

EVLI IMPACT FOREST FUNDS' PRINCIPLES FOR RESPONSIBLE INVESTMENT

At Evli, responsible investment activities are governed by Evli's Principles for Responsible Investment. The purpose of the Principles for Responsible Investment is to define Evli Wealth Management's approach to responsible investment and to communicate the methods it uses. For further information on our responsible investment practices please refer to our Principles for Responsible Investment available at Evli's website (evli.com).

Evli Impact Forest Funds' approach to responsible investment

This document seeks to complement the Principles for Responsible Investment by defining Evli Impact Forest Funds' (later EIFF) approach to responsible investment and setting out our expectations for the funds in the portfolios. As part of Evli Fund Management Company, EIFF is committed to complying with Evli's Principles for Responsible Investment. In addition to following Evli's Principles for Responsible Investment, our ESG principles as a fund of fund manager include:

Analysis

EIFF's approach to ESG integration is driven by the need to understand the extent of the target fund managers' commitment to ESG and the level of incorporation of ESG factors into investments. During the manager due diligence process, EIFF analyses the current level of ESG commitment in the target fund's management company and how the fund manager addresses ESG related topics in different stages of the investment process (including due diligence and decision-making) and during the ownership phase. EIFF requires that all target funds' management companies have their own ESG policies and that the fund management companies are committed to responsible investment practices.

EIFF makes an ESG evaluation of the target fund's management company before making a commitment. The evaluation is based on an ESG questionnaire and analysis conducted during the manager due diligence process. Each target fund manager is assigned an ESG rating based on the evaluation performed by EIFF's investment team.

Monitoring and engagement

Once invested, EIFF monitors and evaluates the investee fund managers' ESG practices regularly. The monitoring process includes EIFF's own annual ESG questionnaire that investee managers are required to complete, and through the managers' ESG reports and policy statements. EIFF seeks to use its influence to encourage investee and target fund managers to further integrate ESG considerations into different aspects of their operations.

Exclusion

EIFF will not make new commitments into target funds managed by companies, which do not have their own ESG policies and are not committed to responsible investment practices. When deciding on new investments EIFF evaluates the target fund's exclusion policies and seeks to avoid investments into sectors excluded by Evli. As a fund of funds manager, EIFF may in certain circumstances depart from the Evli exclusions.

Reporting

EIFF reports ESG policies and issues to its own investors.

EIFF regards sustainability as an integral part of its fund management and is committed to integrate ESG into the target fund selection process and to follow each investee fund's ESG development during the ownership period. This requires a systematic approach to responsible investment at all stages of the investment process and active engagement with the portfolios' investee fund managers.