

# Sustainability Report 2019

## Sustainability and its reporting in eQ Group

### Purpose of reporting

eQ Group is a Finnish group of companies that concentrates on asset management and corporate finance business. The parent company eQ Plc's shares are listed on Nasdaq Helsinki.

The Sustainability Report describes eQ Group's role as a responsible actor in relation to its stakeholders and society at large. eQ wishes to ensure the transparency and openness of its operations by regularly and extensively reporting on its sustainability work, both at company level and in its investment operations. Even though eQ Group, based on its size and operations, is not obliged to draw up a non-financial report required by the Finnish Accounting Act, the Board of Directors of eQ Plc has decided to voluntarily report on its sustainability to investors and other major stakeholders. eQ Group's Sustainability Report 2019 has been approved by eQ Plc's Board of Directors and it is published as part of the Annual Report 2019.

This report follows Nasdaq's ESG global reporting guide for public and private companies published in May 2019 (ESG Reporting Guide 2.0 – A Support Resource for Companies) for the parts that are relevant to eQ's operations.



## eQ Group's responsible operations and responsible investments

eQ acts in a responsible manner at company level as well as in eQ Asset Management's investment operations and Advium's corporate finance operations.

eQ encourages the companies that it invests in to transparent stakeholder information and the development of sustainability reporting, regardless of the size of the company or regulatory requirements. More information about sustainability, the related principles and other relevant documents can be found on eQ's website.

### eQ Group and responsible operations

The year started off with further development of eQ Group's sustainability strategy. The Group, supported by its management, defined four sustainability themes and activities to promote them. Strong corporate governance and high ethical standards are the foundations of eQ's business operations. It is important for us that our clients are satisfied and feel that they get professional service. We promote business operations that are environmentally sustainable. In addition, we do our best to make eQ a good working place so that the best professionals want to work with us.

**“eQ wishes to ensure the transparency and openness of its operations by regularly and extensively reporting on its sustainability work, both at company level and in its investment operations.”**

At Group level, the management team is responsible for sustainability, and the work is conducted in close co-operation with eQ's Director for Responsible Investment. The Board receives annual reports on how sustainability has been carried out within the company.

We provide our employees with continuous training in sustainability matters and engage them in developing operations. Improving the awareness and knowledge of our personnel, above all in environmental and climate matters was a key theme in 2019. Towards the end of the year, we published environmentally friendly guidelines to eQ's employees. We also went through sustainability matters at Advium in the autumn to see how sustainability is carried out in corporate finance processes and discussed about upcoming activities regarding the development of ESG integration. In our induction programme, we engage our new employees in eQ's ways of working and responsible investment.

As a result of the successful sustainability performance at Group level, eQ Plc was given the international ISS ESG Prime responsibility rating in the autumn of 2019. ISS assesses how responsibility matters are carried out by a company with regard to environmental, social and governance aspects. ISS ESG Prime rating is awarded to companies that reach or exceed the criteria for the best ESG practices defined by ISS ESG. eQ Plc was among the best tenth in its sector regarding responsible operations.

In order to promote openness and transparency eQ has already for two years reported key ESG ratios describing operations based on sustainability reporting to the ESG database maintained by Nasdaq. In recognition of this, Nasdaq awarded eQ Plc with the "Nasdaq ESG Transparency Partner" certificate in September 2019.

### 1. Strong corporate governance and high ethical standards are the foundations of our business, covering for instance

- Adherence to the law and the company's internal instructions, commitments, and ethical principles in all operations
- eQ's open and transparent reporting
- Proactive activities against corruption and bribery as well as money laundering, as well as promoting these activities in the entire sector
- eQ Plc publishes a Sustainability Report

### 2. Professional customer service

- In accordance with our values, we wish to be a professional, honest, skilled and high performing partner for our clients
- In-depth understanding of customer needs and meeting these needs
- Monitoring customer satisfaction (SFR study, etc.)

