

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Evli Plc (LEI code 984500F4CCF3AD74F766)

Summary

Evli Plc considers principal adverse impacts of its investment decisions on sustainability factors.

The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Evli Plc and its subsidiary Evli Fund Management Company Ltd (collectively referred to as “Evli”).

This statement on principal adverse impacts on sustainability factors covers the reference period from January 1, 2023 to December 31, 2023.

Evli has considered the principal adverse impacts of its investment decisions on sustainability factors during 2023 and developed a process to measure and consider impacts in different asset classes. Adverse impacts on sustainability risks have been considered in accordance with Evli’s Principles for Responsible Investment and Climate Change Principles and Evli’s climate targets. In addition, Evli has developed a tool for reviewing indicators of the principal adverse impacts (PAI indicators) on sustainability factors before and during the investment period. Evli has also developed its process for monitoring and analyzing PAI indicators during the year. The indicators describing the principal adverse impacts of Evli’s investments and the associated actions and targets are presented later in the report.

To mitigate adverse environmental impacts, Evli has strengthened its climate commitment by signing the Net Zero Asset Managers (NZAM) initiative in 2022, which aims to strengthen and further specify emission reduction targets in order to meet the objectives of the Paris Climate Agreement. In summer 2023, Evli submitted more specific interim targets to the NZAM initiative, which will provide more concrete tools and clearer metrics to support Evli’s short- and long-term climate targets. The interim targets consist of three separate targets: an interim target for investments, an engagement target and interim targets related to the assessment of companies. The NZAM interim target will initially include Evli’s equity and corporate bond funds. Work will continue on other asset classes in line with Evli’s climate target roadmap. During 2023, Evli continued its research on biodiversity metrics and the impact of investments on nature, for example in terms of portfolio-specific analyses and monitoring the development of the Taskforce on Nature-related Financial Disclosures (TNFD) reporting framework. In September 2023, Evli joined the Nature Action 100 global investor engagement initiative, which aims to mobilize companies into more ambitious action

to reverse nature and biodiversity loss. As part of its work related to biodiversity, Evli published a biodiversity roadmap for asset management in December, which sets out check marks for activities for taking biodiversity into consideration over the years 2023–2025. The roadmap aims to achieve a better understanding of the impacts of investments on biodiversity, to promote Evli's research on biodiversity and improve biodiversity reporting.

Evli has considered adverse issues related to society and employees in accordance with its Principles for Responsible Investment (PRI) and serious violations have been analyzed and, where possible, Evli has engaged with the companies or, as a last resort, divested from them.

The principal adverse impacts on sustainability indicators of investment decisions are most noticeable in minor holdings in companies and countries that violate the UN Global Compact principles or OECD guidelines (0.56% of companies), are involved in the manufacture or sale of controversial weapons and firearms (0.01% of companies) or have committed violations of social legislation (1.3% of sovereign debt holdings). Such investments are generally based on index investments in line with Evli's investment strategies and not on direct equity and fixed income investments managed by Evli itself.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	1,153,742.09	1,085,380.93	Sum of investee companies' Scope 1 GHG emissions (tCO ₂ e) weighted by the size of the investment relative to the overall value of the company. In line with Evli's Climate Change Principles and targets, the investee companies' GHG emissions are monitored. During 2023, Evli updated its Climate Change Principles regarding

						exclusions. In line with the Climate Change Principles, Evli avoided investments in companies in which significant share (at least 10%) of revenue comes from the mining of thermal coal or its use in energy production or the extraction of oil sands. However, it is possible to waive this if the company has a clear plan to change its operations or if the company supports a just green transition. In addition to revenue restrictions, Evli does not finance new coal-fired power plants, coal mines or oil sands projects in the planning and construction phase. In addition to this, companies producing peat for energy production are excluded as investments. In addition, portfolio management tools can be used to track companies' broader exposure to the fossil fuel sector. In line with Evli's climate targets, the companies' emission reduction targets are monitored and efforts are also made to engage with the companies with the highest emissions. In 2023, engagement was carried
		Scope 2 GHG emissions	257,108.14	234,855.52	Sum of investee companies' Scope 2 GHG emissions (tCO ₂ e) weighted by the size of the investment relative to the overall value of the company.	
		Scope 3 GHG emissions	5,861,077.88	4,656,052.45	Sum of investee companies' Scope 3 GHG emissions (tCO ₂ e) weighted by the size of the investment relative to the overall value of the company.	
		Total GHG emissions	7,271,924.18	5,977,532.80	Sum of investee companies' Scope 1, 2 and 3 GHG emissions (tCO ₂ e) weighted by the size of the investment relative to the overall value of the company.	
2. Carbon footprint	Carbon footprint	Carbon footprint	621.42	606.98	Sum of investee companies' Scope 1, 2 and 3 GHG emissions (tCO ₂ e) as a weighted average relative to the overall value of	

