



EVLI

Corporate Responsibility Report 2021

EVLI BANK PLC

Responsibility

Responsibility has been an integral part of Evli's business for many years. Responsibility is one of Evli's strategic focus areas and the company is actively developing its procedures. During the year, the company published climate targets and related milestones, new client-specific ESG reports and new responsibility-focused investment products. In addition, Evli implemented the EU Sustainable Finance Disclosure Regulation (SFDR) requirements for the provision of sustainability information at the company and the financial products level. Evli was also actively involved in the debate on the EU legislation and monitored the development of the taxonomy. There was also an increased focus on effective and safe working conditions, both remotely and in the office, due to the coronavirus.



RESPONSIBILITY

Responsibility at the core of strategy

Responsibility built on Evli's values and transparency

Evli's business starts with clients and understanding their needs. The company's primary responsibility is to grow clients' wealth responsibly, according to their individual goals. Evli's client relationships are long-term and based on mutual trust and ethical business practices. Evli's development and business opportunities depend not only on the trust of its clients, but also on the trust of its employees, owners, investors, partners and society. To maintain and strengthen this trust, Evli must be proactive, transparent, highly ethical and responsible in all aspects. Responsibility is based on Evli's values: entrepreneurship, valuable relationships, integrity and continuous learning. These values also form the foundation for the ethical principles which direct the actions of Evli and its employees and which guide the company's relationship with its clients and other stakeholders.

Evli seeks to be a responsible member of society and is committed to taking into account both the direct and indirect environmental impacts of its operations. Because corporate responsibility is part of Evli's everyday business operations, its annual report includes a corporate responsibility report. The responsibility section includes detailed information on how responsibility has been integrated into business operations and what indicators have been deemed essential for measuring Evli's responsibility.

Responsibility report based on stakeholders' expectations

(GRI 102-46: Defining the content of the report, GRI 102-47: Material considerations, GRI 103-1: Material issues and their threshold)

At Evli, sustainability is broadly defined as financial, social and environmental responsibility. Ongoing dialogue with stakehol-

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Responsibility is based on Evli's values: entrepreneurship, valuable relationships, integrity and continuous learning.

Responsible business supports the company's value creation



Responsible products and services

- Responsible marketing
- Customer privacy protection and data security
- Responsible investing



Responsible governance

- Profit performance
- Taxes and tax footprint
- Corruption, bribes and money laundering
- Direct environmental impacts



Responsible employer

- Fairness: equality, non-discrimination and diversity
- Work well-being and health
- Education and development
- Attractive employer

ders is very important for Evli, as it helps to develop responsible ways of working and doing business. In 2018, for the first time, Evli conducted a materiality analysis for its key stakeholders to ensure that its responsibility report and responsibility priorities for the coming years reflect stakeholders' expectations and focus on issues that are material to the company. In 2021, the material topics were reassessed to ensure that these remain relevant and properly grouped. On the basis of the re-evaluation, the material topics remained unchanged, but the grouping was changed by dividing the material topics into three main groups: base, development areas, and focus areas, covering a total of eleven most relevant topics. No changes were made for the 2021 analysis.

The materiality analysis has taken into account the importance of the issues raised for stakeholders and for Evli's business. A more detailed grouping also took into account the opportunity for Evli to develop areas to make its business more responsible.

The base of the grouping are topics that create the foundation for banking operations and are directly related to stakeholders' confidence in Evli and its business. At the middle of the grouping are the development areas, which are relevant to Evli and its stakeholders, enabling more responsible business, and are partly determined by laws and regulations. At the top of the grouping are the focus areas of Evli's responsibility work. These are the topics that Evli has identified as significant to ensure its future competitiveness and create added value for its stakeholders in the long term.

As a result of the materiality analysis, Evli has recognised, among others, that in improving responsibility and with regard to environmental impacts, the single most important factor in Evli's operations is the responsibility of the company's investment operations and taking this into account in the product and service range.

Continuous dialogue with stakeholders

(GRI 102-40: List of stakeholder groups, GRI 102-43: Approach to stakeholder engagement, GRI 102-44: Key topics and concerns raised)

Evli's principal stakeholders are its clients, personnel, shareholders, investors, the authorities, partners and media. An active and open dialogue with these principal stakeholders helps Evli to identify the areas of its operations that should be prioritised and developed. Regular discussions with different stakeholders form a foundation for understanding their views and needs. Correspondingly, it is important to tell stakeholders about the company's goals, execution policies, values and changes in the operating environment. This helps create a common understanding and trust concerning business operations and factors that influence it.

Grouping of material topics based on the materiality analysis



STAKEHOLDERS	STAKEHOLDER'S EXPECTATIONS	CHANNELS	EVLI'S ACTIONS IN 2021
Clients	<ul style="list-style-type: none"> Competitive products and services Useful auxiliary and advisory services Reliability, data protection Service channels that meet needs Responsible operations 	<ul style="list-style-type: none"> Questionnaires and client feedback Websites and social media channels Client meetings, events and webinars Emails, newsletters and phone calls 	<ul style="list-style-type: none"> 1 new mutual fund and 3 new alternative investment funds were launched Climate targets and related milestones published New client-specific ESG reports published Information in accordance with the Sustainable Finance Disclosure Regulation (SFDR) were given from funds and asset management strategies Internal processes were developed to improve operational efficiency and improve customer service
Personnel	<ul style="list-style-type: none"> Fair treatment and open interaction Job stability and competitive pay Opportunities for professional development Occupational health and well-being 	<ul style="list-style-type: none"> Intranet and HR personnel system Occupational healthcare Performance reviews and training events Personnel satisfaction survey and other internal surveys Personnel events 	<ul style="list-style-type: none"> The expertise and knowledge of the employees were developed Team leaders were offered support in developing managerial work Operations were developed based on personnel surveys Self-management webinars were organised The recruitment process and trainee program were developed
Shareholders and investors	<ul style="list-style-type: none"> Creating long-term value Profit performance Dividend and good return on equity Capital adequacy Responsible operations 	<ul style="list-style-type: none"> Interim and half-year reports, financial statements bulletins and annual report Corporate Governance Statement Remuneration policy and report Stock exchange and press releases Annual General Meeting, Investor and analyst meetings www.evli.com 	<ul style="list-style-type: none"> Evli continued to implement its strategy from 2017 Operations were developed to create long-term stable financial performance Economic, social and environmental aspects were taken into account in operations
Partners (including agents and distributors)	<ul style="list-style-type: none"> Fair and equal treatment Competitive products and services Reliability and capital adequacy Two-way communications 	<ul style="list-style-type: none"> www.evli.com Meetings and training Emails and phone calls 	<ul style="list-style-type: none"> Information and trainings about new products and services Operational development based on feedback received Open communication and continuous dialogue
The authorities	<ul style="list-style-type: none"> Compliance with laws and regulations, integration of sustainable development with operations Open, transparent and reliable reporting Continuous interaction 	<ul style="list-style-type: none"> Phone calls and emails Participation in events and training 	<ul style="list-style-type: none"> Compliance with new laws, regulations and provisions and developing business operations to adapt to changes in the operating environment Open communication and continuous dialogue
Media and journalists	<ul style="list-style-type: none"> Relevant, reliable and open communications Expertise 	<ul style="list-style-type: none"> Press and stock exchange releases Press events and interviews www.evli.com and social media channels Morning reviews, newsletters, emails and phone calls 	<ul style="list-style-type: none"> Multi-channel communication on topical matters Prompt replies to inquiries and interview requests from the media Regular media meetings
Local communities	<ul style="list-style-type: none"> Employment opportunities Co-operation with universities Support to communities and co-operation with businesses 	<ul style="list-style-type: none"> Meetings, events and webinars www.evli.com and social media channels 	<ul style="list-style-type: none"> Activities of the universities were supported Summer employments and the trainee program were developed Continued co-operation with entrepreneurial organisations to support entrepreneurship Support for sports and cultural activities in Finland as well as protection of the Baltic Sea

RESPONSIBILITY

Responsible products and services

Evli's key principle is to offer products and services that meet its clients' needs and goals. In selling products and services, Evli focuses on ensuring that clients understand the product or service they are buying and the associated risks, as well as ensuring that the product or service suits the clients' investment goals. At Evli, responsible investing means that environmental, social, and good governance factors are an integrated part of portfolio management.