### 3. Promoting business operations that are environmentally sustainable

- We only buy green electricity
- BSAG co-operation, which means that we pay 85% of the management fee of one of our funds to BSAG (in 2019 about EUR 60,000)
- We have minimised the use of plastic materials, we recycle in our premises and prefer public transports and alternative ways of travelling (environmentally friendly guidelines to eQ's employees)
- We provide relevant training regarding environmental matters for our employees

### 4. The shared belief that our company is a responsible employer which attracts the best talent available

- Equal and diverse work community
- Wellbeing at work and work ability – fitness tests, monitoring the quality of indoor air
- Early support programme
- eQ – enabler of professional development
- Monitoring job satisfaction

### Responsible investment at eQ Asset Management

eQ Asset Management has for several years acted as an active forerunner for responsible investment. We have signed the United Nations' Principles for Responsible Investment (PRI) in 2010. We promote responsible investment at the Finnish Venture Capital Association, Invest Europe and Rakli. In addition, we are an active member of Finsif (Finland's Sustainable Investment Forum) and have signed CDP's Climate Change programme.

Sustainability is a key element in investment operations and their processes. eQ has no separate policy for responsible investment, as ESG is part of all investment operations. In practice this means that sustainability matters are taken into consideration in the selection and portfolio management of the investments as well as in reporting in all asset classes. eQ's Director for Responsible Investment is responsible for this work. Each investment team also has a dedicated person who has deeper knowledge of responsible investments. In addition to these persons, we believe that it is of utmost importance that all our portfolio managers and analysts understand, recognise and take into account the potential sustainability risks and opportunities pertaining to investments. This is something that cannot be outsourced.

We regularly report to PRI (UN's Principles for Responsible Investment) on sustainability in our investment processes, our concrete impact activities in the investments and our development initiatives regarding our responsible investment approach and processes. The table below shows the ratings for our PRI reporting in 2019.

Reported areas	eQ Asset Management's result in 2019	Median of respondents
Strategy and Governance	A	A
Private Equity	A+	A
Listed Equity – Incorporation of ESG	A	B
Listed Equity – Active Ownership	A	B
Property	A	B

PRI reporting scale E to A+

In the following chapters, we briefly present the most important events concerning ESG matters during the year in our all asset classes.

### Continuous development of ESG reporting on equity and fixed income investments and regular ESG reporting

Including sustainability matters in equity and bond investments is very down to earth and part of the portfolio manager's day-to-day work when selecting investments and managing funds. Our aim is an excellent long-term return. Responsible and sustainable operations are fully in line with this goal, and that is why ESG analysis is a key element in the investment processes of all our funds. We influence our investments actively in questions pertaining to sustainability by having a direct dialogue with companies. During the period 1 Jan 2019 to 31 Dec 2019 we made altogether 97 engagement activities in our equity and fixed income funds in the following areas: 32 within governance, 51 regarding the availability of the sustainability report and 14 regarding the follow-up of a verified violation of a norm (ISS-Ethix).

One of the most important areas is the availability of the sustainability reporting, where we have for years actively encouraged companies to better transparency. In practice, we go through all our investments with the ESG metrics that we have selected. Since 2018, our own sustainability assessment work has been supported by ISS-Ethix,

which monitors the contents of our funds quarterly to detect any violations of the UN's Global Compact principles. This information is used actively in the interaction with companies, and in all serious violations, we will launch a separate follow-up process of our own in order to find out if the investment is still in line with our responsibility principles for long-term ownership. The number of serious violations has remained very low in 2019, and is limited to a few companies world-wide.

A special development object in 2019 was further development of the contents of our ESG report on equity and fixed income investments. In addition, we started to publish ESG reports for individual funds on eQ's website.