					the investee companies' equities and bonds.	out independently with 19 companies related to climate issues. Evli's goal is to achieve carbon neutrality by 2050 at the latest, and it has set an interim target of a 50% reduction in indirect emissions from all investments by 2030, provided that this is possible in the investment environment. The comparison year is 2019.
	3.GHG intensity of investee companies	GHG intensity of investee companies	832.29	931.93	Scope 1, 2 and 3 GHG intensities (tCO ₂ e / EUR million revenue) of investee companies as a weighted average with the current value.	The fund-specific share of the emission reduction target may vary between funds.
	4.Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	5.87%	6.88%	Share of investee companies whose business is related to fossil fuels, including the extraction, processing, storage and transportation of petroleum products, natural gas and coal as a weighted average with the current value.	The carbon footprint and emission indicators of the funds are measured and monitored, and a regular scenario analysis is also conducted to monitor the attainment of Evli's general climate targets.
	5.Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	65.80%	75.87%	Share of non-renewable energy consumption and/or production of the investee companies in relation to total energy consumption and/or production, weighted with the current value.	In 2022, Evli reinforced its climate commitment by signing the Net Zero Asset Managers initiative ("NZAM initiative"). The work was continued during 2023 and Evli set the first interim target under the NZAM initiative. The interim targets consist of three separate targets: an interim target for investments, an

	<p>6. Energy consumption intensity per high impact climate sector</p>	<p>Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector</p>	<p>NACE economic activity A (Agriculture, forestry and fishing)</p> <p>3.06</p> <p>NACE economic activity B (Mining and quarrying)</p> <p>0.99</p> <p>NACE economic activity C (Manufacturing)</p> <p>0.90</p> <p>NACE economic activity D (Electricity, gas, steam and air conditioning supply)</p> <p>4.50</p> <p>NACE economic activity E (Water supply, sewerage and waste management and remediation activities)</p> <p>1.86</p> <p>NACE economic activity F (Construction)</p>	<p>NACE economic activity A (Agriculture, forestry and fishing)</p> <p>7.94</p> <p>NACE economic activity B (Mining and quarrying)</p> <p>3.24</p> <p>NACE economic activity C (Manufacturing)</p> <p>1.37</p> <p>NACE economic activity D (Electricity, gas, steam and air conditioning supply)</p> <p>7.75</p> <p>NACE economic activity E (Water supply, sewerage and waste management and remediation activities)</p> <p>2.02</p> <p>NACE economic activity F (Construction)</p>	<p>Current value of energy consumption intensity (GWh / EUR million revenue) of the investee companies in high impact climate sectors as a weighted average. Due to the limited amount of data related to specific economic activities that are available for companies, the data are based on company-level calculations.</p>	<p>engagement target and interim targets related to the assessment of companies. More information on the interim target is published on the website of the NZAM initiative.</p> <p>At the end of 2023, the situation regarding the interim target for investment was a -44.7% reduction in carbon footprint compared to 2019.</p> <p>In line with the engagement target, in 2023 Evli engaged with four companies independently and 12 companies through collaborative initiatives. In addition, Evli continued its climate engagement by engaging with companies that otherwise had high emissions.</p> <p>At the end of 2023, 49.6% of major industry investments had achieved or aligned with the net zero target.</p> <p>Work in line with climate objectives was continued in terms of building a situational picture, developing climate risk management and engagement. In 2023, Evli</p>
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			0.24 NACE economic activity G (Wholesale and retail trade; repair of motor vehicles and motorcycles)	0.14 NACE economic activity G (Wholesale and retail trade; repair of motor vehicles and motorcycles)		monitored the progress of the companies engaged with and developed its impact process as part of the climate target roadmap.
			0.12 NACE economic activity H (Transporting and storage)	1.14 NACE economic activity H (Transporting and storage)		The climate targets, together with the Climate Change Principles, provide a systematic approach to taking climate change into account in investments.
			2.02 NACE economic activity L (Real estate activities)	3.96 NACE economic activity L (Real estate activities)		
			0.67	0.49		
Biodiversity	7.Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	8.29%	0.01%	Share of investee companies whose operations in biodiversity-sensitive areas have caused significant negative impacts on these areas, weighted with the current value.	During 2023, Evli continued its research on biodiversity metrics, for example in terms of monitoring portfolio-specific analyses and the development of the TNFD reporting framework. Evli published a biodiversity roadmap for asset management during the year, which sets out check marks for activities for taking biodiversity into
Water	8. Emissions to water	Tonnes of emissions to water generated by	0.07	242.85	Sum of wastewater discharged to	

