



**Statement on the principal adverse  
sustainability impacts of investment decisions  
on sustainability factors**

eQ Fund Management Company Ltd.

30.6.2025

## Versio history

Version	Applied (date)	Changes
1.0	30.6.2023	First version
2.0	30.6.2024	Updated reporting for indicators 6 in Table 1 and additional indicators added. The statement on the principal adverse sustainability impacts of investment decisions on sustainability factors published on behalf of eQ Fund Management Company Ltd.
3.0	30.6.2025	The engagement activities implemented have been specified (including engagement discussions and voting).

*Table 1*

**Statement on the principal adverse sustainability impacts of investment decisions on sustainability factors**

<b>Financial market participant</b> eQ Fund Management Company Ltd., LEI: 7437000245ZT25KXG802
<p><b>Summary</b></p> <p>eQ Fund Management Company has outsourced the portfolio management and investment operations of all the funds it manages to eQ Asset Management Ltd. eQ Asset Management considers principal adverse impacts (Principal Adverse Impact eli PAI) of its investment decisions on sustainability factors and systematically monitors these in its investment activities. This statement on the principal adverse sustainability impacts covers the reference period from 1 January 2024 to 31 December 2024.</p> <p>This statement shall be issued in the manner required by the Sustainable Finance Disclosure Regulation, SFDR (2019/2088, Article 4). Reports related to the indicators of adverse impacts during the reference period are presented in Table 1 in Appendix I of the SFDR's Delegated Regulation (EU 2022/1288). This statement is reviewed annually.</p> <p>This statement also describes the principles applied at eQ Asset Management in relation to the identification and prioritisation of principal adverse sustainability impacts and how these principles are kept up to date and applied..</p> <p style="text-align: right;">Published on 30 June 2025</p>
<p><b>Description of the principal adverse sustainability impacts</b></p> <p>‘Sustainability factors’ mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.</p> <p>Companies included in the portfolio may have adverse impacts on sustainability factors through their economic activities. eQ Asset Management strives to monitor and report the possible harmful sustainability effects of the company's operations on the environment or society. The main adverse sustainability impacts are taken into account by examining investments with the most important PAI indicators of climate, environmental and social impacts. eQ reports for fixed income and equity funds and real estate and residential funds all the indicators listed in the EU Technical Regulatory</p>

Standards (RTS) supplementing the SFDR Regulation (See Table 1), mandatory indicators applicable to companies, states and transnational organizations and investments made in real estate assets. In addition, eQ reports the additional indicators agreed for the reference period January 1-December 31, 2024 for fixed income and equity funds and real estate and residential funds. This statement does not yet include indicator data for eQ's Northern European private equity target funds. It is good to be aware that there is still very little information available on indicators of adverse sustainability impacts and the coverage of data is very low in private equity investments. The PAI indicator data and observations obtained from the target funds for the reference period 1.1.-31.12.2024 have been reported in fund-specific eQ private equity investment reports and the information has been given to investors who invest in the funds.

There may be restrictions on the available information and the quality of the information. The information related to sustainability has not yet been fully standardized and the target companies do not report the information widely, which is why some of the available PAI indicator information may be based on estimates. The quality, coverage and availability of data continue to pose challenges, especially for small businesses and less developed markets. In eQ's view, interpreting the value of a single PAI indicator, which will be officially published for the third time in the summer of 2025, is not yet meaningful. It is important to monitor the trend development of the PAI indicator value in the long term. However, first, more data points need to be obtained and the coverage and quality of the data need to be improved.

Table 1

**Indicators applied for investment in companies as investment products**

Sustainability indicator describing the level of harm	Metric	Impact 2024 * ** ****	Impact [year n-1]	Description	Measures taken and the measures planned and targets set for the next reference period
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**INDICATORS RELATED TO THE CLIMATE AND OTHER ENVIRONMENTAL FACTORS**

Greenhouse gas emissions	1. GHG emissions	Scope 1 – GHG emissions	70 621 tCO <sub>2</sub> e (81 %)	76 205 tCO <sub>2</sub> e (78 %)	eQ's key sustainable investment approaches ESG integration into investment practices, active ownership and engagement, and an industry-specific exclusion for the Article 9 equity fund. eQ reviews all investment targets using the sustainability indicators defined in eQ's actively managed equity
		Scope 2 – GHG emissions	30 040 tCO <sub>2</sub> e (81 %)	28 125 tCO <sub>2</sub> e (79 %)	
		Scope 3 – GHG emissions	769 227 tCO <sub>2</sub> e (81 %)	688 413 tCO <sub>2</sub> e (78 %)	
		Total GHG emissions	876 472 tCO <sub>2</sub> e (81 %)	780 210 tCO <sub>2</sub> e (78 %)	
	2. Carbon footprint	Carbon footprint	420,11 tCO <sub>2</sub> e/m€ (81 %)	449,79 tCO <sub>2</sub> e/m€ (78 %)	