Towards the end of 2018, eQ launched co-operation with Baltic Sea Action Group (BSAG), which means that eQ pays 85% of the management fee of the BSAG share series in the eQ Blue Planet Fund to BSAG. At the end of 2019, the annual support was approximately EUR 60,000. Sustainability and the climate change were prominent themes in both our client seminars and the internal training of our employees last year. The client seminar that we arranged in spring had climate change and BSAG's research and development work for protecting the Baltic Sea on its agenda. This subject was further examined in our autumn seminar. Johan Schmidt (Baltic Sea Action Group), Antti Vihavainen (Puro.earth) and Antero Vartia (Compensate foundation) participated in the seminar to discuss the activities and mechanisms we need of different actors, such as companies and consumers, in the fight against climate change. Our ESG experts have also been active on several domestic and international forums in order to promote the distribution of information based on best sustainability practices.

*In real estate asset management concrete activities for promoting sustainability*

The real estate business has an important and multi-dimensional impact on society and our living environment.

When a property is purchased, the necessary due diligences always comprise sustainability matters. They go through matters related to soil, energy efficiency and background information about the main tenant, for instance. We also thoroughly assess sustainable forms of transport, the location of the potential investment target with regard to public transport and the management of life cycle costs. During the ownership period, activities are taken in both separate properties and the operating models and processes of the funds in order to promote sustainability (e.g. BREEAM In-Use certifications as well as the development of reporting regarding energy, water and waste and its use in the co-operation with tenants). Carrying out and developing responsible operations is part of the day-to-day work of every member of our real estate team.

In 2019, taking into account and developing sustainability had a major role both in property development and construction and in the management of existing properties and seeing to the needs of the tenants. The real estate funds of eQ Asset Management participated for the first time in the GRESB (Global Real Estate Sustainability Benchmark) assessment of sustainable properties. The results that we get through GRESB will help us identify and prioritise development areas related to sustainable operations and build a strong foundation for systematic development of sustainability in our real estate investments. In 2019, we also joined the TETS programme (energy efficiency agreement of the real estate sector), continued with the development of stakeholder engagements (e.g. tenant satisfaction surveys and the integration of ESG recommendations in new leases) and improved the documentation processes of information pertaining to the energy management of real estate targets.

In our choices we try to find as low-carbon alternatives as possible. The investment targets of both the Finnish Real Estate Fund and Care Fund have used renewable electricity based on wind power since the beginning of 2018. In addition, we always evaluate the possibilities of using geothermal and solar energy in our new real estate targets. Towards the end of 2019, a school centre that we built in Luttasaari was completed (primary school for about 600 pupils and nursery for 300 children) and delivered to the city of Helsinki. This is the first own developer contracting of our real estate funds. The school centre is completely carbon neutral during its use. The heating and cooling energy used by the centre is produced with geothermal energy, and the object also uses solar panels. A comprehensive system monitoring the quality of the indoor air has also been installed in the school centre.

We are committed to constantly developing our sustainability. We feel that eQ Asset Management is a so-called “permanent owner”, which requires of us sustainable long-term solutions regarding both our own processes and our real estate investment targets.

*Sustainability development in the processes of private equity companies*

We have also incorporated ESG (environment, social, governance) systematically throughout our private equity investment process including fund selection, portfolio management as well as reporting and communication. The investment team together with eQ’s Director for Responsible Investment are responsible for the analysis and its development. We believe that ESG analysis and the conclusions from it cannot be outsourced.

During the fund selection phase, we scrutinize the prospective fund manager’s ESG policy and overall commitment to sustainability. Concretely, we evaluate relevant ESG checklists, tools for monitoring investments and ESG reporting. We feel that is also important to

include matters related to ESG to the legal documentation of the possible investee fund. Sustainability always influence our investment decision.

The sustainability of investee funds is also assessed and monitored continuously with, e.g. a regular inquiry sent to the investee funds and in discussions with them. In connection with each quarterly report sent to investors, eQ produces an assessment of the status of each investee fund regarding ESG performance as well as of the ESG events related to the fund.

A systematic and disciplined ESG approach has been a key element across eQ private equity’s investment activities for many years. The recognition for this long-term ESG work is that eQ private equity received the highest rating A+ in 2019 in PRI assessment (UN Principles for Responsible Investment).