		investee companies per million EUR invested, expressed as a weighted average			surface water by the investee companies (reported in tonnes) as a weighted average relative to the total value of the equities and bonds of the investee companies.	consideration over the years 2023–2025. The roadmap aims to achieve a better understanding of the impacts of investments on biodiversity, to promote Evli's research on biodiversity and improve biodiversity reporting.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	2.88	92.35	Sum of hazardous waste generated by investee companies (reported in tonnes) as a weighted average in relation to the total value of equities and bonds of the investee companies.	<p>As part of the work under the roadmap, Evli will report on the nature impacts of its investments in accordance with the Task Force on Nature-related Financial Disclosures framework in 2025, based on 2024 data.</p> <p>In addition, during the year, Evli joined the Nature Action 100 global investor engagement initiative, which aims to mobilize companies into more ambitious action to reverse nature and biodiversity loss.</p> <p>Over the year, Evli has developed the monitoring of PAI indicators, and monitors the development of companies' emissions to water and hazardous waste volumes as part of the PAI analysis.</p> <p>In line with Evli's Principles for Responsible Investment, monitoring is</p>

						carried out on companies that violate the principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights or the OECD's Guidelines for Multinational Enterprises and pre-defines measures are launched if serious environment violations are identified. In addition, portfolio management tools can be used to monitor the companies' emissions to water and the amount of hazardous waste produced by companies.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.56%	0.52%	Share of investee companies whose operations have violated the UNGC principles or the OECD Guidelines for Multinational Enterprises weighted with the current value.	In line with Evli's Principles for Responsible Investment, monitoring is carried out on companies that breach the principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights or the OECD's Guidelines for Multinational Enterprises. If it is discovered that a company is violating the above-mentioned principles, the situation will be analyzed with the portfolio manager after which the Responsible
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises	22%	29.52%	Share of investee companies that lack processes and compliance mechanisms to monitor the UN Global Compact	

	Guidelines for Multinational Enterprises	or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises			principle or the OECD Guidelines for Multinational Enterprises weighted with the current value.	Investment Team will decide on further action. There are two options for further action: to start engagement activities or to place the company on the list of excluded investments. The purpose of engagement activities is to change the company's practices so that they become more responsible. In addition, the portfolio management tools can be used to monitor the gender pay gap figures reported by companies, as well as the gender diversity of company boards and how they compare to the average figures in the company's home country.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	9.68%	13.03%	Unadjusted gender pay gap of investee companies (the difference between the average hourly pay of men and women relative to men's hourly pay) as a weighted average with current values.	During the year, Evli engaged with one company in relation to a suspected breach of company norms and encouraged eight companies to sign the UN Global Compact.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	35.36%	33.20%	Gender diversity of the boards of the investee companies (share of women of all board members) as a weighted average.	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions,	Share of investments in investee companies involved in the	0.01%	0.01%	Share of investee companies linked to the manufacture or sale of landmines,	During the year, Evli has excluded manufacturers of controversial weapons (landmines, cluster

	chemical weapons and biological weapons)	manufacture or selling of controversial weapons			cluster munitions, chemical and biological weapons, weighted with the current value. Also includes companies with links to controversial weapons through subsidiaries, joint ventures or investments.	munitions, incendiary weapons, blinding laser weapons, nuclear weapons, depleted uranium, chemical weapons, biological weapons and non-detectable fragments) with a revenue limit of 0%.
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	359.15	389.80	GHG intensities (Scope 1, 2 and 3 tCO ₂ e / EUR million GDP) of the investee countries as a weighted average of the current value of sovereign debt.	Evli and other investors have signed the Global Investor Statement to Governments on the Climate Crisis, which urges governments to implement policies to limit the global temperature rise to 1.5 degrees Celsius. The latest investor letter was signed in 2022. During 2023 Evli signed a joint investor statement with other investors on the European Sustainability Reporting Standards (ESRS) of Eurosif, the PRI, the IIGCC, EFAMA and the UNEP FI. The statement calls on the European Commission to uphold