	3. Intensity of greenhouse gas emissions of companies we have invested in	Intensity of greenhouse gas emissions of companies we have invested in	856,17 tCO2e/m€ (84 %)	798,71 tCO2e/m€ (82 %)		and fixed income funds (amount of target companies' emissions, development of carbon intensity, commitment to emission reduction targets (science-based emissions target SBTi), assessment of adverse sustainability effects (PAI indicators) and the company's readiness to manage the risks and possibilities of the transition to low carbon and the number of norm violations). To support the analysis of investment targets and influence work, the fund's portfolio manager, in addition to his own assessment, also uses the databases and analyzes of external service providers (MSCI and ISS ESG).
	4. Responsibility related to companies that operate in the field of fossil fuels	Share of investment in companies that operate in the field of fossil fuels	6,6 % (81 %)	6,4 % (80 %)		
	5. Share of the use and production of non renewable energy	Share of the use of nonrenewable energy and the production of nonrenewable energy in the companies we have invested in compared with renewable sources of energy, expressed as percentages of the total amount of energy sources	67,4 % (79 %)	68,7 % (59 %)		
	6. The intensity of energy consumption per area that has a significant climate impact	Energy consumption as gigawatthours per million euros produced by the companies we have	NACE sector A (Agriculture, forestry and fishing) 0,71 GWh/m€ (0,00033%)	NACE sector A (Agriculture, forestry and fishing) 0,95 GWh/m€ (0,0005%)	Impact 2024: The coverage of the reviewed data is approximately 69 % (64 % in	<b>Exclusion</b> Article 9 of eQ in the fund's investment process excludes e.g. the following industries (fossil energy and

		invested in calculated per area that has a significant climate impact	<p>NACE sector B (Mining and quarrying) 0,79 GWh /m€ (0,41%)</p> <p>NACE sector C (Manufacturing) 0,53 GWh /m€ (25,4%)</p> <p>NACE sector D (Electricity, gas, steam and air conditioning supply) 3,71 GWh /m€ (1,93%)</p> <p>NACE sector E (Water supply; sewerage, waste management) 1,52 GWh /m€ (0,13 %)</p> <p>NACE sector F (Construction) 0,25 GWh /m€ (1,27%)</p> <p>NACE sector G (Wholesale and retail trade repair of motor vehicles and</p>	<p>NACE sector B (Mining and quarrying) 0,73 GWh /m€ (0,4%)</p> <p>NACE sector C (Manufacturing) 0,5 GWh /m€ (23,8%)</p> <p>NACE sector D (Electricity, gas, steam and air conditioning supply) 4,76 GWh /m€ (2,3%)</p> <p>NACE sector E (Water supply; sewerage, waste management) 1,8 GWh /m€ (0,12 %)</p> <p>NACE sector F (Construction) 0,07 GWh /m€ (1,15%)</p> <p>NACE sector G (Wholesale and retail trade repair of motor vehicles and</p>	<p>2023). It contains investment targets for which both the energy consumption intensity and the NACE code from the MSCI system can be found.</p>	<p>industries where a sustainable strategy does not significantly increase the competitive advantages of the companies in the industry). The exclusion regarding eQ's investment processes is described in more detail in eQ Asset Management Ltd.'s responsible investment principles on eQ's website.</p> <p><b>Period 2024</b></p> <p>PAI indicator figures have remained at roughly the same levels as in 2023. However, there has been a slight improvement in the coverage of the figures for 2024 compared to 2023</p> <p>The trend in carbon emissions from fixed income and equity funds has been monitored since 2017. Fund-specific ESG reports show that the trend in the carbon</p>
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			<p>motorcycles) 0,09 GWh /m€ 3,92%)</p> <p>NACE sector H (Transportation and storage) 1,38 GWh /m€ (1,31 %)</p> <p>NACE sector L (real estate activities) 0,49 GWh /m€ (1,08%)</p>	<p>motorcycle) 0,1 GWh /m€ 3,3%)</p> <p>NACE sector H (Transportation and storage) 1,4 GWh /m€ (1,34 %)</p> <p>NACE sector L (real estate activities) 0,4 GWh /m€ (0,76%)</p>	<p>intensity (scope 1 + scope 2) of funds has been declining in the long term. With the introduction of PAI indicator calculations, scope 3 emissions have also been included in the monitoring, which are still largely estimates made by ESG data provider MSCI. For the most part, companies do not yet report Scope 3 greenhouse gas emissions themselves.</p> <p>There were no voting requirements in eQ's actively managed fund investments during 2024. Partners Fidelity (active Article 8 eQ Europe Active equity fund) and Vanguard (eQ index funds) exercised their voting rights and engaged in engagement discussions with investment targets during 2024. Engagement discussions were held with 31 of the eQ Europe</p>
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						<p>Active equity fund's investees (on topics such as executive remuneration, board structure, human rights, and supply chain management), and votes were cast at 45 meetings (on topics such as board structure, remuneration, strategy, and business practices). In 2024, funds managed by Vanguard voted at over 21,000 shareholder meetings and voted on over 180,000 proposals. On behalf of index funds, Vanguard engaged with more than 1,600 portfolio companies under its Investment Stewardship program. Topics included : board composition and effectiveness, strategy and risk oversight, executive compensation, and shareholder rights.</p> <p>Respect for human rights was the theme of eQ's active engagement work in its actively managed</p>
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						<p>equity and fixed income funds in 2024. In spring 2024, eQ conducted a human rights survey of the investment targets of its fixed income and equity funds (excluding eQ Short-Term Euro Fund) for which no data related to the theme was available through MSCI. In the survey, eQ asked portfolio companies about the existence of human rights-related principles and concrete processes. The survey was sent to over 300 companies, of which nearly half (148) responded. The responses provided important additional information on the companies' situation and future plans regarding the implementation and monitoring of human rights.</p> <p>The results can be found in <a href="#">eQ Group Sustainability Report 2024</a></p>
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						<p><b>Plans for 2025</b></p> <p>Investment targets are monitored regularly using sustainability indicators defined by eQ, and efforts are made to influence companies' operating practices.</p> <p>In interest rate and equity investments, eQ is a signatory to the CDP Climate Change program. eQ occasionally participates in joint advocacy initiatives together with other investors. Since 2019, eQ has been involved in the Science Based Target Initiative, a joint initiative organized by CDP, which encourages companies to set science-based emission reduction targets for their own operations.</p> <p>A survey related to biodiversity, i.e., the realization of biodiversity in the investment targets of eQ's actively managed equity and fixed income</p>
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						<p>funds, has been planned as a new advocacy theme for spring 2025. Since summer 2022, portfolio managers have been monitoring the implementation of biodiversity in portfolio companies using the PAI indicator (PAI 7). eQ is currently gathering information and seeking to understand what the Science-Based Targets for Nature (SBTN) mean in practice and how the related calculation methods are developing.</p> <p>In this regard, eQ participated in training organized by Sitra in the fall of 2024 for companies and operators in the financial sector on the topic of "How to implement TNFD nature reporting." In addition, portfolio managers are monitoring the launch of sustainability reporting</p>
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						(CSRD) in larger investment targets.
Biodiversity	7. Functions that have a negative impact on areas with sensitive biological diversity	Share of companies we have invested in that have locations or functions in areas with sensitive biological diversity or near them and where the functions of these companies have a negative impact on such an area	7,6 % (81 %)	0,2 % (80 %)		<p><b>Period 2024</b></p> <p>The PAI indicator figure has risen slightly and coverage has improved slightly compared to 2023.</p> <p>eQ has not yet defined threshold values for PAI indicators for 2024. According to eQ, it is not yet meaningful to interpret the value of the individual PAI indicator, which will be officially published for the third time in the summer of 2025. It is important to monitor the long-term trend in the PAI indicator value. However, more data points must first be obtained and the coverage and quality of the data improved.</p> <p>eQ's Article 9 equity fund examines and takes into account, among other things, regenerative</p>