Responsible marketing based on integrity, clarity and transparency

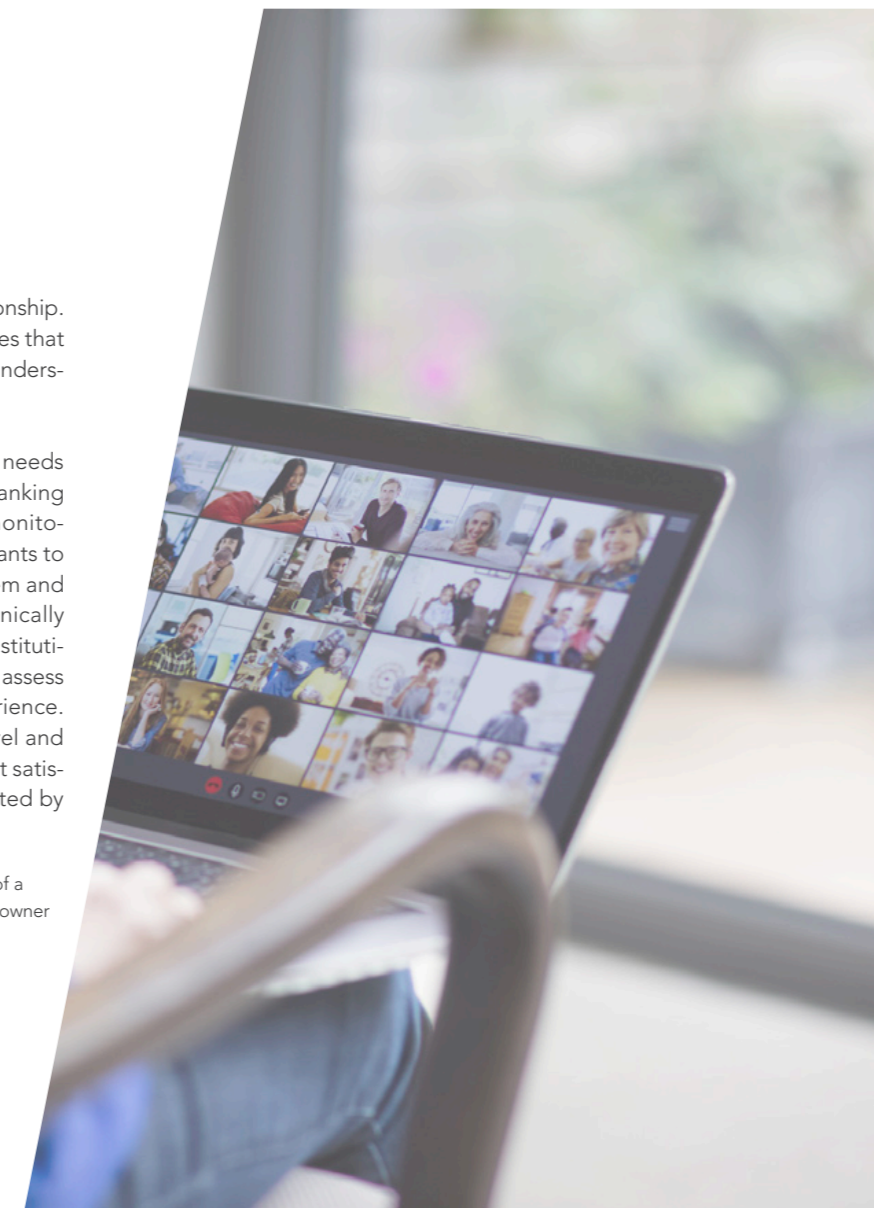
Evli's mission is to increase clients' wealth sustainably according to their individual targets and its vision is to ensure that it is perceived as "Simply Unique" by offering high-quality services and a superior client experience 24/7. Trust plays a key role in order to achieve the company's mission and vision. To earn and maintain trust, the products and services are explained honestly and in accordance with valid legislation. Responsibility is emphasized in the communication and marketing of products and services by being transparent, professional and clear.

Evli's operations are based on the Stewardship¹⁾ philosophy, which means the client's best interest always comes first. In Evli, Stewardship means that the client's assets are managed as if they were Evli's own. The cornerstone of this kind of operation is that Evli knows its clients and becomes familiar with their busi-

ness and financial situation as required by the client relationship. This enables Evli to offer every client products and services that fit their needs and goals and to ensure that clients truly understand the product or service they are buying.

Transparent products and services that promote clients' needs improve client satisfaction. Client feedback in Private Banking and Institutional asset management is continuously monitored. By continuously measuring client satisfaction, Evli wants to identify issues that clients consider relevant, develop them and quickly react to problems. Client satisfaction is electronically measured after a meeting with a Private Banking or an Institutional client. In the survey, the client and the asset manager assess the success of the client meeting and the service experience. Client satisfaction is reported in real time at the unit level and to the Executive Group. In addition to Evli's internal client satisfaction surveys, Evli takes part in annual surveys conducted by external parties concerning asset management

¹⁾ Stewardship is rooted in the Middle Ages and based on the idea of a steward managing an owner's property as if it was his own while the owner is away.





Results and priorities for 2021

- In Kantar Prospera's "External Asset Management 2021 Finland" survey, Evli was the most used institutional asset manager in Finland for the fifth consecutive year and the best institutional asset manager in Finland for the sixth time. Evli received special praise for, among others, its portfolio management expertise, product quality, responsible investment and client responsibility skills. Evli's brand was rated the strongest of all in asset management services.
- To improve customer experience, Evli continued to streamline its operations and reorganise its work. Evli also invested in system upgrades and the development of new products and services.
- Due to the restrictions imposed by the coronavirus, Evli focused on active electronic client communication and the organisation of webinars.

Customer data protection as a basis for trust

(GRI 418-1: Number of legitimate complaints about customer privacy violation and customer loss)

In Evli's operations, particular attention is devoted to data protection and the safeguarding of the client's privacy protection in the processing of personal data. Personal data is used for taking care of client relationships, offering products and services, direct marketing and risk management. Evli is committed to processing personal data in accordance with the laws, appropriately and transparently. Personal data is processed in compliance with the EU's General Data Protection Regulation (GDPR) and specific legislation for the financial industry.

Evli Group has several person registers for managing personal data, each of which has a separate data protection notice. Data security is improved on a continual basis to ensure that it meets the requirements of the authorities, clients and the changing operating environment.

Results and priorities for 2021

- New employees were trained in Evli's data protection and digital security.
- An electronic security review was sent by email to all employees on a regular basis, highlighting current security issues in Evli's business operations.
- Evli updated the cookie policies on its website.

Responsible investing

Evli believes that incorporating responsibility considerations into investment decisions increases the understanding of the investments and the related risks and opportunities more than by simply analysing financial figures.

Responsible investment an integrated part of investment operations and reporting

At Evli, responsibility factors have been integrated into the investment operations of Wealth Management, which means that responsibility is systematically considered in portfolio management. In practice, this is done through an internal ESG database based on sustainability data produced by MSCI ESG Research and ISS ESG, as well as through information published by companies and attained through company meetings. The purpose of the ESG¹⁾ database is to provide portfolio managers with easy access to ESG data when making equity and fixed-income investments. For instance, portfolio managers can search for the following information on a company: responsibility assessments (so-called ESG scores), data on controversial activities' contribution to revenue, and any ESG violations as well as emission data, information on companies' emission reduction targets and how companies are aligned with the Paris Climate Agreement. In 2021, ISS ESG climate data was added to the database.

The ESG database is also used for reporting purposes. Evli publishes public ESG reports on all of its equity and corporate bond funds. This means that anyone can check the responsibility of Evli's investments. In addition to ESG and UN Global Compact analyses, the ESG reports include development of investments' ESG scores, reputational risk, carbon footprint and company-specific ESG data for the 10 largest holdings. In 2021, Evli expanded its responsibility reporting to include client-specific ESG reports.

An investment-specific ESG analysis is part of all investments, including those in alternative funds. In the Evli Private Equity, Evli Infrastructure and Evli Private Debt fund, each new fund is analysed against the same ESG criteria and investments are only made in funds that meet the criteria. The funds are also analysed according to the same criteria during the investment and the ESG analysis data is transparently available to investors. In the same way, in Evli's growth company fund, EGP I, the ESG analysis and value creation are a key part of the investment process. Examples of portfolio work include the creation of ESG principles and KPI metrics together with each target company. For real estate funds, we operate in a socially responsible manner and expect the same from our partners. In addition, we are able to contribute to the energy efficiency of buildings and the carbon footprint of construction through concrete measures. Evli's forest fund, Evli Impact Forest Fund, identifies ESG risks and opportunities for target funds by assessing, among other things, the environmental performance of forest managers and ensures sustainable forest management through forest certification schemes developed over the past 25 years.

¹⁾ESG=Environmental, Social and Governance

More responsible practices through engagement

Evli analyses the active selections in its equity and corporate bond funds and wealth management direct investments every three months to identify potential non-compliance with the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, and to ensure compliance with Evli's Climate Change Principles. The UN Global Compact is an international corporate responsibility standard that requires companies to respect human rights, fight corruption and take environmental issues into account. The UN Guiding Principles on Business and Human Rights set out how states and companies should implement their obligations and responsibilities. The OECD Guidelines contain recommendations for multinational enterprises made by governments. The recommendations consist of voluntary principles and standards of corporate responsibility and the application of law to international business. Information on non-compliance is available from the MSCI and ISS ESG databases and other sources, such as news reports.

Every case of non-compliance with the norms and Climate Change Principles triggers a pre-determined process at Evli. The case is first handled with a portfolio manager, after which Evli's Responsible Investment team analyses the company's situation. The Responsible Investment team has two options for further action:

1. Initiate measures for engagement
2. Exclude the investment

Cases of engagement through the quarterly review mostly concern environmental problems, human rights, workers' rights or actions to mitigate climate change. Evli does not disclose the names of the companies that are subject to engagement activities, as it believes that confidentiality with the company is more effective.

“ In 2021 Evli also engaged with the companies in accordance with its Climate targets. In addition, Evli participates in various collaborative engagements and initiatives with other investors with the aim of making the operations of even more companies responsible.