						previously agreed guidelines on the ESRS reporting standard in order to fill the current data gaps in EU sustainable finance legislation.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	6 countries, 4.76% of countries	6 countries, 5.87% of countries	Investee countries on the sanctions list of the European External Action Service.	In 2022, Evli excluded Russia from its investments as a region where it can invest. The exclusion covers both Russian companies and the Russian state.
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	1.16%	1.06%	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels weighted with the current value.	In addition to its general Principles for Responsible Investment and its climate targets, Evli complies with the real estate funds' separate principles for responsible investment.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	58.08%	62.54%	Share of real estate investments where those built before December 31, 2020 are energy class C	

					and lower, or the primary energy indicator of those built after January 1, 2021 falls short of NZEB regulations, weighted with the current value.	
<p>Description of policies to identify and prioritize principal adverse impacts on sustainability factors</p> <p>Evli’s Responsible Investment Steering Group approved the following principles regarding the addressing of adverse impacts on sustainability factors. The principles are applied both when Evli invests its assets under management and in the investment decisions of funds managed by Evli Fund Management Company. Therefore, the same principles will be applied throughout the Evli Group, and in this statement the word “Evli” will refer to all Evli Group companies.</p> <p>Evli takes account of the principal adverse impacts of its investments on sustainability factors (Principal Adverse Impact or PAI indicators) in accordance with Evli’s Principles for Responsible Investment and its Climate Change Principles. Taking account of PAI indicators is carried out through an internal process based on Evli’s Principles for Responsible Investment in a way that does not conflict with the client’s own policies or investment preferences. Evli regularly updates its Principles for Responsible Investment and has developed the process for considering adverse impacts during the year. An internal PAI tool has been built based on data from an external service provider to view PAI indicators relevant to the investment. The PAI tool allows portfolio managers to view PAI indicators relevant to the investment. In its investment activities Evli takes into account all mandatory PAI indicators measuring greenhouse gas emissions, biodiversity, water, waste and social and employee matters. Evli takes into account additional climate indicator number 4. Investments in companies without carbon emission reduction initiatives and social indicator number 14. Number of identified cases of severe human rights issues and incidents. The Responsible Investment Team regularly reviews the adverse impacts highlighted by the tool. The analysis takes into account the severity and permanence of adverse impacts, and the decision on appropriate monitoring is made on the basis of these.</p> <p>Evli’s methods of addressing the adverse sustainability impacts of investments covers the principles below:</p> <ul style="list-style-type: none"> • Evli Wealth Management’s Principles for Responsible Investment 						

- Evli's Climate Change Principles
- Evli's climate targets
- Evli's and Evli Fund Management Company's ownership control principles
- Evli's Principles for Responsible Investment for direct private equity investments and funds
- Evli Private Equity, Evli Infrastructure and Evli Private Debt funds' principles for responsible investment
- Real estate funds' principles for responsible investment.
- Direct infrastructure funds' principles for responsible investment.

For discretionary asset management and Evli Fund Management Company's active equity and corporate bond investments Evli uses the data of an external data provider to monitor PAI indicators, Principles for Responsible Investment and Climate Change Principles. For unlisted investments and alternative asset classes, the data can be collected directly from the investments. Data coverage is based on the coverage of the data provider or self-collected data, and coverage may vary by investment and asset class.

Fund-specific or asset-class-specific principles may differ in the way that PAI indicators are taken into account. In addition, there are individual products per fund that do not take into account adverse sustainability impacts. Product-specific information is available in the fund prospectus, the information on alternative funds that is provided before investment and on the product's website.

Engagement policies

Evli can carry out engagement in three ways: by engaging with companies, either alone or together with other investors, by attending general meetings and by holding corporate responsibility discussions at regular company meetings. The themes of Evli's engagement are climate change mitigation, respect for human rights, anti-corruption measures, taking environmental issues into consideration, factors related to good governance and the reporting of responsibility factors. Evli's engagement themes and engagement based on identified breaches of norms are intrinsically linked to Evli's method of addressing the adverse sustainability impacts of its investments. The Responsible Investment Team analyze equity and corporate bond funds

that make active picks and asset management's direct investments every three months for any violations of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises, as well as compliance with the Evli Climate Change Principles. Each norm violation and breach of the Climate Change Principles initiates a predetermined process at Evli. Each case is first discussed with the portfolio manager, after which the Responsible Investment Team analyzes the company's situation. The Responsible Investment Team has two alternatives for further action: start engagement activities or sell the holding.

Evli may also carry 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 or climate targets. Evli also attends general meetings in Finland. The decision to attend general meeting is weighed up based on the matters to be discussed at the meeting and on our possibilities to influence these matters. Ownership control is described in more detail in Evli's and Evli Fund Management Company's ownership control principles. The implementation of the principles of ownership control is reported on the company's website, in its separate Responsible Investment Annual Review and as part of the mutual fund's semi-annual reports and annual reports.