						<p>agriculture and biodiversity and related company actions.</p> <p><b>Plans for 2025</b></p> <p>A survey related to biodiversity, i.e., the realization of biodiversity in the investment targets of eQ's actively managed equity and fixed income funds, has been planned as a new advocacy theme for spring 2025. Since summer 2022, portfolio managers have been monitoring the implementation of biodiversity in portfolio companies using the PAI indicator (PAI 7). eQ is currently gathering information and seeking to understand what the Science-Based Targets for Nature (SBTN) mean in practice and how the related calculation methods are developing.</p> <p>In this regard, eQ participated in training organized by Sitra in the</p>
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						fall of 2024 for companies and operators in the financial sector on the topic of "How to implement TNFD nature reporting." In addition, portfolio managers are monitoring the launch of sustainability reporting (CSRD) in larger investment targets.
Water	8. Emissions to water	The weighted average of emissions to water caused by companies we have invested in as tons per million euros invested	0,1 t/m€ (3 %)	0,04 t/m€ (2 %)		<p><b>Period 2024</b></p> <p>No changes in the number and coverage compared to 2023.</p> <p>eQ has not yet defined threshold values for PAI indicators for 2024. According to eQ, it is not yet meaningful to interpret the value of a single PAI indicator, which will be officially published for the third time in the summer of 2025. It is important to monitor the long-term trend in the PAI indicator's numerical value. However, more data points must first be</p>

						<p>obtained and the coverage and quality of the data improved.</p> <p><b>Plans for 2025</b></p> <p>Biodiversity survey for eQ's actively managed equity and fixed income funds.</p>
Waste	9. Amount of hazardous waste and radioactive waste	The weighted average of hazardous waste and radioactive waste caused by companies we have invested in as tons per million euros invested	1,2 t/m€ (77 %)	1,9 t/m€ (27 %)		<p><b>Period 2024</b></p> <p>The indicator's coverage has improved significantly.</p> <p>eQ has not yet defined threshold values for PAI indicators for 2024. According to eQ, it is not yet meaningful to interpret the value of a single PAI indicator, which will be officially published for the third time in the summer of 2025. It is important to monitor the long-term trend in the PAI indicator's numerical value. However, more data points must first be obtained and the coverage</p>