1. Analysis of factors related to responsibility and calculation of ESG scores

Active investments are regularly analysed in terms of ESG factors. Evli has ESG data on 13,900 companies in an internal database. An ESG score is calculated for each fund and direct equity investment, which reflects how well the companies as a whole have taken into consideration the risks and opportunities associated with responsibility. Of Evli's funds, 88% have an excellent, very good or good ESG score.

2. Monitoring, active ownership and engagement

Evli monitors its investments regularly and strives to influence the way companies operate. If a company violates the principles set out in the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises or Evli's climate principles, Evli will either seek to influence the company or exclude it from its investments. Evli also engages companies related to different ESG themes and participates in various collaborative engagements and initiatives with other investors with the aim of making the operations of even more companies responsible.

4. Reporting on investments' responsibility factors to clients

Evli's responsible investing is based on transparency and openness, which is why responsibility factors are reported comprehensively to clients. The responsibility reporting consists of the funds' ESG reports, client-specific portfolio reports and the responsible investment annual report.

3. Exclusion of companies from investments

All of Evli's equity and fixed income funds, as well as direct equity investments, follow the general exclusion principles. In accordance with these principles, companies manufacturing controversial weapons, tobacco manufacturers, adult entertainment producers, companies engaged in controversial lending and companies producing peat for energy production are excluded from the funds. In addition, the funds avoid investing in companies with more than 30 percent of their revenue coming from coal mining, its use in energy production, or oil sand extraction. Some funds comply with broader exclusion criteria. In addition to the industries mentioned above, these funds exclude companies with more than five percent of their turnover coming from gambling, the manufacture of alcohol or weapons, and the extraction, drilling and mining of fossil fuels or thermal coal. It is also possible for funds to exclude companies that violate ESG principles and do not show a willingness to change their practices. In addition to equity and fixed income funds, Evli's private equity funds also aim to comply with the same exclusion criteria.



Goals 2020-2021

Renewal of the ESG reports

Launch new responsibility funds

Deepen ESG integration in portfolio management

Set climate targets

Results and priorities for 2021

- In 2021, systematic work continued on the implementation of the strategic objectives defined for 2020-2021.
- Evli expanded its ESG reporting by publishing client-specific ESG reports and an allocation and impact report on the Evli Green Corporate Bond fund. The allocation and impact report provides transparent information on the concrete impact of the fund's investments.
- Evli also published a second analysis of its funds under the TCFD (Task Force on Climate-related Financial Disclosures) reporting framework. For more information on the TCFD reporting framework, see pages 39-43.
- In February, Evli launched the new Evli Nordic 2025 Target Maturity fund, which focuses on Nordic corporate bonds. The fund is actively managed with ESG considerations. During 2021, Evli also implemented three new Europe Green Note Autocall certificates. The funds raised through the issuance of the certificates will be used to finance projects supporting sustainable development. In May, Evli launched a new private debt fund, Evli Private Debt I. Evli

Private Debt I does not invest in funds that do not have an ESG policy or do not take ESG criteria into account in their investment process.

- With the entry into force of the Sustainable Finance Disclosure Regulation (SFDR) on March 10, 2021, Evli added the sustainability disclosures required by the regulation to its website and provided information on the consideration of the sustainability factors and risks of its funds and asset management strategies. Evli's asset management strategies as well as most of Evli's funds promote environmental and/or social factors among other features (so-called Article 8) and two funds aim to make sustainable investments (so-called Article 9). During 2021, Evli was also actively involved in the EU legislative debate and followed the development of the EU taxonomy.
- Evli announced its climate target in June. Evli's goal is to be a net zero asset manager by 2050 at the latest. The target applies to emissions from both Evli's own operations and its investments. Evli set interim targets for emissions from its own operations (Scope 1 and 2) to be carbon neutral by 2025 at the latest and to halve the carbon emissions from its investments by 2030, provided the investment environ-

ment allows for it. In addition, Evli set up a working committee for 2021-2022 to further explore how best to achieve the investment milestone through real-world emission reductions and in line with the Paris Climate Agreement.

- Work on the roadmap for climate targets started after the targets were published. During 2021, work started primarily on building a snapshot, developing climate risk management and engagement.
- During the year, Evli attended 22 company general meetings. Attendance took into account the restrictive measures brought about by the coronavirus pandemic, and meetings were therefore attended by issuing a power of attorney with voting instructions. Evli representatives attended the general meetings of companies such as Musti Group, Admicom, Talenom, QT Group, Valmet, Alma Media, Terveystalo, Metsä Board, Verkkokauppa.com, Gofore, Relais Group, Detection Technology, Consti, Ponsse, Sanoma, Raisio, Eezy, Marimekko, Remedy Entertainment, Kamux and NoHo Partners. The meetings were selected on the basis of the content of the agenda and the ability of the fund management company to influence the agenda.



Institutional investors rate Evli as the best in responsible investment expertise, both among “Large” asset managers and among all asset managers in the SFR institutional asset management client survey.

- Systematic engagement with companies continued. Evli was in contact with 46 companies. The cases of engagement were primarily related to encouraging companies to set climate targets and/or science-based climate targets (41 engagements). Other engagements were related to allegations of corruption, governance methods, human rights and the issues regarding the supply chain.
- In addition to independent engagement, Evli continued to be involved in the CDP Investor Letters (climate change, deforestation, water), Climate Action 100+ and the CDP’s collaborative engagement to set Science-Based Targets. In addition, Evli, together with other investors, signed a letter to governments, the Global Investor Statement to Governments on the Climate Crisis, encouraging them to set ambitious targets to achieve the Paris Agreement, establish roadmaps for carbon-intensive sectors to move to low-carbon, increase financing and policies needed to achieve carbon neutrality, and commit to corporate reporting in line with TCFD recommendations. Evli also continued to be a member of the Green Building Council, which aims to promote sustainable practices in the built environment.
- In accordance with the quarterly monitoring Evli excluded in 2021 one company based on Evli’s climate principles.
- During 2021, Evli also took the ISS ESG Climate Data Bank into use, updated and expanded the ESG tools available to portfolio managers, and developed the expertise of portfolio managers by organising training sessions on climate data and future legislation.
- At the end of the year, Evli launched two new funds, Evli Private Equity III, a global private equity fund with a solid ESG process, and Evli Residential II, a residential development fund that is able to take into account demanding sustainability aspects such as energy solutions and building materials through its own target development.
- Evli’s responsible investment performed well in external evaluations. Evli was rated the best in responsible investing both among “Large” asset managers and among all asset managers in a client survey by SFR Scandinavian Financial Research, which evaluated 18 asset managers on their responsible investing expertise based on the views of Finland’s largest professional institutional investors. In the Kantar Prospera survey of institutional investors, Evli’s responsible investment performance was rated second best in 2021.

It is important for Evli to continuously develop its responsible investment practices and listen to feedback from clients and other stakeholders. Over the coming years, the aim is to, among other things, promote our work in line with climate targets in concrete ways, launch new responsibility funds and strengthen our responsibility work in investment through both engagement and active ownership.



Evli's climate targets

Evli aims to be carbon neutral by 2050 at the latest

Evli's climate targets apply to emissions from both Evli's own operations and its investments. We recognise that a credible long-term net zero target needs to be supported by sufficiently ambitious interim targets, based on the latest knowledge on climate change and the measures required to reduce emissions. We set the following milestones for our activities:

- 1) Evli aims to achieve carbon neutrality for emissions from its own operations (Scope 1 and 2) by 2025 at the latest, and
- 2) Evli sets an interim target of a 50% reduction in indirect emissions from investments by 2030, provided that the investment environment allows for it. We will be using 2019 as the base year.
- 3) Evli will establish a Working Committee for the years 2021-2022 in order to assess how the investment-related interim target can be reached through real world carbon emission reductions and to ensure that it will be in line with the Paris Agreement. In this assessment work, we will use, among others, a Science-Based Targets (SBT) framework.

More information [Evli's Climate Targets](#)

Roadmap to becoming a net zero asset manager

- 1. Building a snapshot 
- 2. Development of climate risk management 
- 3. Updating the exclusions 
- 4. Engagement 
- 5. Systematic analysis of the targets 

RESPONSIBILITY

Responsible governance

Evli's operations are always based on good governance, legislation and official regulations. In addition, integrity and ethical operations are considered the foundation of sustainable business.

Profit performance forms the core of financial responsibility

(GRI 201-1: Direct economic value generated and distributed)

Financial responsibility is fundamental to Evli's operations. Financial responsibility means maintaining competitiveness, strong performance and good profit performance. These factors enable profitable growth and thus add value in the long-term to all Evli's key stakeholders: clients, society, personnel, and shareholders. Evli aims to improve profit performance by enhancing operating efficiency, innovating new products and service solutions and developing its core processes. A financially solid company can shoulder its responsibility for the environment, look after its personnel, meet its clients' needs and serve society. Evli's goal is to increase the sales of its existing wealth management services, mutual funds and alternative investment products in Finland and to increase the international sales of selected mutual funds. The goal is also to bring new products and service solutions to the market, which will help to achieve a positive result development. In addition, Evli's aim is to enhance its operations in order to ensure the competitiveness of services and continuity of operations in the future.

