EVLI

Evli Plc

CLIMATE AND NATURE REPORT

2025

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Evli's Climate and Nature Report 2025

Evli has combined its climate and nature reporting into one climate and nature report that complies with the reporting frameworks of the Task Force on Climate-related Financial Disclosures and the Taskforce on Nature-related Financial Disclosures.

Task Force on Climate-related Financial Disclosures (TCFD) is an international climate risk reporting framework aimed at improving the reporting of the financial impacts of climate change by making it clearer, more comparable, and more consistent. Since 2024, the IFRS Foundation's International Sustainability Standards Board (ISSB) will continue the work of the TCFD by monitoring and reporting on companies' climate reporting. The ISSB has published the IFRS 1 and IFRS 2 standards, which incorporate the TCFD reporting recommendations. In accordance with the TCFD recommendations, this report describes Evli's climate risks and opportunities as well as the progress of Evli's climate work in 2025.

Taskforce on Nature-related Financial Disclosures (TNFD) is a market-led, science-based initiative that has developed a nature reporting framework for organizations and financial institutions to standardize nature-related reporting. The framework follows the TCFD's climate reporting framework and includes the same reporting pillars: governance, strategy, risk and impact management, and metrics and targets. In January 2024, Evli joined the TNFD Early Adopters and published its first TNFD report from 2024. This report describes how Evli considered biodiversity in its operations in 2025.

Introduction

Evli became a public supporter of the TCFD in August 2019, with the aim of developing the reporting of its own climate risks. It is important for asset managers and other investors to be able to identify and assess the financial impacts of climate change on their own operations and on the companies they invest in, as the transition to a low-carbon economy is changing companies' operating environment. Companies are exposed to the physical impacts of climate change, and their actions also cause greenhouse gas emissions. On the other hand, climate change creates opportunities for companies that offer products and services that mitigate or support adaptation to climate change.

Considering biodiversity has emerged as a significant area in responsible investment. In the worst-case scenario, nature loss could cause significant losses for both companies and investors, which is why it is important to be able to identify nature-related risks as well as the negative impacts of companies' operations on nature. In 2022, at COP15, the Montreal Biodiversity Conference, the Global Biodiversity Framework (GBF) was adopted, which includes 23 targets for halting nature loss by 2030. According to GBF target 15, companies must assess and report on the risks, dependencies, and impacts of their operations on biodiversity, and reporting in accordance with the TNFD recommendations supports this objective.

At Evli, we understand the role of climate as part of nature and the significance of climate change as one of the drivers of nature loss. Evli has long worked to mitigate climate change, including establishing climate principles and targets and publishing TCFD reports since 2020. Evli has also identified the development of climate and nature work as one of its focus areas in responsible investing.

In accordance with the TCFD and TNFD recommendations, the climate and nature report provides stakeholders with information on the company's governance, strategy, risk and impact management as well as metrics and targets.

1. **Governance**: governance of climate- and nature-related risks and opportunities (the role of the Board of Directors and management)
2. **Strategy**: actual and potential impacts of climate- and nature-related risks and opportunities on the company's business, strategy, and financial planning
3. **Risk and impact management:** the company's processes for identifying, assessing, and managing climate and nature risks and impacts
4. **Metrics and targets:** metrics and targets used to assess and manage climate- and nature-related risks and opportunities.

Governance

Evli's Board of Directors holds the highest decision-making authority on sustainability matters at the Group level, including climate and nature-related considerations. Evli's Board of Directors and Executive Group regularly address climate and biodiversity matters as part of broader sustainability discussions. Evli's Head of Sustainability participates in meetings of the Board and the Executive Group periodically. In addition, Evli has a Responsible Investment Executive Group, which decides on responsible investment principles and practices, and monitors Evli's climate and nature-related work. The

Responsible Investment Executive Group consists of the CEO and managers from the business operations, portfolio management, responsible investment team, and legal and compliance function.

The responsible investment team, which operates under the Head of Sustainability, is responsible for coordinating and developing matters related to environmental, social, and governance (ESG) factors in funds and in discretionary portfolio management, as well as for engagement with companies. The responsible investment team monitors compliance with the UN Global Compact principles, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Conventions, and Evli's Climate and Nature Principles. The team has the authority to exclude individual companies from the investment universe.