						<p>and quality of the data improved.</p> <p><b>Plans for 2025</b></p> <p>Biodiversity survey for eQ's actively managed equity and fixed income funds.</p>
<b>INDICATORS RELATED TO SOCIAL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS, AND ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>						
Social and employee matters	10. Violations of the UN's Global Compact principles and the operating instructions for multinational companies issued by the Organisation for Economic Co-operation and Development (OECD)	Share of investment in companies that have been part of a violation of the UN's Global Compact principles or the operating instructions for multinational companies issued by the OECD	0,2 % (95 %)	0,1 % (91 %)		In the selection and monitoring of the investment targets of all actively managed funds, the possible realization of norm violations against the principles of the UN Global Compact is taken into account. If the company has a verified norm violation, and the company's operations do not meet the requirements of good governance, eQ will not invest in it. The UN Global Compact principles are consistent with the following universal principles: the UN Universal Declaration
	11. Lack of processes and compliance mechanisms to monitor that the UN Global Principles of the OECD's operating instructions for	Share of companies we have invested in that have no operating principles for monitoring adherence to the UN Global	19,7 % (81 %)	52,8 % (80 %)		

	multinational companies	Compact principles or the OECD's operating instructions for multinational companies or handling systems for problems or complaints for intervening with violations of UN's Global Compact principles or the OECD's operating instructions for multinational companies				<p>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.</p> <p>Article 9 of the eQ Blue Planet fund monitors the fulfillment of workers' rights (forced labor, modern slavery and human trafficking).</p> <p><b>Period 2024</b></p> <p>eQ's actively managed fixed income and equity funds had no norm violations in 2023. 27 of the norm violations in 2023 were in eQ's index funds (in index funds, a total of about 3,500 companies).</p> <p>Respect for human rights was the theme of eQ's active engagement work in its actively managed equity and fixed income</p>
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						<p>funds in 2024. In spring 2024, eQ conducted a human rights survey of the investment targets of its fixed income and equity funds (excluding eQ Short-Term Euro Fund).</p> <p>The results can be found in <a href="#">eQ Group Sustainability Report 2024</a>.</p> <p><b>Plans for 2025</b></p> <p>In addition, portfolio managers are monitoring the launch of corporate sustainability reporting (CSRD) in larger investments.</p>
	12. Unadjusted gender pay gap	The unadjusted gender pay gap in the companies we have invested in	13,7 % (61 %)	10,9 % (16 %)		<p><b>Period 2024</b></p> <p>No significant change in PAI indicator number. Coverage improved vs. 2023.</p> <p>eQ has not yet defined threshold values for PAI indicators for 2024. According to eQ, it is not yet meaningful to interpret the value of a</p>

						<p>single PAI indicator, which will be officially published for the third time in the summer of 2025. It is important to monitor the long-term trend in the PAI indicator's numerical value. However, more data points must first be obtained and the coverage and quality of the data improved.</p> <p><b>Plans for 2025</b></p> <p>In addition, portfolio managers are monitoring the launch of corporate sustainability reporting (CSRD) in larger investments.</p>
	13. Gender diversity in the Board of Directors	The average share of female Board members in relation to the male members in the companies we have invested in presented as percentages of all Board members	32 % (26 %)	31,7 % (28 %)		<p><b>Period 2024</b></p> <p>No significant change in PAI indicator number. Coverage improved vs. 2023</p> <p>eQ has not yet defined threshold values for PAI indicators for 2024. According to eQ, it is not yet meaningful to interpret</p>

						<p>the value of a single PAI indicator, which will be officially published for the third time in the summer of 2025. It is important to monitor the long-term trend in the PAI indicator's numerical value. However, more data points must first be obtained and the coverage and quality of the data improved.</p> <p><b>Plans for 2025</b></p> <p>In addition, portfolio managers are monitoring the launch of corporate sustainability reporting (CSRD) in larger investments.</p>
	<p>14. Exposure to a risk related to controversial weapons (antipersonnel mines, cluster bombs, chemical weapons and biological weapons)</p>	<p>Share of companies we have invested in that participate in the production or sale of controversial weapons</p>	<p>0,1 % (81 %)</p>	<p>0,1 % (80 %)</p>		<p><b>Period 2024</b></p> <p>Indikaattorin lukema on hyvin pieni (0,1 %) ja kattavuus ei suurta muutosta.</p> <p>eQ has not yet defined threshold values for PAI indicators for 2024. According to eQ, it is not yet meaningful to</p>