**“eQ Asset Management has for several years acted as an active forerunner for responsible investment.”**

## Environmental Responsibility

The business operations of eQ Group have relatively low direct environmental impacts. Energy consumption is mainly related to the energy consumption of the premises. From the beginning of 2018, companies in eQ Group began using only renewable energy for their own electricity consumption. eQ's premises are modern and exploit technological solutions that promote energy efficiency. The premises have been rented. Consequently, the heat and water consumption as well as the air conditioning (district cooling) is included in the rent, and consumption data regarding them are not available from the lessor. The quality of the indoor air is also an important consideration with regard to the health and wellbeing of our employees. For this end, eQ purchased in the spring of 2019 a system that monitors the quality of indoor air (temperature, humidity, CO<sub>2</sub>, fine particles) to the offices.

eQ encourages its employees to use public transport and other alternative ways of travelling. The employees are offered a travel ticket as employee benefit and part of the overall salary, and the employees also have access to eQ's joint public transport travel cards when travelling in the near-by area during the working day. eQ is at the moment studying the possibility of including city cycling in the travel cards for the summer period 2020. The company prefers direct flights, and when possible negotiations are conducted with remote negotia-

tion technologies. eQ also began reporting the CO<sub>2</sub> emissions related to the work-connected flights of our employees at the beginning of 2019.

The lessor of the premises used by eQ is responsible for waste management. eQ takes care of the sorting and recycling of the office waste produced on its premises. In 2019, special attention was paid to reducing the amount of waste and increasing recycling. Key activities were the drawing up of environmentally friendly guidelines to eQ's employees and arranging training on them, going over to double-sided printing, removing individual waste bins for mixed waste and the reassessment of the present sorting containers, giving up plastic bottles and the use of recyclable and permanent tableware. In 2019, eQ has also started to report on the consumption of paper at its premises. eQ has not been engaged in legal proceedings or demands concerning environmental accidents. Climate change mitigation is an important theme both at eQ and in our investment operations. Even though eQ Group has no separate climate change policy, the theme is prominent in the investment decision processes of all our asset classes. Due to the importance and topical nature of the theme we will go through our policies regarding the mitigation of climate change in 2020.

### Own energy consumption of the organisation

	2019	2018	2017
Electricity consumption, kwh	100,396	107,235	106,527
Origin of electricity:			
Share of renewable energy, %	100%	100%	25%
Share of nuclear power, %	0%	0%	42%
Share of fossil fuels, %	0%	0%	33%
Specific carbon dioxide emissions of electricity, g/kwh			
	0	0	198
Nuclear fuel used in electricity, mg/kwh	0.0	0.0	1.2
Carbon dioxide emissions of electricity, total, kg			
	0	0	21,092
Carbon dioxide emissions of electricity per net revenue, g/EUR	0.00	0.00	0.52
Electricity consumption per rented office square metre, kwh			
	60	64	64
Electricity consumption per person, kwh	1,128	1,254	1,268

### Other environmental responsibilities

	2019	2018	2017
Other indirect greenhouse gas emissions			
Travelling by air, CO <sub>2</sub> emissions, kg	42,455	70,396	75,786
Use of material			
Paper consumption, total, kg	1,985	1,950	1,555
Paper consumption, kg per person	22	23	19

The table shows an assessment of the carbon dioxide emissions of air travel and paper consumption.

## Social Responsibility

### eQ as employer

The aim of eQ Group is to act as a responsible employer. The personnel is eQ's most important resource, as professional and committed employees are the key to the success of the clients and eQ.

