

Atria Group's
Risk Management Policy

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Introduction

The purpose of this policy is to define consistent principles for risk management throughout the Atria group. The policy defines the goals, principles, responsibilities and procedures related to Atria's risk management, as well as the methods of risk assessment and reporting.

This policy aims to ensure that risk management has a common operating model throughout the Atria group and that the management has sufficient knowledge of risks to support their decision making. It is intended to promote enhanced risk awareness and understanding within Atria and ensure that risks are properly managed when business decisions are made.

Atria's risk management process is in line with the ISO 31000 and ISO 31010 - frameworks as applicable. Risk management is organized according to the guidelines and statements of Securities Market Association concerning the Finnish listed companies (The Finnish Corporate Governance code for Finnish listed companies on 1.10.2015).

Risk management principles

The purpose of risk management is to support the implementation of Atria's strategy and targets and the development of the organization in the operating environment defined in Atria's strategy. Risk management also aims to prevent unfavorable events from occurring and protect business continuity.

Risk management is part of Atria's daily business and it helps to make decisions that take into account the impact of uncertainty on operations.

Risk management in Atria is based on consistent risk identification, assessment and reporting of risks and it is an integral part of the annual planning process. Risk communication is carried out in accordance with the Group's communication plan.

Risks are managed systematically according to the defined and accepted principles in all business areas and group functions.

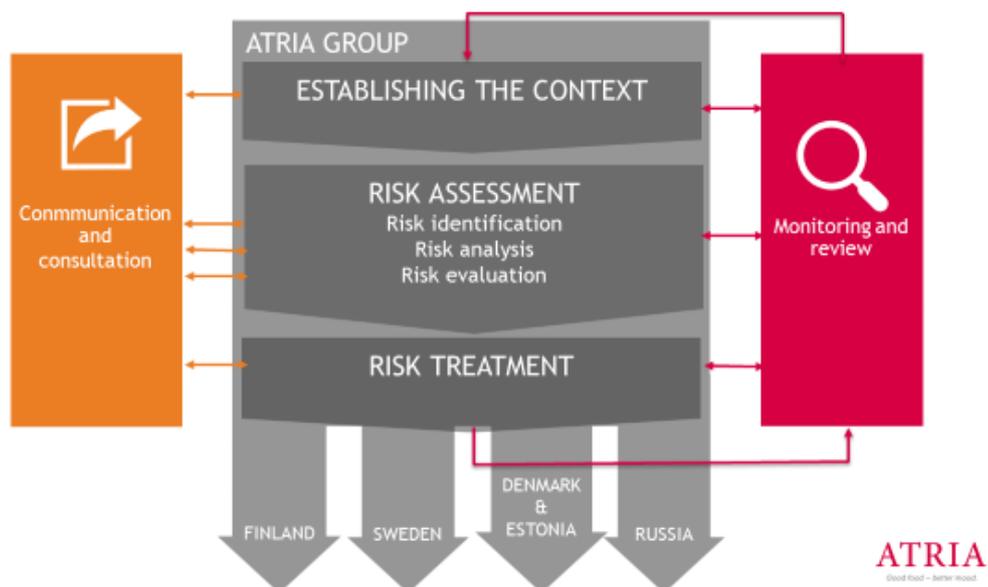


Figure 1 Contribution of risk assessment to the risk management process

Risk definition, assessment and classification

Risk is the effect of uncertainty on the company's objectives. The effect of a risk is a positive or negative deviation from the targets. Risk can be caused by an external or Atria Group's internal circumstance or event.

Risk assessment in Atria is divided into two parts: strategic risk assessment and operational risk assessment.

For reporting purposes risks are divided into four categories: strategic risks, operative risks, hazard risks and financial risks. Risks are also classified as internal and external risks depending on if the risk is caused by Atria Group's external factor or internal factor.



Figure 2 Risk chart

Strategic risk assessment identifies and reports long-term risks related to operational environment and business.

Strategic risks are long term risks related to decisions, resource allocation, management systems and adaptation to changes in the business environment.

Operational risk assessment assesses, manages and reports the operative risks, as well as hazard and financial risks for the next 12 months.

Operational risks are related to implementation of the strategy and daily business activities in short and medium term. Risks can be for example deviation in processes, systems or human activities.

Hazard risks are errors, malfunctions and accidents that occur within Atria or in the business environment and that cause damage or loss.

Financial risks are related to changes in market prices, the sufficiency of financial assets in the short and medium term and the ability of counterparties to meet their financial obligations.

Atria accepts strategic and operational risks arising from strategic choices made by the company and taken in order to pursue an opportunity. Financial risks and hazard risks are treated by sharing the risk with another party.

Risk assessment and reporting principles

In Atria risk assessment attempts to answer the following questions:

1. What can happen and why?
2. What are the consequences of the risks?
3. Is the level of risk tolerable or acceptable and does it require further treatment?
4. What is the probability of risks future occurrence?
5. Are there any factors that mitigate the consequence of the risk or that reduce the probability of the risk?

The most significant risks and risk management measures reported and recognized by Atria's various units are consolidated at Group level and reported as described below.

Risk assessment and management measures take place at Atria's various units or in Group functions.

Roles and responsibilities in risk management

The Board of Directors

The Board of Directors approves the Risk Management Policy and any changes to it, and supervises the implementation of the principles specified in the policy. The Board of Directors also participates in the assessment and identification of strategic risks.

CEO

The Group's CEO is responsible for the appropriate organization of risk management in Atria.

Atria Group Management Team

The members of the Group Management Team are responsible for identifying and assessing strategic risks and implementing risk management in their respective area of responsibility.

Group Treasury Committee

The Group's Treasury Committee is responsible for identifying and assessing the financial risks and for implementing financial risk management throughout the Group.

Business Area Management Teams

The management teams of the business areas are responsible for identifying and assessing risks and for implementing risk management in their business area. The directors of the business areas ensure that the management team fulfil their risk management and risk reporting responsibilities.

CFO

The Group's CFO sees to the development of the risk management and risk reporting framework.

The CFO is responsible for supporting the business areas and group functions in the risk assessment process, development and harmonization of risk management, risk management training and guidance. The Group's CFO is also responsible for maintaining uniform risk reporting. The CFO consolidates and reports the most significant risks and risk management actions in the Group to the Board of Directors according to the annual Board program.

Internal Audit

The annual internal audit plan takes into consideration the relevant findings of the risk assessments performed during the annual planning process.

Atria employees

Every Atria employee is responsible for identifying and assessing risks associated with their work and any other risks that they encounter, and for drawing attention to and preventing such risks.

Risk identification and reporting principles

Atria business areas and the relevant group functions identify and assess risks in their area of responsibility and determine related risk treatment actions according to the agreed timetable.

The Group's CFO prepares and supports the risk assessments. Action plan how to manage the identified risks is defined in risk assessments.

The Group's risk assessment methodology is defined in the Atria's risk management manual.

The directors of the business areas and the responsible persons of group functions are responsible for taking appropriate risk management measures on the basis of the risk assessments performed in their respective area of responsibility.

Continuity plans are made for the major identified risks based on operational risk assessments.

The summary of the results of the risk assessments and the progress of risk treatment plans are reported to the Board of Directors according to annual Board program.

Review and update of the risk management policy

The risk management policy will be reviewed by the Board of Directors when necessary. The Board of Directors approves the Risk Management Policy and any changes to it.