						<p>interpret the value of a single PAI indicator, which will be officially published for the third time in the summer of 2025. It is important to monitor the long-term trend in the PAI indicator's numerical value. However, more data points must first be obtained and the coverage and quality of the data improved.</p> <p><b>Exclusion</b></p> <p>eQ's Article 9 fund investment process excludes, among others, the following sectors (weapons and defense industry). In addition, companies that have business activities related to controversial weapons (cluster bombs and chemical weapons) are not invested in the equity and fixed income funds actively managed by eQ. The exclusions regarding eQ's investment processes</p>
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						<p>are described in more detail in eQ Asset Management Ltd's Responsible Investment Principles on eQ's website.</p> <p><b>Plans for 2025</b></p> <p>In addition to conducting biodiversity surveys for investment targets, portfolio managers monitor the launch of sustainability reporting (CSRD) for larger investment targets.</p>
<p><b>ADDITIONAL INDACATORS RELATED TO THE CLIMATE AND OTHER ENVIRONMENTAL FACTORS</b></p> <p>Indicators aplied for investment in companies as investment products</p>						
Emissions	4. Investment in companies have no initiatives to reducing carbon emissions	Share of companies we have invested in that have no initiatives to reduce carbon emission inaccordance with the Paris Agreement	57 % (80 %)	47 % (81 %)		<p><b>Period 2024</b></p> <p>One important theme for eQ is the existence of emission reduction targets for the investment targets of actively managed fixed income and equity funds. eQ believes that science-based emission reduction targets set by investment targets are a concrete and effective indicator for</p>

						<p>monitoring the development of companies' climate work. eQ has been monitoring this development in its investment targets for several years. In 2023, eQ conducted an emissions reduction target survey for its investment targets. In addition to its own advocacy work, eQ has also been monitoring the development of SBT emissions reduction targets for several years through the collective advocacy initiative organized by CDP. There has been a dramatic increase in the setting of SBT targets in recent years. The number of approved SBT targets nearly doubled during 2024, from 4,204 to 7,085. A significant jump in SBT targets was also seen in 2023, from 2,079 to 4,204. eQ's fund-specific ESG reports present the distribution of</p>
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						<p>SBTi emission reduction targets for investments.</p> <p><b>Plans for 2025</b></p> <p>In addition to conducting biodiversity surveys for investment targets, portfolio managers monitor the launch of sustainability reporting (CSRD) for larger investment targets.</p>
<p><b>ADDITIONAL INDICATORS RELATED TO SOCAIL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS AND ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b></p> <p>Indicators applied for investment in companies as investment products</p>						
Human rights	10. Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts	38 % (81 %)	43 % (81 %)		<p><b>Period 2024</b></p> <p>Respect for human rights was the theme of eQ's active engagement work in its actively managed equity and fixed income funds in 2024. In spring 2024, eQ conducted a human rights survey of the investment targets of its fixed income and equity funds (excluding eQ Short-Term Euro Fund) for which no data related to the theme was</p>

						<p>available through MSCI. In the survey, eQ asked portfolio companies about the existence of human rights-related principles and concrete processes. The survey was sent to over 300 companies, of which nearly half (148) responded. The responses provided important additional information on the companies' situation and future plans regarding the implementation and monitoring of human rights.</p> <p>The results can be found in <a href="#">eQ Group Sustainability Report 2024</a>.</p> <p><b>Plans for 2025</b></p> <p>In addition to conducting biodiversity surveys for investment targets, portfolio managers monitor the launch of sustainability reporting (CSRD) for larger investment targets.</p>
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	11. Lack of processess and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings	18 % (98 %). This indicator is followed only in article 9 eQ Blue Planet fund.	12 % (99 %). This indicator is followed only in article 9 eQ Blue Planet fund.		<b>Period 2024</b>  Respect for human rights was the theme of eQ's active engagement work in its actively managed equity and fixed income funds in 2024. In spring 2024, eQ conducted a human rights survey of the investment targets of its fixed income and equity funds (excluding eQ Short-Term Euro Fund) for which no data related to the theme was available through MSCI. In the survey, eQ asked portfolio companies about the existence of human rights-related principles and concrete processes. The survey was sent to over 300 companies, of which nearly half (148) responded. The responses provided important additional information on the companies' situation and future plans regarding the implementation and
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						<p>monitoring of human rights.</p> <p>The results can be found in <a href="#">eQ Group Sustainability Report 2024</a>.</p> <p><b>Plans for 2025</b></p> <p>In addition to conducting biodiversity surveys for investment targets, portfolio managers monitor the launch of sustainability reporting (CSRD) for larger investment targets.</p>
<p><b>Indicators applied to investment in governments and supranational organisations</b></p>						
<p><b>Sustainability indicator describing the level of harm</b></p>		<p><b>Metric</b></p>	<p><b>Impact 2024</b></p> <p>*</p> <p>**</p> <p>***</p>	<p><b>Impact [year n-1]</b></p>	<p><b>Description</b></p>	<p><b>Measures taken and the measures planned and targets set for the next reference period</b></p>
<p>Environment</p>	<p>15. Greenhouse gas intensity</p>	<p>Intensity of greenhouse gas emissions of countries we have invested in</p>	<p>182,5 tCO2e/m€ (100 %)</p>	<p>220,3 tCO2e/m€ (93 %)</p>		<p>The eQ Euro Government Bond fund mainly invests in euro-denominated bonds issued by countries belonging to the</p>

