

## ENGAGEMENT POLICY EMPLOYED BY EVLI

Evli Plc's (Evli, which also uses auxiliary company name Aurator Asset Management) engagement policy is applied when Evli invests assets under its asset management in the equities of companies that are traded in a regulated market and in a corresponding trading venue and, where applicable, in investments in various fixed income instruments.

### Engagement policy

Evli has a primary obligation to monitor the best interests of the assets under asset management and the owners of the assets. This means aiming to achieve value increase for the assets under asset management within the limits of the investment strategy and risk level. In engagement policy related practices, it is important to note that the assets under Evli's asset management are nearly always minority shareholders in the companies that they own, but despite this, Evli believes that it can impact the decision-making of the companies invested in by communicating its objectives and practices clearly and transparently to the companies.

Engagement policy related practices aim to achieve value increase for the holdings in asset management over the long term. Evli requires the companies invested in to engage in good ownership and corporate governance by complying with the corporate governance code of the Securities Market Association<sup>1</sup>, for example, or corresponding foreign guidelines. In addition to these, environmental and social responsibility are very important issues. As a whole, Evli's approach towards factors related to environmental, social and corporate governance are determined by the Principles for Responsible Investment of Evli Group's asset management<sup>2</sup>. In addition, Evli Group has separate Principles for Climate Change<sup>3</sup> and Climate Targets<sup>4</sup>, which specify the procedures related to climate change in investments.

Evli's ownership methods are: 1. engagement with companies either independently or together with other investors, 2. participation in general meetings of shareholders and 3. discussions during regular company meetings between company representatives and the portfolio managers who make investment decisions or responsible investing team. Evli does not use proxy advisors when participating in general meetings of shareholders.

### 1. Engagement with companies

Evli engages with companies both independently and together with other investors. The companies subject to engagement are selected based on factors set out in Evli Group's Principles for Responsible Investment, Principles for Climate Change and Climate Targets. The above-mentioned factors are the same for all investment strategies. Engagement activities are reported annually in Evli Group's responsible investment annual report. Evli does not use equity lending as part of engagement activities.

The purpose of Evli's engagement activities is to change companies' practices so that they become more responsible. If a company is not prepared to change its practices, Evli may withdraw its holding in the company.

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<sup>1</sup> <https://cgfinland.fi/en/corporate-governance-code/>

<sup>2</sup> [Evli Wealth Management Principles for Responsible Investment](#)

<sup>3</sup> [Evli Wealth Management Climate Change Principles](#)

<sup>4</sup> [Evli's Climate Targets](#)

Evli also carries out collaborative engagement with other investors when the target and goals of collaborative engagement are in line with Evli's Principles for Responsible Investment, Principles for Climate Change and Climate Targets.

## 2. Participation in general meetings of shareholders

Evli as an asset manager has no ownership-based decision-making power in general meetings without a separate authorisation. The customer may exercise his/her right to vote in general meetings or on his/her own initiative authorise Evli to vote and/or give Evli voting instructions. If the customer does not give us voting instructions, Evli will vote on behalf of the customer, promoting good corporate governance and the interests of shareholders in the company. Evli participates in general meetings of shareholders and extraordinary general meetings of shareholders primarily only in Finland. It can also provide voting instructions to selected foreign general meetings of shareholders without participating in the meetings itself.

## 3. Company meetings

Some of the investment strategies of the portfolios managed by Evli require the portfolio manager making the investment decisions to regularly meet with company representatives. In addition, the responsible investing team meets companies concerning responsibility-related themes.

In addition to the above-mentioned procedures, Evli's portfolio managers continuously monitor companies and corporate actions that affect them, including news and stock exchange releases, and dividends, share issues, mergers, and general meetings of shareholders, for example.

The implementation of Evli's engagement policy is reported on the company's website.