References to international standards

Direct equity investments and Evli's equity and corporate bond funds are monitored to see whether they include companies that breach the principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights or the OECD's Guidelines for Multinational Enterprises. The UN Global Compact is an international corporate responsibility initiative that requires companies to respect human rights, implement anti-corruption measures and consider environmental issues. It is made up of ten principles, which are derived from the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Rio Declaration on Environment and Development and the UN Convention Against Corruption. If it is discovered that a company invested in is violating the afore-mentioned principles, the situation is first analyzed with the portfolio manager after which the Responsible Investment Team will decide on further action. There are two options for further action: to start engagement activities or to place the company on the list of excluded investments. The purpose of engagement activities is to change the company's practices so that they become more responsible.

Evli aims to achieve carbon neutrality by 2050 at the latest. The target applies to emissions caused by Evli's own operations and its investments. Evli has set an interim target of a 50% reduction in indirect emissions from all investments by 2030, provided that this is possible in the investment environment. The comparison year is 2019. In summer 2023, Evli submitted its first interim target to the Net Zero Asset Managers (NZAM) initiative, which was published on the initiative's website after approval by member organizations. The interim target is based on the interim climate targets set by Evli in 2021 and a study by a separate climate working group set up at Evli on how best to achieve the interim targets for investment through real-world emission reductions and in line with the Paris Climate Agreement. The NZAM interim target will create concrete tools and indicators to support short- and long-term climate goals, in line with the roadmap for climate targets. The two methodologies used in the target setting are the Net Zero Investment Framework (NZIF) of the Paris Aligned Investment Initiative and the Target Setting Protocol (TSP) of the Net Zero Asset Owner Alliance. Evli used the NZIF methodology to define portfolio coverage targets for the valuation of companies. Based on the TSP methodology, Evli set a sub-portfolio target and engagement targets for its investments. Evli has also analyzed the sustainability of its investment strategy by conducting scenario analyses based on climate data produced by ISS ESG. The purpose of scenario analysis is to assess the potential impacts of climate-related risks and opportunities in scenarios related to global warming. Scenario analysis is also included in the tools used by portfolio managers of equity and corporate bond funds managed by Evli, so the information from the analysis is available for use before the investment decision and during the investment period. With the tools it is also possible to systematically monitor the evolution of investment strategy scenarios. For example, Evli monitors how equity and corporate bond funds are aligned with the 1.5- and 2-degree Celsius scenarios. The scenario analyses are based on analyses produced by ISS ESG, which are based on the World Energy Outlook (WEO) data for 2021 of the International Energy Agency (IEA).

Historical comparison

In terms of greenhouse gas emissions indicators, absolute emissions have increased compared to 2022. However, this growth is mainly due to the increase in Evli's AUM, and the carbon footprint relative to the size of the investments has remained at the same level. During 2023, Evli continued its work on climate targets and set interim targets under the NZAM initiative, the progress of which is described above.

Regarding indicators related to biodiversity, water and waste, the data provider used by Evli has adapted its methodology for calculating indicators. There will be an increase in activities negatively affecting biodiversity-sensitive areas compared to 2022,

as the new methodology takes into account not only areas essential for biodiversity and environmental infringements, but also the importance of the business activity for biodiversity. Regarding emissions to water, the data provider's change in methodology has reduced the coverage of the analysis. The coverage of the analysis of hazardous waste is also weak, and the significance of individual companies is highlighted in the indicators. Evli aims to develop its biodiversity analysis in line with the biodiversity roadmap in the coming years, and will develop its reporting on impacts on nature in line with the TNFD framework.

There have been no significant changes in the social and corporate responsibility indicators compared to 2022. Evli carries out monitoring to find out whether companies in equity and fixed income investments are in breach of international norms. If it is discovered that a company invested in is violating these principles, the situation is first analyzed with the portfolio manager after which the Responsible Investment Team will decide on further action. There are two options for further action: to start engagement activities or to place the company on the list of excluded investments. The purpose of engagement activities is to change the company's practices so that they become more responsible.

There are no significant changes compared to the previous year for the additional indicators related to sovereigns, real estate investments or selected corporate investments. In relation to additional indicator 4, "Investments in companies without carbon reduction initiatives", Evli aims to increase the share of companies with ambitious emission reduction targets (having achieved or aligned with the net zero target) in line with the interim targets for the NZAM initiative.

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to investments in investee companies		
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS		

Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement 2023: 36.81%; 2022: 37.68%
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Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS		
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to investments in investee companies		
	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis 2023: 0.00%; 2022: 0.00%

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