						<p>European Economic Area. Eurozone countries are committed to the energy and climate goals set by the EU.</p> <p>As themes related to the environment, the portfolio manager monitors the issuers (states) with the sustainability indicator data obtained from them, for example the carbon intensity of the issuers and the warming scenario indicators concerning the issuers (warming scenario current state °C and warming scenario target state °C).</p> <p>eQ has not yet defined threshold values for PAI indicators for 2024. According to eQ, it is not yet meaningful to interpret the value of a single PAI indicator, which will be officially published for the third time in the summer of 2025. It is important to monitor the long-term</p>
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						<p>trend in the PAI indicator's numerical value. However, more data points must first be obtained and the coverage and quality of the data improved.</p> <p><b>Period 2024</b></p> <p>No changes in the number. Coverage has improved compared to 2023.</p>
Social	16. Countries invested in that have committed a violation of social code regulations	Number of countries invested in (absolute number and a relative divided by all invested countries) that have a committed violation of international fundamental and general treaties, the United Nations' principles or social code regulations under international legislation	<p>0</p> <p>0,0 %</p> <p>(100 %)</p>	<p>0</p> <p>0,0 %</p> <p>(100 %)</p>		<p>The fund excludes from its investments issuing countries where the rule of law is not observed. If the fund's investment target is potentially excluded, the investment will be abandoned within a reasonable period of time.</p> <p>The fund's investment targets are monitored regularly. The social features promoted by the fund are related, among other things, to issues related to the observance of human rights, anti-</p>

						<p>corruption measures and the realization of the principles of the rule of law. The fund's portfolio manager monitors the implementation of the features from the issuers fi(states) with sustainability indicator information obtained, including the number of issuers on the EU sanctions list, implementation of the rule of law, freedom of the press, the presence of public sector corruption in the issuing state and equality of income distribution.</p> <p><b>Period 2024</b></p> <p>No changes in figures and coverage.</p>
<p><b>Indicators applied to investment in real estate assets</b></p>						
<p><b>Sustainability indicator describing the level of harm</b></p>	<p><b>Metric</b></p>	<p><b>Impact 2024</b> *** ****</p>	<p><b>Impact [year n-1]</b></p>	<p><b>Description</b></p>	<p><b>Measures taken and the measures planned and targets se for the next reference period</b></p>	

Fossil fuels	17. Exposure to a risk related to fossil fuels through real estate assets	Sellaiseen kiinteistövarallisuuden tehtyjen sijoitusten osuus, joka liittyy fossiilisten polttoaineiden talteenottoon, varastointiin, kuljetukseen tai valmistukseen	0 % (100 %)	0 % (100 %)		
Energy efficiency	18. Exposure to a risk related to energy inefficiency real estate assets	Share of investment in energy efficient real estate assets	66,1 %	69,07 %	The share of GAV of properties with an energy certificate of C or worse. Properties without an energy certificate are also classified in the category "energy certificate C or worse". The calculation includes properties owned and	eQ's real estate and residential funds have been set a carbon-neutral target for energy consumption during operation by 2030. The measures for achieving the target of carbon neutrality are defined in eQ's low-carbon road map for real estate investments (2020). The achievement of the target is monitored and reported annually to investors  <b>Period 2024</b>  At the end of 2024, both of eQ's real estate funds were already very close to



					completed at the end of year.	<p>their carbon neutrality targets, and the residential real estate funds had already achieved carbon neutrality. The carbon neutrality target guides both the real estate acquisition process and the measures taken during the ownership period to promote responsibility and sustainability in real estate.</p> <p>eQ has needed to assess whether the current energy efficiency measures of Article 9 funds are sufficient to meet the 1.5-degree target set out in the Paris Climate Agreement by 2050. In this regard, during 2024, all of eQ's real estate properties were assessed, where applicable, using the Carbon Risk Real Estate Monitor (CRREM) tool. Based on the review, all of eQ's fund properties included in the report are on track with CRREM in</p>
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						<p>terms of emissions until 2033. CRREM's scenario analysis is based on the assumption that properties would not be developed after the CRREM review, in which case energy efficiency would fall short of the Paris climate targets in all funds as early as 2030. eQ's ongoing goal is to improve energy efficiency and reduce the environmental impact of its properties.</p> <p>eQ monitors and reports on the energy class distribution of real estate properties and its development in ESG reports published on eQ's website.</p> <p><b>Plans for 2025</b></p> <p>In accordance with the normal process, during the period of ownership, measures are taken to promote responsibility and sustainability in individual real estate sites</p>
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						The key development project for 2025 will focus on updating the carbon neutrality roadmap for real estate and residential funds.
<b>ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b> Indicators applicable to investments in real estate assets						
Greenhouse gas emissions	18. GHG emissions	Scope 1 - GHG emissions generated by real estate assets  Scope 2 -GHG emissions generated by real estate assets  Scope 3 -GHG emissions generated by real estate assets  Total GHG emissions generated by real estate assets	0 tCO <sub>2</sub> e (100 %)  6 061 tCO <sub>2</sub> e (100 %)  NA  6 061 tCO <sub>2</sub> e (100 %)	0 tCO <sub>2</sub> e (100 %)  6 735 tCO <sub>2</sub> e (100 %)  NA  6 735 tCO <sub>2</sub> e (100 %)		<b>Period 2024</b>  Coverage of indicators (Scope 1 and Scope 2) 100%. Scope 3 calculation is still under development.  The key real estate development projects in 2024 were: 1. CRREM (Carbon Risk Real Estate Monitor) survey for eQ's real estate properties, 2. Emission calculations for all real estate properties in accordance with the GHG Protocol (Greenhouse Gas Protocol Standard). Emissions calculations were extended to Scope 3 emissions for the first time 2024 (the results can