When analyzing potential investments and making investment decisions, Evli's portfolio managers also consider ESG factors, which include climate and nature issues. Portfolio managers are responsible for implementing the principles for responsible investment and for ESG integration in investment activities. Portfolio managers and other professionals working with responsible investment are systematically offered training on climate change, biodiversity and nature loss, the risks and opportunities arising from these, and their potential impacts on investments. In 2025, Evli organized two-day ESG training days for portfolio management for the fourth time, which broadly covered the current state of climate change and the future of sustainability work.

Wealth management investment activities are guided by Evli's Principles for Responsible Investment, which define the practices of responsible investment. In addition, wealth management is governed by Evli's Climate and Nature Principles, which describe Evli's practices for taking climate change and its related impacts into account and set the framework for considering biodiversity in investments. These principles apply to direct equity and fixed income investments as well as Evli's equity and fixed income funds and when applicable to other asset classes. Evli's alternative investments also have their own separate principles for responsible investment.

In 2021, Evli published its climate targets, according to which Evli aims to achieve net zero by 2050 at the latest. The target applies to emissions from both Evli's own operations and its investments. The climate targets also include separate interim targets and a roadmap to support achieving the targets through real-world emission reductions and in alignment with the Paris Climate Agreement.

An interim review of the climate targets was carried out in 2025, and based on the results, the targets have been refined and the actions under the roadmap have been supplemented. Evli's responsible investment team, the Responsible Investment Executive Group, and the climate working group, which convenes as needed, monitor the progress of Evli's climate targets as well as work related to the Net Zero Asset Managers initiative.

Responsible investment governance model

RESPONSIBLE INVESTMENT EXECUTIVE GROUP

- decides on responsible investment principles and practices
- consists of the CEO and managers from the business operations, portfolio management, responsible investment team, and the legal and compliance function
- meets regularly approximately quarterly
- reports to Evli's Executive Group

RESPONSIBLE INVESTMENT TEAM

- proposes responsible investment principles and practical measures to the Responsible Investment Executive Group and supports the work of portfolio managers and client managers
- monitors norm violations and climate and nature principles and is authorized to exclude individual companies
- is responsible for engagement
- reports to the Responsible Investment Executive Group

PORTFOLIO MANAGERS

- monitor sustainability factors when conducting company analyses and making investment decisions
- are responsible for implementing the principles for responsible investment and ESG integration into investment activities
- report to the responsible investment team on companies that violate the principles for responsible investment

Strategy

At Evli, sustainability has been an integral part of portfolio management for many years, as we believe that considering sustainability factors creates long-term added value. Since 2020, sustainability has been one of the Group's strategic focus areas. Developing climate and nature work has been among the responsible investment focus areas for several years. In 2021, Evli published its climate targets, including interim targets. Regarding climate and biodiversity, the work is further guided also by the Climate and Nature Principles published in 2025, which refine the earlier climate principles and biodiversity roadmap.

Climate change mitigation has always been important to Evli, and we want to create products that address the challenges of climate change. Evli also aims to consider biodiversity in its operations even more extensively than before. As an asset manager, Evli's most significant climate and biodiversity risks, opportunities, dependencies, and impacts are related to investment activities, as Evli's own operations do not cause significant direct environmental impacts. Evli's strategy focuses on taking climate- and nature-related risks and opportunities and their impacts into account in the Group's products and investment strategies, which is also reflected in the Climate and Nature Principles and climate targets.

TCFD divides climate change-related risks into transition risks arising from the shift to a low-carbon economy and physical risks of climate change, which can materialize over different time horizons. Transition risks refer to economic risks arising from the shift toward a low-carbon economy. These include, among others, risks caused by changes in policy, regulation, technology, and markets, which, when realized, can affect the market value and returns of investments. As clients' climate strategies evolve, Evli must be able to ensure that its products and services meet clients' changing needs. Investments in companies deemed to contribute to climate change also increase reputational risk related to investment activities. Physical risks, in turn, are economic risks arising from climate change, which can result from individual events or long-term changes in climate. In Evli's investment activities, physical risk can materialize, for example, in real estate investments, which as a consequence of climate change may become increasingly exposed to extreme weather events and damage caused by rising sea levels or flooding.

The physical impacts of climate change also extend to other asset classes, such as equity and corporate bond investments. In these asset classes, for example, industrial sectors dependent on foreign raw materials may be vulnerable to increasing extreme weather events.