Evli aims to be an interesting investment, both from the perspective of dividend income and the increase in share value. Evli avoids unnecessary risks and concentrates on moderate, long-term growth and development. With responsible operations, Evli creates long-term value for the owners and improves the ability to react to the opportunities and risks arising from economic, social and environmental megatrends.



Results and priorities for 2021

- Evli Group's operating income increased by 45% to EUR 115.6 million. Growth in international sales and sales of alternative investment products as well as strong sales of wealth management products and services contributed positively to the performance.
- Sales of alternative investment products more than doubled from the previous year and assets under management reached EUR 1.6 billion at the end of the year.
- International sales continued to grow. At the end of 2021, EUR 3.3 billion of Evli's EUR 10.6 billion in fund capital came from clients outside Finland.
- Evli continued its IT investments with the aim of streamlining processes and improving service to clients. During the year, Evli launched a new My Evli mobile application. Due to the remote working recommendations of the coronavirus epidemic, all Evli staff worked mostly remotely, but partial office work was also possible given the coronavirus situation. Despite the remote working, all tasks could be carried out and clients could be served according to their needs. This was possible thanks to IT investments in previous years.
- Evli paid its shareholders a dividend of EUR 0.73 per share, which is 11% more than in the previous year.

Taxes are paid in accordance with local legislation in each country of operation

(GRI 201-1: Direct economic value generated and distributed)

Evli's head office is located in Finland. The company also has branch offices and subsidiaries in Sweden and the United Arab Emirates. In each country, Evli pays its taxes in accordance with

the local legislation. Evli is committed to ensuring that it complies with all statutory obligations and it discloses all required information to the relevant tax authorities and engages in an open discussion with them. Evli considers compliance with tax legislation as an important part of its corporate responsibility.

Results and priorities for 2021

- Evli paid a total of EUR 10.5 million in taxes (2020: EUR 6.3 million).



INCOME DISTRIBUTION, M€	2021	2020	2019	2018
Net interest income	0.1	0.2	0.3	0.7
Commission income and expense, net	111.7	76.8	72.2	67.1
Net income from securities transactions and foreign exchange dealing	3.5	2.4	3.2	0.7
Other operating income	0.2	0.2	0.1	0.1
Share of profits (losses) of associates	0.5	0.4	-0.6	2.6
Total Income	116.0	80.0	75.2	71.2
Personnel expenses	31.0	25.9	24.8	23.1
Other administrative expenses	18.5	12.5	14.0	15.9
Depreciation, amortisation and write-down	4.8	5.7	3.5	2.1
Other operating expenses	1.8	1.7	3.7	3.6
Impairment losses on loans and other receivables	0.1	0.1	0.1	0.0
Society				
Taxes	10.5	6.3	4.9	4.2
Social security costs	1.6	1.2	1.4	1.2
Pension expenses	4.8	3.4	4.1	3.7
Equity holders of parent company	36.3	21.3	17.3	16.0
Non-controlling interest	6.7	1.9	1.4	1.3
Distribution of income	116.0	80.0	75.2	71.2

Corruption, bribes and money laundering not acceptable

(GRI 205-2: Communication and training about anti-corruption policies and procedures, GRI 205-3: Confirmed incidents of corruption and actions taken)

Evli does not accept corruption, bribery or any other illegal activity under any circumstances. Evli's ethical principles guide its personnel in this matter. For example, employees will not offer, demand or accept inappropriate gifts, trips or payments. Moreover, there is an internal guideline on hosting in the company's name and giving business gifts.

As a bank, Evli plays an important role in preventing money laundering and the funding of terrorism. For this purpose, Evli has clear operating instructions that apply to the entire personnel. In addition to statutory obligations, preventing money laundering is part of Evli's risk management and an important part of its business operations. Knowing the client is an integral part of the prevention of money laundering. Therefore, before a new client relationship is formed, the client's information is always analysed as required by guidelines based on the law. All personnel who have direct contact with clients must take part in annual training events on money laundering and knowing the customer. Evli has also adopted an active role in developing the regulation and good operating practices in the industry.

Evli provides an opportunity to report violations through the whistleblowing procedure. If an employee suspects that unethical activities have occurred or that someone has engaged in activities that violate the law, regulations, the authorities' instructions, or the Evli Group's internal guidelines, a separate procedure is available with dedicated guidelines that the employee can follow to report the matter.

Results and priorities for 2021

- No cases of corruption, bribery or money laundering in the Evli's operations were reported.
- Training events were mainly concerned with the prevention of money laundering and the funding of terrorism.

Own operations help promote positive environmental action

(GRI 302-1: Energy consumption within the organisation, GRI 302-4: Reduction of energy consumption)

Evli's own operations do not have any significant immediate environmental impacts. The company's principal environmental impacts are related to its investment activities. However, the company is aware that it can promote positive environmental impacts through its own operations by reducing paper consumption, developing and improving digital services, and reducing air travel and the consumption of electricity

It is also important for Evli to increase environmental awareness among its clients and employees and offer products and services that help to mitigate harmful environmental impacts. With the continuous development of digital transaction channels and utilising the opportunities given by technology, Evli offers new forms of services that have a smaller environmental impact than before.

In all purchases, Evli seeks to ensure the responsibility of the suppliers. The supplier's environmental responsibility is always a consideration in internal procurement concerning personnel needs, client premises, business gifts, office supplies and furniture. This means, among others, that business gifts are mainly procured by suppliers that manufacture products from recycled

materials, and that durability is an important factor in choosing office furniture. The food offered in client meetings and events is prepared when possible using local and organic products and food wastage is minimised.

Evli's head office in Helsinki has been awarded the LEED[®] * Gold certification, one of the world's best-known green building certificates. Evli is committed to reducing the energy consumption and CO2 emissions of its offices and paying attention to the environmental impacts of waste and consumption of paper. Unnecessary travel is avoided by favouring telephone and video conferences. Employees continuously strive to reduce their ecological footprint in their everyday work.

Results and priorities for 2021

- Evli continued the development of its website www.evli.com and the My Evli online service in order to, among others, reduce the amount of paper reporting.
- Evli's energy consumption decreased by 18.8 percent. A main factor contributing to the decreased energy consumption was the extensive remote working recommendations during the year and the reduced office space in the Helsinki office. Air travel decreased even further from the previous years due to the coronavirus pandemic.

³⁾ LEED=Leadership in Energy and Environmental Design



RESPONSIBILITY

Responsible employer

Evli's success is based on the professional skills of its employees and their ability to create new solutions, added value for the benefit of the clients and to serve them professionally. Evli believes that employee commitment and thriving at work is reinforced by creating a flexible, efficient and balanced work community, which is characterised by innovativeness and the capacity to change and bring about change.

To ensure that the best experts in the business will serve clients also in the future, Evli pays particular attention to employee development and motivation. In addition to competitive pay, personnel benefits include expert level occupational healthcare services and varied opportunities for developing skills.

Most of the personnel work in Finland

(GRI 102-8: Information on employees and other workers, GRI 401-1: New employee hires and employee turnover)

At the end of 2021, the Evli Group had 290 employees, up by 11 percent on the previous year. Of the total personnel, 91 percent worked in Finland, eighth percent in Sweden and almost one percent in the United Arab Emirates.

The total number of new hires in 2021 was 32. The number of new employees does not include summer workers and trainees. The average personnel turnover was 10 percent.



PERSONNEL DATA	2021	2020	2019	2018
Personnel	290	261	249	254
Permanent	251	233	224	226
Temporary ¹⁾	39	24	25	24
On study or parental leave	7	4	3	4
Full time ²⁾	244	240	237	243
Part time ³⁾	39	21	12	11
Women/men (%)	38/62	39/61	36/64	38/62
Average age	40.3	41.4	41.1	40.5
Average period of service	9.3	10.5	9.9	9.1
Average personnel turnover (%) ⁴⁾	10.0	8.0	8.5	8.3
New hires	32	20	16	15
Sickness absences, days/person	1.8	1.2	2.2	2.9
Occupational accidents at work	0	0	0	0
Training days/person	1.3	1.0	2.1	3.7
Personnel covered by performance reviews (%)	100	100	100	100

¹⁾Includes both trainees and summer workers

²⁾Includes both permanent and temporary employees with full-time contracts.

³⁾Includes both permanent and temporary employees with part-time contracts

⁴⁾Personnel turnover was calculated using the following formula: ((Number of new persons employed Jan 1-Dec 31 + number of employees leaving Jan 1-Dec 31)/2)/number of employees on Dec 31.

A diverse work environment and equal opportunities

(GRI 405-1: Diversity of governance bodies and employees)

Fairness, including equality, non-discrimination and diversity are a material part of Evli's responsibility. Work in this was further organised in 2018 as Evli Bank's Board of Directors approved Evli Group's diversity policy and goals for 2022. The diversity policy defines the company's principles concerning equality, non-discrimination and diversity. Under the principles, Evli commits to creating a workplace that is non-discriminatory, open and positive and in which all employees are treated equally, irrespective of gender, age, ethnic or national background, nationality, language or faith. In addition, a material factor of diversity is that all employees feel they have the same opportunities to develop and advance in their careers.