						<p>be found in <a href="#">eQ Group Sustainability Report 2024</a> and 3. Verification of energy consumption and emissions calculations for eQ's real estate funds for the first time during spring 2024.</p> <p><b>Plans for 2025</b></p> <p>In accordance with the normal process, during the period of ownership, measures are taken to promote responsibility and sustainability in individual real estate sites</p> <p>The key development project for 2025 will focus on updating the carbon neutrality roadmap for real estate and residential funds.</p>
Energy consumption	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter	0,00021 (81 %)	0,00022 (80 %)		<p><b>Period 2024</b></p> <p>Indicator's value very low and coverage high.</p> <p><b>Plans for 2025</b></p> <p>In accordance with the normal process, during</p>

						<p>the period of ownership, measures are taken to promote responsibility and sustainability in individual real estate sites.</p> <p>The key development project for 2025 will focus on updating the carbon neutrality roadmap for real estate and residential funds.</p>
Waste	20. Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery of recycling contract	0 % (100 %)	0 % (100 %)		<p><b>Period 2024</b></p> <p>Indicator coverage 100 %.</p> <p>Starting in summer 2023, real estate and residential funds will monitor waste recycling rates and implement concrete measures (e.g., rearranging spaces to facilitate sorting, site-specific recycling and sorting guides for tenants) to improve the recycling rate. The recycling rate of the eQ Commercial Properties fund is 60%,</p>

						<p>the recycling rate of the eQ Community Properties fund is 39%, the recycling rate of the eQ Residential fund is 41% and the recycling rate of the eQ Residential II fund is 44% (ESG reports 31 December 2024).</p> <p><b>Plans for 2025</b></p> <p>Activities will be continued to improve the recycling rate of real estate funds.</p>
<p>* Data source: MSCI (exc. in indicator 10 ISS ESG). The results for 2024 have been calculated as the average of the six months. The results for 2023 as as of 31 December 2023.</p> <p>** The number in brackets indicates how extensive the data is (%).</p> <p>*** Data source: Data of eQ’s real estate and residential funds.</p> <p>**** The impact has been calculated for the investment properties owned at the end of the reference period and based on the gross values of the time.</p>						
<p><b>Decription of the operating principles for identifying and prioritising principal adverse sustainability factor</b></p> <p>The board of directors of eQ Fund Management Company approved the operating principles described in this statement on June 11, 2025. The need to update the principles is assessed annually.</p>						

## **Information on how the responsibility for the implementation of these operating principles has been distributed in the strategies and operations of organisations**

The implementation of the operating principles is supervised by eQ Fund Management Company. The members of eQ's investment teams, together with the support of the director of responsible investment, are responsible for the implementation of operating principles and for taking into account the principal adverse impacts of investment decisions on sustainability factors throughout the investment's life cycle.

## **Methods**

Responsibility and sustainability are a key part of eQ Asset Management's investment activities and its processes. eQ Asset Management's principles of responsible investment create a reference framework for all of eQ's investment operations and its processes. The principles describe in detail the methods that are used both to identify sustainability risks and to consider principal adverse impacts in all of eQ's investment areas. The principles of responsible investing are available on eQ's website at [www.eQ.fi](http://www.eQ.fi). eQ Asset Management aims to identify the harmful principal adverse impacts of its own investment decisions and the investment decisions made by the partners it uses in several ways.

Regular screening of adverse sustainability impacts:

Principal adverse sustainability impacts are analysed using the indicators describing the level of harm presented in Table 1. As of 2024, eQ has not yet defined threshold values for PAI indicators. In eQ's view, interpreting the value of the individual PAI indicator, which will be officially published for the third time in the summer of 2025, is not yet meaningful. It is important to monitor the trend development of the PAI indicator reading in the long term. First, however, we need to get more data points and improve the coverage and quality of the data.

Integrating ESG into investment practices and active ownership and engagement:

The funds' key approaches to responsible investing are the integration of ESG into investment practices, active ownership and engagement, and the industry-specific exclusion for Article 9 equity fund. eQ evaluates the fund's target companies with regard to issues related to the environment, society and governance, i.e. ESG factors, both before investment decisions are made and during ownership. Investment targets are monitored regularly and efforts are made to influence the operating methods of the companies.

Engagement is done by having a direct sustainability dialogue with companies, participating in company general meetings if necessary, and by influencing companies through influence initiatives, either alone or together with other investors.

eQ's promotion activities are related to curbing climate change, compliance with human rights, anti-corruption measures, consideration of environmental issues, good governance and reporting of sustainability factors.

eQ reviews all investment targets using the sustainability indicators defined in eQ's actively managed equity and fixed income funds (amount of target companies' emissions, development of carbon intensity, commitment to emission reduction targets (science-based emissions target SBTi), assessment of principal adverse impacts (PAI indicators) and the company's readiness to manage the risks and possibilities of the transition to low carbon and the number of norm violations). To support the analysis of investment targets and influence work, the fund's portfolio manager, in addition to his own assessment, also uses the databases and analyzes of external service providers (MSCI and ISS ESG).

eQ Fund Management's risk management regularly monitors the implementation of sustainability risk limits in all of eQ's asset classes.

