

REPORT ON THE IMPLEMENTATION OF ENGAGEMENT POLICY EMPLOYED BY EVLI IN ASSET MANAGEMENT IN 2023

Evli defined its Engagement Policy in 2019 and has last updated them in 2023. This report is based on the engagement policy effective in 2023. The policy is applied when Evli invests the 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. The implementation of the policy in the direct equity investments of asset management must be reported annually. Further information on the implementation of Evli's Engagement Policy in Evli Fund Management Company and on Evli's responsible investment in general is available [here](#).

Evli's ownership control 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 or the responsible investment team.

1) Engagement with companies

Evli engages with companies both independently and together with other investors.

Evli participates in collaborative engagement initiatives that are aimed at influencing the market on a wider level. Climate change mitigation has been the most important theme in the collaborative engagement initiatives that Evli has joined. These initiatives include for example Climate Action 100+, investor letters coordinated by the CDP and the CDP's collaborative engagement initiative for setting Science-Based Targets (SBTs). In 2023, Evli joined the new Nature Action 100 investor initiative which aims at driving corporate action to reverse nature loss. In addition, together with other investors, Evli signed the the investor statement on the European Sustainability Reporting Standards (ESRS) of Eurosif, PRI, IIGCC, EFAMA and UNEP FI. The statement calls on the European Commission to uphold the previously set policies of the ESRS reporting to address the current data gaps of the European Union's sustainable finance rules.

In addition to collaborative engagement, Evli's responsible investment team and portfolio management contacted ten companies independently. In addition to the responsible investment team, representatives of portfolio management participated in some of the engagement discussions. The cases of engagement were related to encouraging companies to set climate targets, good governance as well as human rights and the issues regarding the supply chain. The cases concerned Finnish companies.

2) Participation in general meetings of shareholders

Evli did not participate in general meetings as an asset manager in 2023.

A client can mandate Evli to represent them in a general meeting as well as provide guidance and authorize Evli to act in accordance to its own ownership principles in a case there is no specific guidance from the client.

3) Company meetings

In addition to the engagement work carried out by the responsible investment team, portfolio managers also actively engage in discussions with companies. In 2023, one of the most important themes of the discussions was climate and companies' credible climate targets. The portfolio managers of Evli's asset management met with companies around 400 times during 2023.