The Group personnel's commitment and satisfaction are at an excellent level. The results of the annually conducted study on well-being at work were excellent in 2019 as well. The study deals with the personnel's commitment, well-being at work, satisfaction with the work community and the work of the superior. On a scale from 1 to 5, job satisfaction and well-being at work received the score 4.4 (2018: 4.3). According to the study, the employees also recommend eQ Group as employer. The eNPS value that describes this was very high at 59 (on a scale from -100 to +100, where 0 to +20 is good, over 20 excellent and over 40 a top result). The response rate was also high at 91.8%. The personnel study is one of eQ's most important tools for developing internal working methods and the quality of managerial work.

eQ invests in the well-being of its personnel by offering extensive occupational health care, exercise benefit vouchers and other welfare services, for instance. The emphasis of occupational health care lies strongly on preventive measures.



Development discussions are conducted with the entire personnel in all Group companies. The discussions are conducted at least once a year and they assess the performance of the previous period and set goals for the following one as well as assess, e.g. the need to develop the employee, managerial work and the work community.

eQ's employees may participate in training offered by the employer and partners or study independently. The Group is favourably disposed to studies at the employees' own initiative. Study leaves are granted and studies are supported with different work arrangements.

Calculated as full-time resources, eQ Group had 89 employees at the end of 2019 (2018: 86). When calculating full-time resources, part-time employees and those on parental and study leave have been included. Altogether 92 persons had an employment relationship with eQ (2018: 91), and four of them worked part-time (2018: 6). Part-time employees are used in seasonal tasks or projects.

Of the personnel, 36% were women (2018: 38%) and 64% men (2018: 62%). The average age of the personnel was 41.3 years (2018: 40.9), and the employee turnover in 2019 was 9.3% (2018: 8.8%). In 2019, the average sick leave of the personnel was 2.8 days per person (2018: 1.9) and there was 1 occupational accident (2018: 2).

### Equal pay between genders

eQ Group pays the same salary to employees for the same or similar work regardless of gender. Similar in this respect means that the central requirements, expertise, responsibility, work load and working conditions are on the same level. The job title is not decisive. Instead, the remuneration system is based on how demanding the work is.

### Personnel

	2019	2018	2017
Personnel as full-time resources	89	86	84
Permanent employment relationship	88	85	83
Temporary employment relationship	4	6	6
Employment relationship, total	92	91	89
Share of temporary employees, %	4.3%	6.6%	6.7%
Full-time, total	89	86	83
Part-time, total	3	5	6
Age and gender distribution, no.			
18–30 years total, (F/M)	15 (4/11)	17 (6/11)	19 (4/15)
31–40 years total, (F/M)	34 (14/20)	31 (10/21)	30 (11/19)
41–50 years total, (F/M)	17 (7/10)	19 (8/11)	18 (8/10)
51–60 years total, (F/M)	25 (14/11)	22 (11/11)	20 (9/11)
61+ years total, (F/M)	1 (-/1)	2 (-/2)	2 (-/2)
Total	92 (39/53)	91 (35/56)	89 (32/57)
Average age of employees, years	41.3	40.9	39.8
Employment relationships based on gender, no. and %			
Women	32, 36%	32, 36%	32, 36%
Men	32, 36%	32, 36%	57, 64%
Employee turnover (%)	9.3%	8.8%	8.4%
Sick leaves during the year, day per person	2.8	1.9	2.3
Registered accidents	1	2	1

NUMBER OF PERSONNEL  
**89**

SATISFACTION AND WELL-BEING AT WORK  
**4.4**  
(SCALE 1–5)

## Equality

Equality, justice, and non-discrimination are important principles for eQ Group. eQ has drawn up an equality plan, which comprises the measures for promoting equality and the agreed follow-up measures. The plan is assessed and updated on a regular basis and covers all Group companies. The plan is available to all employees of eQ Group on the Group's website.

## Health and Safety Policy

eQ Group has drawn up a policy for promoting health and safety at work and for maintaining the working capacity of the employees. It covers the needs to develop working conditions as well as the impacts and development needs of factors related to the work environment. The policy is available to all employees of eQ Group on the Group's website.