Good management of diversity and work for non-discrimination can improve personnel well-being and commitment and enable employees to perform to their full potential. In addition, diversity promotes innovations, productivity and the company's competitiveness. At Evli, diversity applies to all business areas and diversity is taken into account in all personnel management from hiring to career progress and development.

In addition to Evli Group's diversity policy, the goal of the Board of Directors' diversity policy is to ensure that the Board is as diverse as possible. Diversity emphasises the Board members' expertise regarding different industry sectors and training and skills that complement those of other members. In addition, factors that are relevant regarding the diversity of the Board include age and gender distribution and the length of term. The goal is for both genders to be represented on the Board.

Additional information about the Board of Directors diversity is found on page 151.

Results and priorities for 2021

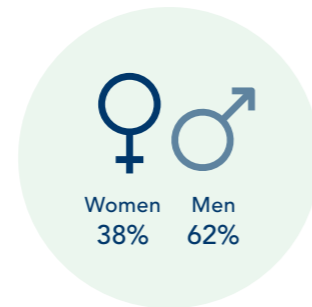
- Evli's recruitment process was further improved and recruitment increasingly focused on diversity, including through collaboration with different stakeholders. For example, efforts are being made to make the investment industry more attractive to women.

Diversity goals for 2022

- There are at least 40 percent of each gender represented in expert positions in all business areas
- There are at least 30 percent of each gender represented in team leader positions in business areas and administration
- Both genders are sufficiently represented on the Board of Directors and in the Executive Group. In planning the composition of the Board, important factors include members' skills, experience and expertise to ensure effective performance.
- In recruitment, the most suitable person for the position is always selected. The annual equality and equal treatment review developed policies to ensure equal opportunities for all applicants in recruitment and to achieve the greatest possible diversity in the organisation.
- Both genders must be represented in the group of people selected for the trainee program.

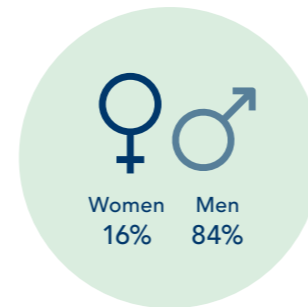
EVLI'S DIVERSITY 2021

Gender diversity entire personnel



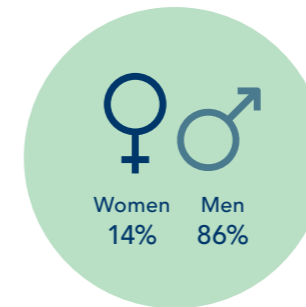
290 persons

Gender diversity team leaders



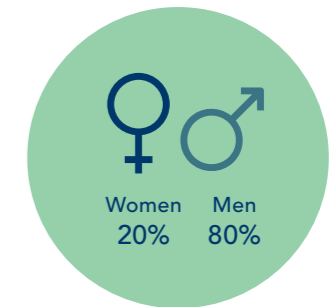
37 persons

Gender diversity Executive Group



7 persons

Gender diversity Board of Directors



5 persons

- Systematic work continued to improve the image of Evli as an employer and the awareness of Evli. Evli feels that by improving its image as an employer, it is easier both to attract new promising employees and to retain staff. Efforts to improve the employer image continued, including more systematic use of social media and improving the content of Evli's own website.

Evli looks after the well-being of its employees

(GRI 403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities, GRI 401-3: Parental leave)

Motivated and committed employees whose well-being are at a high level are vital to Evli's operations, development and profitability. Evli's goal is to develop and promote the comprehensive well-being of its employees and to focus on proactive measures on workplace well-being. One of the key prerequisites for both mental and physical well-being is a work-life balance. This is supported by offering a flexible work culture, which means, among others, the possibility of flexible working hours, remote working

and a shortened workweek. In addition, Evli uses a so-called age management model that takes into account and supports employees at different stages of their careers and lives.

Evli's employees have access to expert level occupational healthcare including, among others, access to specialist-level doctors, physiotherapy, ultrasounds, MRIs and x-rays. In addition, the mental and physical well-being are supported by offering employees opportunities to take part in exercise classes and lectures. Evli's policy also includes preventing long-term sick leave through an early support model.

Job satisfaction and well-being at work are measured by means of an employee survey and smaller in-house surveys. The results drive the further development of workplace well-being and practices.

Results and priorities for 2021

- About three percent of the employees worked a shorter week and were, for example, on part-time childcare leave.

- In the wake of the coronavirus pandemic, most staff worked mainly remotely during the spring and the year end. A hybrid model combining teleworking and office work was introduced in the autumn. To promote well-being at work, Evli organised various webinars during the year and instructed managers on remote management.
- Every month, staff responded to a so-called 'well-being at work' questionnaire. The survey and its results and feedback were a tool for managers to manage and strategically develop well-being at work.

Personnel development helps increase competitiveness

(GRI 404-1: Average hours of training per year per employee, GRI 404-2: Programs for upgrading employee skills and transition assistance programs)

The skills of motivated and committed employees support the execution of the company's strategy and targets. Evli constantly develops its employees' professional expertise, as this enables it to keep up with the changes in the environment and offer innovative solutions that meet the market demand. Evli Academy, established in 2006, organises both internal and external training.

ning events to improve the employees' skills and to enhance occupational health and well-being.

In addition to training opportunities, Evli encourages learning on the job and job rotation. Job rotation is encouraged by, for example, publishing all open positions on Evli's Intranet.

The work of Team Leaders is considered an important part of personnel development and work satisfaction. Team Leaders are trained on a continuous basis to enable them to support their team members as well as possible and to develop the teams' practices. The work of Team Leaders is evaluated regularly based on external surveys.

Results and priorities for 2021

- The number of training days per person was 1.3. Training days includes internally organised training. A total of three persons transferred to new job tasks as part of job rotation.
- With the coronavirus pandemic and the widespread remote work recommendation, managerial work has taken on a more important role. Coaching and guidance on leadership, and in particular on remote leadership, was provided to managers in the form of management information sessions (8 in total) and in the Evli Academy's four-module online workshops on the theme of courageous interaction.
- The entire staff was offered a series of online workshops on self-management in four modules of the Evli Academy. The personnel reverse mentoring programme, launched in 2020, continued in 2021.
- An Eezy Spirit People Power survey was sent to all personnel, to which around 80.9% of the employees responded. The survey measures leadership fulfilment, performance and staff engagement. The results show that Evli employees have confidence in management's decision-making ability and feel that the company is heading in the right direction and that the future is bright. They feel they have the opportunity to



Based on the employee satisfaction survey results, Evli was once again awarded as one of the most inspiring workplaces in Finland.

participate and express their own opinions. There is also a convergence of values between staff and Evli. The results showed that there was a need for development and support in clarifying the meaning of one's own work and in balancing work and leisure time. Based on the employee satisfaction results, Evli was again recognised as one of Finland's most inspiring workplaces.

An attractive employer

Competition for the best talent is very severe in the finance sector. Finding the right people and keeping them is vital for a company that offers expert services. Evli believes that by offering its employees good learning and development opportunities, and by investing in their well-being and work-life balance, it can attract new employees and commit them to the company.

Evli's recruitment activities emphasise finding the right people who match Evli's corporate culture and are prepared to develop to become future top experts at Evli. Fresh graduates or students close to graduation are attracted to work at Evli by offering, for example, a trainee program. The goal of the trainee program is to find motivated young talents that can become future top experts at Evli and bring innovations and ideas to the company.

In addition to the trainee program, Evli supports schools and subject organizations, visits schools and introduces students to the field and Evli as a company and participates in various recruitment events. The purpose of these events is to increase awareness of Evli among students.

Results and priorities for 2021

- Systematic work to improve employer branding continued. Evli feels that by improving the image of the company as an employer, it will be easier to attract promising new employees and to retain current employees. In order to improve the employer image, more systematic use of social media and the improvement of the content of Evli's own website continued as well as the co-operation with schools and subject organizations.
- The trainee program was carried out around the year despite the coronavirus. During the year around 800 persons applied for the trainee-program and from these 10 persons were hired to Evli as trainees.
- Evli partnered with the Women's Career Society in order to support female students' career paths.

Reporting practice

GRI 102-47: List of material topics

The economic, social and environmental impact of Evli's business comes both directly through its own operations and indirectly through its investment activities. The topics and priorities relevant to Evli's responsibility are presented on pages 14-31.

GRI 102-48: Restatements of information

No material changes have been made to previously reported data.

GRI 102-49: Changes in reporting

Evli conducted its first GRI Corporate Responsibility Report in 2018. In the 2021 report, the scope and boundaries of the report have remained the same and the content matches that of the 2019 and 2020 reports.

GRI 102-50: Reporting period

The reporting period is from January 1 to December 31, 2021.

GRI 102-51: Date of most recent report

Evli's Annual Report 2020 including the Responsibility Report was published on February 11, 2021.

GRI 102-52: Reporting cycle

Evli's Annual Report is published yearly, by calendar year. The Annual Report consists of a Business Overview, Responsibility

⁸⁾ Global Reporting Initiative.

Report, Financial Statement and Corporate Governance Statement as well as the Remuneration Policy and Report.

GRI 102-53: Contact point for questions regarding the report

The contact point for questions is Evli's Responsible Investment team as well as the Marketing, communications and IR team. Contact details are available at www.evli.com.