Violation of international norms:

In the selection and monitoring of the investment targets of all actively managed funds, the possible realization of norm violations against the principles of the UN Global Compact is taken into account. If the company has a verified norm violation, and the company's operations do not meet the requirements of good governance, eQ will not invest in it.

The UN Global Compact principles are consistent with the following universal principles: 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.

External asset managers:

Regarding external asset managers, eQ finds out before the investment whether the asset manager has signed the UN's principles of responsible investment, whether the asset manager has a responsible investment policy, what responsibility resources and processes and reporting capabilities are in use, and how the EU's regulation of sustainable finance is implemented in the asset manager's operations. From external asset managers already in use, eQ expects regular sustainability reporting and a summary of annual voting activity and discussions with investment targets. eQ also regularly investigates how asset managers take into account principal adverse impacts on sustainability factors in investment activities and encourages them to collect and report information related to PAI indicators.

Real estate:

Principal adverse impacts are assessed regularly using PAI metrics applicable to investments in real estate assets. The metrics for 2024 relate to exposure to risks associated with fossil fuels and energy inefficiency, greenhouse gas emissions, waste, and energy consumption intensity. In real estate and residential funds, the portfolio manager also monitors the achievement of sustainable investment targets by, among other things, the development of the fund's carbon neutrality target, the results of the GRESB sustainability assessment, BREEAM In-use certificates, and the development of consumption data for individual properties (emissions, energy consumption, water, waste). Cooperation with key stakeholders is also essential. One example is the regular tenant satisfaction survey, which aims to gather information on the satisfaction and experiences of property users,



identify areas for development in individual properties, and review the operations and processes of both eQ and its partners. Cooperation on sustainability matters with eQ's suppliers is also important. All agreements (e.g., construction contracts and service providers) are always accompanied by eQ's Code of Conduct for Suppliers. eQ and the contractors it uses have zero tolerance for the gray economy, underpayment, and illegal labor.

#### **The error margin and margin description related to the above methods**

Opportunities to identify and analyse the principal adverse impacts related to sustainability factors depend on the availability and quality of data. The information reported by the portfolio companies are the primary source, but companies do not yet publish data related to many of the adverse sustainability impacts which is why some of the available PAI data may be based on assessments made by external service providers. The quality, coverage and availability of information continue to pose challenges, especially for small companies and less developed markets. The aim is to constantly improve the quality and coverage of information by encouraging investment targets to develop e.g. own emission calculation.

#### **Information sources used**

eQ Asset Management uses not only the information obtained directly from the investment sites, but also the information sources of external service providers. The primary sources of information are MSCI and ISS ESG, which provide information on investments' emissions, the development of carbon intensity, commitment to emission reduction targets (science-based emissions target, SBTi), evaluation of adverse sustainability effects (PAI indicators) and the readiness of investment targets to manage the risks and opportunities of the transition to low carbon and norm violations by target companies. In addition, individual ESG indicators obtained from data sources are used as part of eQ's own broader analysis or assessment of the investment target's level of responsibility and its development. eQ also utilizes the sustainability information collected by Bloomberg on target companies.

eQ has carefully familiarized itself with the methodologies of the service providers it uses, and has ensured their suitability for its purposes. The service providers use both the information reported by the companies and the evaluated information, which is based on the evaluation model developed by each service provider. The providers used have processes in place to ensure the quality of the data and to correct incorrect data points.

eQ also regularly monitors the development of ESG information and service providers' services in the market, to enable appropriate information to support investment decisions and for customer reporting.

#### **Engagement policies**

Investment targets are monitored regularly and efforts are made to influence the operating methods of the companies. Engagement is done by having a direct sustainability dialogue with the companies and, if necessary, participating in the company's general meetings. In addition to that, companies are influenced through partners and influence initiatives, either alone or together with other investors. For example, ISS ESG reviews the norm violations of all eQ fixed income and equity funds and in cases of norm violations directly affects the company and monitors the development.

More information about eQ's means of engagement in use can be found in [eQ Asset Management and eQ Fund Management Company ownership policy](#), which are available together with eQ Asset Management's principles of responsible investment on eQ's website.

### **International standards**

eQ Asset Management's method of assessing sustainability risks and the principal adverse impacts in investment decision-making is based on international standards and conventions, such as the UN Global Compact initiative (UNGC), the OECD's guidelines for multinational companies, the UN Principles on Business and Human Rights (UNGPs) and the international labor organization (ILO) conventions.

eQ Asset Management has been an active pioneer of responsible investing for several years. eQ Asset Management has signed the UN's Principles for Responsible Investment (PRI) in 2010.

### **Historical comparison**

Historical comparison year 1 January 2023 – 31 December 2023.