## Principles related to human rights violation and child labour

eQ Group has not drawn up separate principles related to human rights violations or child labour. All operations of the Group are located in Finland, at one single office. Therefore the Group can monitor operating practices related to the employees in a reliable manner.

## Board diversity

The Board's aim is to promote the diversity of the Board's composition for its part. When assessing diversity, the Board takes into consideration, for instance the age and gender of the directors, their education and professional experience, individual characteristics and experience that is essential with regard to the task and the company operations. eQ Plc has defined as goal regarding the equal representation of gender on the Board that there should always be representatives of both genders on eQ Plc's Board of Directors. The Board aims at reaching this goal and maintaining it primarily by informing eQ Plc's owners actively about the goal.

During the financial period 2019, eQ Plc's Board met the preconditions set for the company diversity, including the goal of having representatives of both genders on the Board. The following persons were on eQ Plc's Board of Directors during the financial period 2019 from the Annual General Meeting: Georg Ehrnrooth (Chairman), Nicholas Berner, Timo Kokkila, Lotta Kopra and Tomas von Rettig. The directors have versatile experience from sectors that are of importance to the company, such as the investment and finance sector and the real estate sector. In addition, the diverse work experience and education of the directors as well as their international experience complement each other. eQ Plc's Annual General Meeting elects the directors.

The Board of Directors of the company has monitored diversity issued in the company during the financial period 2019.

## Diversity of the Board of Directors in 2019:

Directors, total	5	100%
Female	1	20%
Male	4	80%
Board members who are independent of the company	5	100%
Board members who are independent of the major shareholders	3	60%



## Governance

### Board – separation of powers and transparent practices

In addition to acts and regulations applicable to listed companies, eQ Plc complies with the Finnish Corporate Governance Code published by the Securities Market Association on 1 January 2020. The entire Code is publicly available on the website of the Securities Market Association at ([www.cgfinland.fi](http://www.cgfinland.fi)). eQ Plc draws up annually a Corporate Governance Statement required by the Corporate Governance Code separately from the report by the Board of Directors. The Corporate Governance Statement and other information that shall be disclosed in accordance with the Corporate Governance Code as well as the company's financial statements, report by the Board of Directors and auditors' report are available on eQ Plc's website ([www.eq.fi/en/about-eq-group](http://www.eq.fi/en/about-eq-group)).

According to the Board of Directors' charter, the CEO of the company or other persons employed by the company may not be elected to eQ Plc's Board.

The Board's charter, the minutes of meetings and other documents on Board operations are not publicly available. The company discloses information about events that concern the Group in accordance with valid legislation and the company's disclosure policy. The company's disclosure policy is available on eQ's website.

### Remuneration

eQ's remuneration system is based on the strategy and long-term goals defined by the Board, and it is one of the major tools used for reaching the Group's long-term and short-term strategic goals. The remuneration system contributes to good, efficient and comprehensive risk management within eQ Group and prevents above all detrimental risk-taking. The aim of comprehensive risk management is to take into consideration the goals, values and interests of the Group companies, funds under management and the investors, for instance. The remuneration of the company management is not separately dependent on meeting certain ESG criteria.

eQ Group's remuneration principles can be found on eQ's website ([www.eq.fi/en/about-eq-group/hallinnointi/palkitsemisperiaatteet](http://www.eq.fi/en/about-eq-group/hallinnointi/palkitsemisperiaatteet)). eQ Plc publishes a Remuneration Statement annually at the same time as the Annual Report. The Remuneration Statement for 2019 has been drawn up in accordance of the Corporate Governance Code for listed companies that entered into force on 1 January 2020 and the transitional provisions included in it, and the Board of Directors has reviewed it on 5 February 2020. eQ Plc's Remuneration Statement is available on eQ's website ([www.eq.fi/en/about-eq-group/hallinnointi/palkka-ja-palkkioselvitys](http://www.eq.fi/en/about-eq-group/hallinnointi/palkka-ja-palkkioselvitys)).