GRI 102-54: Claims of reporting in accordance with the GRI standards

The corporate responsibility report includes a GRI report which has been drawn up in accordance with the GRI standards, where applicable. The report also includes information that concerns Evli's own relevant responsibility matters in accordance with the reporting principles of the GRI standard. The GRI content comparison on pages 34-38 lists the GRI indicators used and where more information is available. The corporate responsibility report, including the GRI report, supplements Evli's financial reporting and concerns the operations of the Group as a whole unless otherwise indicated. The GRI report includes information and indicators that have been identified through materiality analysis that are relevant to stakeholders and Evli's business operations.

GRI 102-56: External assurance

The responsibility report, which includes a GRI report, is not externally audited.

GRI 103-1: Explanation of the material topic and its boundary

RESPONSIBILITY THEMES	RELEVANT RESPONSIBILITY SUBJECTS	SIGNIFICANCE TO BUSINESS OPERATIONS AND STAKEHOLDERS	CALCULATION PARAMETERS
 Responsible products and services	Responsible marketing	Development area	Own operations
	Customer privacy protection and data security	Base	Own operations
	Responsible investing	Focus area	Own operations - Responsibility of wealth management investment
 Responsible governance	Profit performance	Focus area	Own operations
	Taxes and tax footprint	Base	Own operations
	Corruption, bribes and money laundering	Base	Own operations
	Direct environmental impacts	Development area	Own operations (Helsinki office)
 Responsible employer	Fairness: equality, non-discrimination and diversity	Focus area	Own operations
	Work well-being and health	Development area	Own operations (Helsinki office)
	Education and development	Development area	Own operations (Helsinki office)
	Attractive employer	Focus area	Own operations

GRI 103-2: The management approach and its components

All business areas at Evli are part of ensuring that responsibility is integrated into everyday work. Every employee is responsible for observing it in practice. Evli's Responsible Investments team supports the business areas in matters concerning responsibility and especially the coordination of responsible investment. Evli believes that through responsible investment activities the company can have the most impact on responsibility. This is why Evli has invested most in the development of responsible investment in recent years. Evli has a Responsible Investment team that carries out responsible investment under the Head of Sustainability.

Compliance with the principles of responsible investment at Evli is supervised by the Responsible Investment Executive Group. The members of the Executive Group include the CEO, executives from the legal and risk management department, institutional and private clients' departments, portfolio management and the responsible investment team. The Responsible Investment Executive Group decides on Evli's Principles for Responsible Investment and related practices and reports to Evli's Executive Group.

GRI content index

DISCLOSURE INDEX	DISCLOSURE TITLE	PAGE	ADDITIONAL INFORMATION
GENERAL DISCLOSURE			
Organizational Profile			
102-1	Name of the organization	Financial Statements, p. 77	
102-2	Activities, brands, products and services	Evli in brief, p. 3-4	
102-3	Location of headquarters	Financial Statements, p. 77	Aleksanterinkatu 19 A, 00101 Helsinki
102-4	Location of operations	Evli in brief, p. 3-4	
102-5	Ownership and legal form	Shares and Shareholders, p. 59-60, Financial Statements, p. 120-123	
102-6	Markets served	Evli in brief, p. 3-4	
102-7	Scale of the organization	Evli in brief, p. 3-4, Financial figures, p. 45	
102-8	Information on employees and other workers	Responsibility, p. 28-31	
102-10	Significant changes to the organization and its supply chain	Financial Statements, p. 124	
102-11	Precautionary Principle or approach	Risk management and internal control, p. 83-87	
102-12	External initiatives	Responsibility, p. 22-23	
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102-14	Statement from senior decision-maker	CEO's review, p. 5-6	
102-15	Key impacts, risks, and opportunities	Megatrends & Strategy, p. 10-11	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	Business model, p. 9	
102-17	Mechanisms for advice and concerns about ethics	Responsibility, p. 27	
Governance			
102-18	Governance structure	Corporate Governance Statement, p. 147	
102-19	Delegating authority	Responsibility, p. 33	
102-20	Executive-level responsibility for economic, environmental, and social topics	Responsibility, p. 33	
102-22	Composition of the highest governance body and its committees	Corporate Governance Statement, p. 148	
102-23	Chair of the highest governance body	Corporate Governance Statement, p. 148-149	
102-24	Nominating and selecting the highest governance body	Corporate Governance Statement, p. 148	
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Statement, p. 147	
102-27	Collective knowledge of highest governance body	Corporate Governance Statement, p. 148-149	
102-28	Evaluating the highest governance body's performance	Corporate Governance Statement, p. 147	
102-30	Effectiveness of risk management processes	Risk management and internal control, p. 83-87	
102-35	Remuneration policies	Remuneration policy, p. 156-158	
102-36	Process for determining remuneration	Remuneration policy, p. 156-158	

DISCLOSURE INDEX	DISCLOSURE TITLE	PAGE	ADDITIONAL INFORMATION
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Stakeholder engagement			
102-40	List of stakeholder groups	Responsibility, p. 17	
102-43	Approach to stakeholder engagement	Responsibility, p. 16-17	
102-44	Key topics and concerns raised	Responsibility, p. 17	
Reporting practice			
102-45	Entities included in the consolidated financial statements	Financial Statements, p. 77	
102-46	Defining report content and topic boundaries	Responsibility, p. 15-16	
102-47	List of material topics	Responsibility, p. 15-16	
102-48	Restatements of information	Responsibility, p. 32	
102-49	Changes in reporting	Responsibility, p. 32	
102-50	Reporting period	Responsibility, p. 32	
102-51	Date of most recent report	Responsibility, p. 32	
102-52	Reporting cycle	Responsibility, p. 32	
102-53	Contact point for questions regarding the report	Responsibility, p. 32	
102-54	Claims of reporting in accordance with the GRI Standards	Responsibility, p. 32	
102-55	GRI content index	GRI content index, p. 34-38	
102-56	External assurance	Responsibility, p. 32	The report has not been externally assured

DISCLOSURE INDEX	DISCLOSURE TITLE	PAGE	ADDITIONAL INFORMATION			
MATERIAL TOPICS						
Management approach						
103-1	Explanation of the material topic and its boundary	Responsibility, p. 16				
103-2	The management approach and its components	Responsibility, p. 33				
Economic topics						
Economic performance						
201-1	Direct economic value generated and distributed		ECONOMIC VALUE GENERATED AND DISTRIBUTED			
			Income distribution, M€	2021	2020	2019
			Net interest income	0.1	0.2	0.3
			Commission income and expense, net	111.7	76.8	72.2
			Net income from securities transactions and foreign exchange dealing	3.5	2.4	3.2
			Other operating income	0.2	0.2	0.1
			Share of profits (losses) of associates	0.5	0.4	-0.6
			Total Income	116.0	80.0	75.2
			Personnel expenses	31.0	25.9	24.8
			Other administrative expenses	18.5	12.5	14.0
			Depreciation, amortization and write-down	4.8	5.7	3.5
			Other operating expenses	1.8	1.7	3.7
			Impairment losses on loans and other receivables	0.1	0.1	0.1
			Society			
			Taxes	10.5	6.3	4.9
			Social security costs	1.6	1.2	1.4
			Pension expenses	4.8	3.4	4.1
			Equity holders of parent company	36.3	21.3	17.3
			Non-controlling interest	6.7	1.9	1.4
			Distribution of income	116.0	80.0	75.2
Anti-corruption and anti-bribery						
205-2	Communication and training about anti-corruption policies and procedures	Responsibility, p. 27				
205-3	Confirmed incidents of corruption and actions taken	Responsibility, p. 27				
Environmental topics						
Energy						
302-1	Energy consumption within the organization	Responsibility, p. 27				
302-4	Reduction of energy consumption	Responsibility, p. 27				

DISCLOSURE INDEX	DISCLOSURE TITLE	PAGE	ADDITIONAL INFORMATION
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Social responsibility			
Employment			
401-1	New employee hires and employee turnover	Responsibility, p. 29	
401-2	Full-time staff benefits not provided to fixed-term or part-time staff		All employee benefits are offered throughout the personnel, regardless of employment.
401-3	Parental leave		Employees are provided with an opportunity of shortened working hours and depending on work tasks, the possibility of flexible working hours.
Occupational health and safety			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Responsibility, p. 29	
Training and education			
404-1	Average hours of training per year per employee	Responsibility, p. 29	
404-2	Programs for upgrading employee skills and transition assistance programs	Responsibility, p. 30-31	
404-3	Percentage of employees receiving regular performance and career development reviews	Responsibility, p. 29	Evli's development discussion process covers all permanent employees who are not absent due to, for example, parental leave or study leave. Developmental discussion needs for temporary employees are assessed case-by-case.
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405-1	Diversity of governance bodies and employee	Responsibility, p. 29-30, Board of Director's Diversity; Corporate Governance Statement, p. 151	
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418-1	Number of legitimate complaints about customer privacy violation and customer loss	Responsibility, p. 19	

DISCLOSURE INDEX	DISCLOSURE TITLE	PAGE	ADDITIONAL INFORMATION
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	Customer satisfaction	Responsibility, p. 19	
Taxes and tax footprint			
	Total tax	Responsibility, p. 26	
Direct impacts of own operations			
	Decreasing amount of air travel	Responsibility, p. 27	

ANNEX

Task Force on Climate-related Financial Disclosures report

Evli has committed to supporting the Task Force on Climate-related Financial Disclosures (TCFD) reporting framework and published its first TCFD report in 2020 based on the situation in 2019. This annex provides updated information on Evli's climate risks and opportunities and compiles information on Evli's climate work progress in 2021.

