as laptops, from one user to another.



Customer data protection

ALM Partners values its customers and strictly adheres to confidentiality agreements. We comply with the EU General Data Protection Regulation (GDPR), good banking and insurance practices, as well as various privacy requirements and standards comprehensively.

We have made every effort to ensure the confidentiality of customer data. We have modern and appropriate technical, organizational, and administrative procedures in place to protect all data in our possession from loss, misuse, unauthorized access, disclosure, alteration, or destruction. We regularly provide training to our staff regarding information security, personal data, and privacy, and continuously develop IT solutions to ensure data security. We actively collaborate with our customers to improve both their and our (information) security.

We have appointed a Data Protection Officer and developed guidelines for potential data breaches. As of 2022, we have not experienced any data breaches related to the processing of our customers' or ALM Partners' personal data.

Financial responsibility and good governance

In accordance with good corporate governance, clear and systematic decision-making processes are an essential part of our operations. These processes clarify responsibilities, avoid conflicts of interest, ensure risk management, and enhance transparency in our operations. Operating in line with ALM Partners' values requires the adoption of good governance practices in all aspects of our business. We aim to ensure that our company is well managed and led.

Power and responsibility allocation:

According to the requirements of governance, the ALM Partners' board has overall responsibility for good governance throughout the group.

General meeting:

The highest decision-making body is the general meeting, where shareholders exercise their voting rights. The general meeting decides, among other things, on financial statements, dividends, the election of board members and auditors, and remuneration for board members and auditors.

Board of directors:

The ALM Partners' board is responsible for the company's management, organizing its operations appropriately, and representing the company. The ALM Partners' board consists of 5 members, of which 3 were not employed by ALM Partners in 2022.

Executive team:

In 2022, the ALM Partners' executive team consisted of the CEO and six responsible managers representing different business areas. Additionally, the executive team's work was supplemented by representatives from HR and ICT functions as needed. In 2022, plans were initiated to expand the executive team, particularly in the areas of finance and HR.

Insider information and trading restrictions:

The entire personnel of ALM Partners adheres to the company's guidelines and agreements and refrains from using any insider information for personal trading in customer securities.

Future goals

In 2023, our goal is to continue strong growth and thus create high-tech and expertise-based jobs that are crucial for our society's financing. During 2023, we will continue our trainee training programs and technological investments. We particularly aim to take care of our skilled personnel and provide them not only with training but also with a pleasant and evolving work environment and a career path for professional development. In the longer term, our goal is to internationalize and expand our advanced solutions and high-quality services throughout Europe.

For additional information and inquiries

Jarkko Pitkänen

Marketing associate

jarkko.pitkanen@almpartners.fi

+358 40 189 5649