### Application of collective labour market agreements

No collective agreements are applicable to eQ Group's employees, nor are they covered by the universally applicable collective agreement in Finland.

### Code of Conduct

eQ has drawn up a Code of Conduct for the Group. eQ Plc's Board of Directors has reviewed and approved the Code, which define eQ's common principles for ethical operations. eQ Group has deemed that it does not need a separate supplier code of conduct due to the low number of suppliers and their insignificance. Guidelines on bribery and anti-corruption are included in eQ Group's Code of Conduct, which states that it is prohibited to issue any improper payments or advantages in business operations. According to eQ's Code of Conduct, all operations that encourage to improper acts or the misuse of a person's position are regarded as giving or taking of bribes. In addition to monetary bribes, gifts, hospitality, credits, discounts, trips, personal advantages, accommodation and services may be regarded as unreasonable or improper advantages.

In addition to offering gifts, the reception or acceptance or unreasonable or improper advantages is forbidden at eQ. It is also forbidden to

strive for personal advantage through customer relations. A customer relation has been established between eQ and the customer.

When giving gifts, remembering anniversaries and offering hospitality, the Group takes into account the guidelines on bribery and anti-corruption and in addition, the restrictions and principles for bribery of the receiving person or organisation and respects them. Additionally, the person's superior must always accept the giving and receiving of any gifts and hospitality.

The Code of Conduct is available to all employees of eQ Group on the Group's website.

### Tax transparency

As part of this Sustainability Report, eQ reports its financial impact on society in form of taxes and charges of tax-like nature. Transparent reporting is part of responsible operations and governance. eQ Group does not have a separate tax strategy approved by the Board. The Group pays its taxes to Finland.

eQ Group is a major tax payer. In 2019, the income tax for eQ's taxable profit paid in Finland totalled EUR 5.3 million (2018: EUR 4.7 million). The Group's effective tax rate was 20.2% (2018: 20.8%).

As employer, eQ pays charges related to pension, unemployment and social security and remits the withholding made from the salaries to the tax authorities. The charges of tax-like nature related to the personnel that eQ Group paid in 2019 totalled EUR 3.0 million (2018: EUR 2.8 million). The withholdings that eQ made from the salaries amounted to EUR 5.9 million (2018: EUR 5.3 million) and the other tax-like charges totalled EUR 1.3 million (2018: EUR 1.1 million).

The value-added tax remitted by eQ Group in 2019 totalled EUR 1.5 million (2018: EUR 0.8 million). In addition, part of the value-added tax included in purchases is paid by eQ, as the operations are partly exempted from VAT.

The taxes withdrawn from the dividend and equity repayment that eQ Plc paid in 2019 totalled EUR 1.1 million (2018: EUR 1.0 million).

eQ has not received any public subsidies for its operations.

Taxes, EUR 1,000	2019	2018	2017
<b>Taxes paid</b>			
Income tax, Finland	5,306	4,679	4,220
Effective tax rate	20.2%	20.8%	20.9%
Charges of tax-like nature payable by the employer (employee pension, social security and unemployment charges)	2,960	2,770	2,451
<b>Taxes remitted</b>			
Withdrawal from salaries, Finland	5,901	5,267	4,507
Charges of tax-like nature payable by the employee (employee pension, unemployment charges)	1,308	1,106	884
Value-added tax paid, Finland	1,503	768	871
Tax withdrawn from dividend and equity repayment, Finland	1,061	976	994

### External validation of the report

This report has not been validated by an external party.

The Firm of Authorised Public Accountants KPMG Oy Ab has audited eQ Plc's financial statement for the financial period 1 January to 31 December 2019. eQ Plc's Board and CEO are responsible for the other information in the Annual Report. This report is included in eQ's Annual Report and treated as "other information", as defined in the Auditors' Report. Even though the auditors do not audit other information, they have in their report assessed whether the other information essentially conflicts with the financial statement and information obtained by the auditors or if it otherwise seems to be incorrect for essential parts.