Introduction

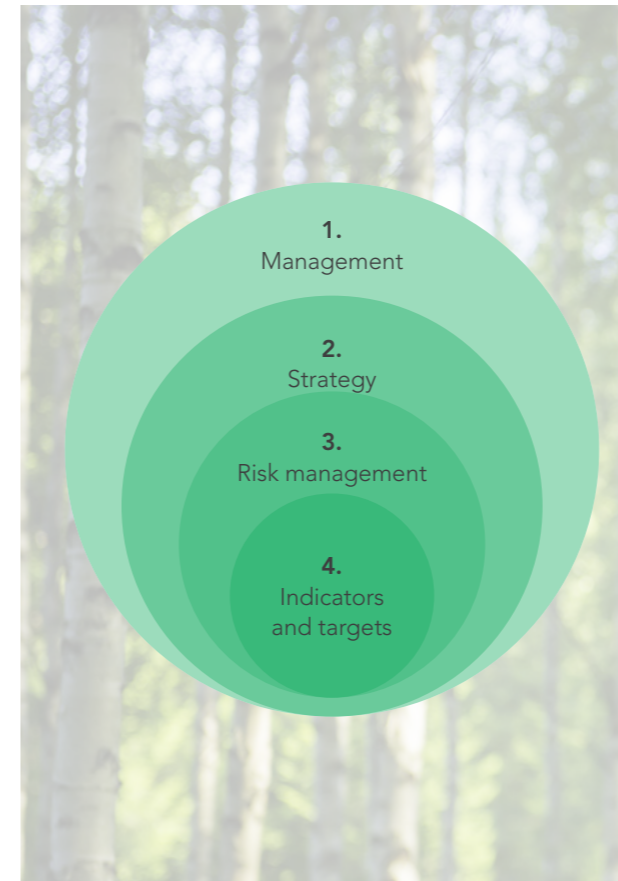
In August 2019, Evli became a public supporter of the TCFD with the goal of developing Evli's own climate risk reporting. The TCFD is an international climate risk reporting framework designed to improve reporting on the economic impact of climate change by making it clearer, more comparable and more consistent.

It is important for asset managers and other investors to be able to identify and assess the economic impact of climate change on both their own operations and those of investment companies. The transition to a low-carbon economy is changing the business environment and companies are also exposed to the physical effects of climate change. On the other hand, climate change also creates opportunities for companies that offer products or services that contribute to climate change adaptation and mitigation.

Reports based on TCFD's recommendations provide stakeholders of the company information on:

1. the management of climate-related risks and opportunities (role of the Board of Directors and the management)
2. the actual and potential impact of climate-related risks and opportunities on the company's business, strategy and financial planning
3. the company's processes for identifying, assessing and managing climate risks
4. the indicators and targets for assessing and managing climate-related risks and opportunities.

Reporting framework of the TCFD report



Management

As part of the broader debate on responsibility, Evli's Board and Executive Group regularly address climate-related issues. Evli's Head of Sustainability regularly attends Board and Executive Group meetings. In addition to the work of the Board and Executive Group, Evli has a Responsible Investment Executive Group, which decides on the principles and practical procedures of responsible investment at Evli. In addition to the CEO, the Responsible Investment Executive Group includes managers from Legal and Risk Management, Private and Institutional Clients, Portfolio Management and the Responsible Investment team.

The Responsible Investment team, under the supervision of the Head of Sustainability, is responsible for coordinating and developing ESG issues in the funds and discretionary portfolio management, as well as for engaging with companies. The Responsible Investment team monitors implementation of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the Evli Principles for Climate Change and has the right to exclude individual companies from investment.

When analysing potential investments and making investment decisions, Evli's portfolio managers also take ESG matters into account, including climate issues. Portfolio managers are responsible for implementing the **Principles for Responsible Investment** and ESG integration in portfolio management.

The responsible investments governance model

Responsible Investment Executive Group

- Decides on the principles and practical procedures of responsible investing
- Members: CEO, executives from the legal and risk management department, institutional and private clients' departments, portfolio management and the Responsible Investment team
- Regular meetings on a quarterly basis
- Reports to Evli's Executive Group.

Responsible Investment team

- Monitors the implementation of the UN Global Compact principles and Evli's Principles for Climate Change. Has the right to exclude individual companies from investments
- Responsible for engaging with companies
- Report to the Responsible Investment Executive Group.

Portfolio Managers

- Take ESG matters into consideration when analysing potential investments and making investment decisions
- Responsible for implementing the Principles for Responsible Investment and ESG integration
- Reports to the Responsible Investment team on companies that violate the Principles for Responsible Investment.

The investment activities of Wealth Management are guided by the Evli Principles for Responsible Investment, which define Evli's responsible investment practices. In addition, Wealth Management is governed by the **Evli Principles for Climate Change**, which describe Evli's approach to taking climate change and its related impacts on its investments into account. In 2021, Evli published separate **climate targets**. In line with the climate targets, Evli aims to achieve carbon neutrality by 2050 at the latest. The target applies to emissions from both Evli's own operations and its investments. The targets include separate milestones. A separate roadmap has also been defined for the climate targets and a separate working committee has been set up to further clarify how the investment milestone can best be achieved through real-world emission reductions and in line with the Paris Agreement.

Strategy

At Evli, responsibility has been an integral part of portfolio management for many years. In January 2020, Evli made responsibility one of its strategic focus areas for the coming years, and in June 2021, Evli set Evli's climate targets and related milestones in line with its strategic objectives. Climate change mitigation has always been an important issue for Evli and Evli wants to contribute to creating products that address climate change challenges and set concrete targets for Evli's operations.

As an asset manager, the most significant climate risks and opportunities for Evli are related to its investment activities, as Evli's own operations do not cause significant direct environmental impacts. Evli has committed to reducing energy consumption and carbon emissions from its premises and to avoiding unnecessary travel. As part of its climate targets, Evli also set separate milestones for emissions from its own operations (Scope 1 and 2). However, Evli's strategy focuses on the integration of climate-related risks and opportunities and their impacts

into Evli's products and investment strategies, and this is also reflected in the 2021 climate targets.

The TCFD divides climate change risks into risks from the transition to a low-carbon economy and physical risks from climate change. Transition risks are the financial risks arising from the transition to a low-carbon economy. These include risks arising from changes in policy, regulation, technology, and markets, which, if they materialise, could affect the market value and returns on investments. As clients' climate strategies evolve, Evli must also be able to ensure that its products and services meet their changing needs. Investing in companies that are perceived to contribute to climate change also increases the reputational risk associated with investment activities.

Physical risks, on the other hand, are the economic risks arising from the physical impacts of climate change, which can be the result of single events or long-term changes in the climate. In Evli's investment activities, physical risk may materialise, for example, in real estate investments, which may be increasingly exposed to extreme weather events, sea-level rise or flooding damage, for example, as a result of climate change. However, the physical impacts of climate change are not limited to real estate investments, but also extend to other asset classes such as equity and corporate bond investments. Within these asset classes, industries dependent on foreign raw materials, for example, may be vulnerable to increasing extreme weather conditions.

Climate change also brings opportunities for investors. These include investing in companies that take advantage of opportunities to mitigate and adapt to climate change. In addition, climate change will increase the market for sustainable investments, such as green bonds, providing opportunities for the development of new products. For example, in autumn 2019, Evli organised the first issuance of Green Note autocall

certificates in Finland. The funds raised through the issue will be used to finance projects supporting sustainable development. In 2021, Evli carried out a total of three similar issuances. In addition to these, new funds launched in 2020, Evli Green Corporate Bond, an investment fund focusing on green corporate bonds, and Evli Impact Forest Fund I, a forest fund that aims to mitigate climate change by achieving positive carbon impacts, are part of Evli's investment offering. In the case of the forest fund, which is part of the alternative investment funds, Evli's performance fee is dependent on the achievement of the fund's decarbonisation target.

Evli has examined the sustainability of its investment strategy by conducting scenario analyses based on climate data provided by ISS ESG. The purpose of the scenario analysis is to assess the potential impact of climate-related risks and opportunities in global warming scenarios. In addition to the report, the scenario analysis is included in the tools used by portfolio managers of the equity and corporate bond funds managed by Evli before and after investment decisions. The tools also allow systematic monitoring of the evolution of investment strategy scenarios. Based on the situation at the end of 2021, 27 percent of Evli's equity and corporate bond funds were aligned with the 1.5 degree scenario and 69 percent of funds were aligned with the 2 degree scenario. In line with its roadmap of climate objectives, Evli is currently building a more detailed snapshot and will expand its reporting to include scenario analysis as a result.

Risk Management

Evli's Principles for Climate Change and climate goals set the baseline for taking into account and managing climate change and its impacts in investment activities. The identification and assessment of climate risks are based on an analysis of the investment portfolio by portfolio managers and the responsible investment team. Climate risk management measures in line with the Principles for Climate Change include the analysis and monitoring, engagement and exclusion of greenhouse

Roadmap to becoming a net zero asset manager



gas emissions from investments. Evli uses data from an external service provider, which is also used by the company's portfolio managers for investment decisions, for monitoring the climate principles and other day-to-day work related to responsibility. Evli has also set a separate roadmap for its climate targets, according to which Evli will systematically build on its climate work.

The emissions of companies in Evli's equity and corporate bond funds are monitored by analysing the carbon intensity weighted by the portfolio weights of the funds, as recommended by the TCFD, which measures the exposure of the portfolio to carbon-intensive companies. Emissions data and other climate analysis data, along with other ESG data, are integrated into the portfolio management systems, allowing Evli to monitor and assess the evolution of climate risks in its investments. Evli has also excluded companies producing peat for energy production, and avoids investing in companies with a significant proportion (30% or more) of their turnover coming from coal mining, its use in energy production or oil sands extraction. If the company has a credible plan to reduce its use of coal, the exclusion may be waived by a decision of the Responsible Investment team. In addition, some funds follow an even broad

der exclusion for coal and fossil fuels. The information required by the climate principles, as well as the broader exclusion information for the funds, is all included in the portfolio management system, which prevents investments in excluded companies and requires portfolio managers to justify any investment that exceeds the avoidable limits. Should the avoidable limit for climate principles be exceeded, this would also be automatically reported to the Responsible Investment team who would analyse the company.

Evli also sees corporate engagement as a way to manage climate change risks and aims to influence companies to report in accordance with the TCFD. In its advocacy work, Evli also encourages companies to set climate targets and monitors company-specific targets. In addition, Evli has committed to a number of investor initiatives (see pages 22-23 for more information), which aim, among other things, to influence companies at risk from a climate change perspective and to encourage governments to take more ambitious measures to mitigate climate change. In addition to these measures, Evli regularly monitors changes in climate change regulation and has been actively involved in the EU legislative debate.

Indicators and objectives

Evli regularly monitors the development of the carbon footprint of its equity and corporate bond funds by calculating the carbon intensity weighted by the portfolio weights of the funds, i.e. by analysing the level 1 and 2 emissions¹⁾ of each investment, relating them to the company's turnover and weighting each investment by its relative share in the portfolio. The carbon intensity obtained by the fund is compared to the corresponding figure of the fund's benchmark index. Evli has excluded emissions from level 3¹⁾ from the analysis as they are not yet widely reported by companies and are therefore still largely based on estimates.

While carbon footprint tracking helps to understand an investment's emissions profile, it is not a complete single measure of the emissions associated with a portfolio, nor does it help to assess future emissions trends or emission reduction opportunities. For this reason, Evli also analyses the share of companies owning fossil fuel reserves and compares it to the corresponding figure in the fund's benchmark index. In addition, Evli also examines the transition of companies to low-carbon status, dividing companies into different categories according to the risks and opportunities associated with their energy transition. This allows Evli to better assess the potential for reducing the carbon footprint of funds and to identify companies that are at risk from a climate change perspective. Evli also regularly explores new tools to better measure the actual impact of investments on stakeholders and the environment, including the impact on climate change. Evli's ESG reports for equity and

corporate bond funds are also publicly available to all on Evli's website, www.evli.com.

In line with its responsible investment objectives, Evli set separate climate targets in June 2021. Evli aims to achieve carbon neutrality by 2050 at the latest. The target applies to emissions from both Evli's own operations and investments. In addition to the main target, Evli also set three intermediate targets:

- 1) Evli aims to achieve carbon neutrality for emissions from its own operations (Scope 1 and 2) by 2025 at the latest.
- 2) Evli sets an interim target of a 50 percent reduction in indirect emissions from investments by 2030, provided that the investment environment allows for it. The base year is 2019.
- 3) Evli will establish a Working Committee for the years 2021-2022 in order to assess how the investment-related interim target can be reached through real world carbon emission reductions and to ensure that it will be in line with the Paris Agreement. In this assessment work, we will use, among others, a Science-Based Targets (SBT) framework.

The milestones and roadmap of climate targets come from the long-term carbon neutrality target. In line with the climate targets roadmap, Evli is currently building a snapshot and will refine the metrics to be monitored as work progresses and report accordingly.

¹⁾The calculation of carbon footprint figures is defined by the international standard GHG protocol (Greenhouse Gas Protocol), for example. The GHG protocol breaks down greenhouse gas emissions into scopes 1-3. Scope 1 greenhouse gas emissions refer to emissions directly occurring from sources that are owned or controlled by the company. Scope 2 greenhouse gas emissions refer to indirect emissions generated in the production of electricity purchased by the company. Scope 3 includes indirect emissions related to the company, including those from products, outsourcing, and business travel.

	Carbon intensity (1) (t CO ₂ e / USD million)	Compared to benchmark (2)	Weight of companies owning fossil fuel reserves (3) (%)	Compared to benchmark (2) (pp)	Coverage / Fund (4)	Coverage / Benchmark index (4)	Investments in Solutions category in the MSCI's Low Carbon Transition classification (5)
Equity Funds							
Evli Emerging Frontier	264.1		0.0%		38.1%		1.9%
Evli Europe	129.8	7.9%	0.0%	-7.7%	96.9%	99.5%	11.4%
Evli GEM	437.7	33.6%	7.9%	-2.0%	94.6%	99.4%	4.1%
Evli Japan	73.1	-0.4%	0.0%	-5.4%	89.9%	99.9%	3.1%
Evli Global	32.8	-75.0%	0.0%	-5.6%	96.2%	99.5%	8.2%
Evli Global X	33.2	-74.7%	0.0%	-5.6%	96.4%	99.5%	8.2%
Evli Equity Factor Europe	45.7	-62.0%	0.0%	-7.7%	95.7%	99.5%	5.6%
Evli Equity Factor Global	48.8	-62.8%	0.0%	-5.6%	94.4%	99.5%	7.2%
Evli Equity Factor USA	50.8	-60.1%	0.0%	-4.2%	96.0%	99.5%	8.1%
Evli North America	65.9	-51.2%	0.9%	-3.7%	98.7%	99.5%	3.4%
Evli Nordic	30.9	-61.9%	0.0%	-2.4%	92.2%	98.5%	7.4%
Evli Sweden Equity Index	22.3	0.0%	0.0%	0.0%	98.1%	100.0%	2.8%
Evli Swedish Small Cap	27.9	-47.7%	0.0%	0.0%	69.6%	82.5%	2.3%
Evli Finland Mix	123.5		0.0%		72.6%		6.2%
Evli Finnish Small Cap	63.7	-29.5%	0.0%	0.0%	50.6%	71.2%	7.8%
Evli Finland Select	122.2	-6.5%	0.0%	0.0%	83.7%	89.9%	3.0%
Fixed Income Funds							
Evli Green Corporate Bond	165.6	-44.7 %	1.0%	-7.5%	87.3%	94.6%	7.1%
Evli European High Yield	141.2	-24.6 %	0.6%	-3.3%	57.4%	77.3%	0.7%
Evli European Investment Grade	108.5	-44.9 %	1.4%	-8.7%	91.2%	95.3%	3.4%
Evli Emerging Markets Credit	588.5	-22.0 %	12.7%	-5.3%	68.6%	87.4%	3.5%
Evli Euro Liquidity	307.7		2.6%		35.2%		1.3%
Evli Short Corporate Bond	209.2		1.0%		78.2%		1.3%
Evli Nordic Corporate Bond	111.9	-22.8 %	0.0%	-7.5%	74.4%	95.7%	7.2%
Evli Nordic 2025 Target Maturity	164.5		0.0%		47.4%		5.0%
Evli Target Maturity Nordic Bond	137.0		0.0%		52.9%		6.3%
Evli Corporate Bond	119.5	-32.2 %	1.5%	-6.4%	85.5%	91.9%	4.7%

Sources: Evli, MSCI ESG Research.


1) Evli uses weighted average carbon intensity to measure carbon footprint. A fund's weighted average carbon intensity is calculated by dividing the company-specific scope 1 and scope 2 greenhouse gas emissions by the company's revenues. After that, company-specific carbon intensity is multiplied by the company's portfolio weight. The fund-specific carbon footprint is a sum of company-specific carbon intensities apportioned based on portfolio weights. Scope 1 greenhouse gas emissions refer to emissions directly occurring from sources that are owned or controlled by the company. Scope 2 greenhouse gas emissions refer to indirect emissions generated in the production of electricity purchased by the company.


2) Compared to benchmark figure shows how the fund compares to corresponding figures for the benchmark index. As it is not possible to calculate this figure to all benchmark indexes, some sections are left blank.

3) Weight of companies owning fossil fuel reserves shows the share of companies owning coal, gas or oil reserves in the fund. In this report coal reserves refer to use of coal in energy production (thermal coal).


4) Coverage indicates the share of fund's/index's holdings (measured by market value) for which emissions data is available. The emissions data is based on emissions reported by the companies or other publicly available emissions data (e.g. CDP) and the data provider's estimate of emissions.

5) Shows the share of companies which have been classified in MSCI's Low Carbon Transition Classification to Solutions category. The Solutions category means that, according to MSCI's analysis, the companies in this category have the potential to benefit through the growth of low-carbon products and services.

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