Climate change-related risks can also be examined through the climate targets of investee companies. Such targets can be used to assess how well companies' business and strategy are aligned with the Paris Climate Agreement and what readiness companies have to respond to climate change in their operations. Setting climate targets is part of companies' long-term risk management, and the absence of targets also increases risk from the investor's perspective. Evli regularly monitors the climate targets and their development of the investee companies in its active equity and corporate bond funds and direct equity and corporate bond investments. In its engagement work, Evli also seeks to encourage companies to set science-based climate targets (Science Based Targets, SBT). In the first phase of the engagement started in 2021, the focus has been on high-emission companies whose emissions or targets are not aligned with the 1.5-degree target. In 2025, Evli continued monitoring the progress of the companies targeted for engagement and engaged also with new companies.

The majority of Evli's nature-related risks and impacts materialize indirectly through investment activities. According to the World Economic Forum's report, more than half of the world's gross domestic product is moderately or highly dependent on nature and the services it provides. Nature provides ecosystem services on which many businesses depend. Ecosystem services include provisioning services (e.g. nutrition, water, medicinal substances, and materials), supporting services (e.g. photosynthesis and arable soil), regulating services (e.g. climate regulation, clean air, and clean water), and cultural services (e.g. recreation and aesthetics). Nature loss disrupts ecosystem services and in the worst-case scenario could cause significant losses for both companies and investors. Correspondingly, business operations may have impacts on biodiversity and ecosystem services, so it is important to recognize the double materiality of companies' operations.

Evli's Climate and Nature Principles

Since 2019, Evli has had Climate Principles that guide climate-related analysis, monitoring, engagement, and reporting. In 2025, Evli published combined Climate and Nature Principles, which set the framework for considering nature in investment activities as well.

According to the principles, Evli utilizes TCFD and TNFD metrics recommended for the financial sector as part of its portfolio analysis. The emissions of companies in Evli's equity and fixed income funds are monitored by analyzing company and fund-specific carbon footprints, companies' emission reduction targets, and readiness for transition to a low-carbon economy. Company and fund-specific scenario analysis is also monitored. In relation to nature and climate, Evli regularly monitors the EU regulatory PAI indicators (Principal Adverse Impact Indicators) describing the principal adverse sustainability impacts of investments.

According to the Climate and Nature Principles, Evli also utilizes other available tools and data to support its own analysis in identifying climate- and nature-related risks, dependencies, and impacts of its investments. In engagement, climate has long been an important theme on which Evli seeks to discuss with companies. In the combined principles, nature has also been raised as an important theme.

Evli’s climate targets

Evli published separate climate targets in June 2021, which were updated during 2025. Evli aims to achieve net zero by 2050 at the latest. The target applies to emissions from both Evli's own operations and its investments. In addition to the main target, Evli has set three interim targets:

1. A 50% reduction in indirect emissions from investments by 2030, provided that the investment environment allows for it. The base year for the target is 2019.

2. In equity and corporate bond funds, increasing the share of investments made in material sectors that are achieving net zero, aligned to net zero or aligning to net zero. The target level for 2027 is 55% and the target for 2030 is 65% for equity and corporate bond funds. The comparison year is 2022, when the above-mentioned share of investments was 42%.[1]

3. By 2030, engaging with at least 20 of the highest-emitting companies that are not committed to or do not have approved science-based climate targets, or that are not meeting the net-zero definition.[2]

The interim targets and the roadmap of climate targets support Evli's long-term net zero target. In accordance with the climate targets roadmap, Evli will refine the monitored metrics as work progresses and report accordingly.

In its own operations, Evli is committed to reducing the energy consumption and greenhouse gas emissions of its premises and to avoiding unnecessary travel. Evli's climate targets also include Scope 1 and 2 emissions[3] from the company's own operations. However, Evli's strategy focuses on taking climate-related risks and opportunities and their impacts into account in the Group's products and investment strategies, which is also reflected in the climate targets.

[1] The target is part of the interim targets set by Evli for the Net Zero Asset Managers initiative in 2023. The target utilizes the Net Zero Investment Framework's methodology for assessing companies. According to the methodology, aligning to net zero refers to companies that have science-based climate targets and a decarbonization plan. Aligned to net zero refers to a company that has the above-mentioned targets and whose current emissions are in line with a net zero transition pathway. For net-zero companies, the emission level has reached net zero and can be expected to continue net zero in the future as well.

[2] A science-based target refers to a target set in accordance with the Science-Based Targets initiative (SBTi) and net zero refers to the definition of the Paris Aligned Investment Initiative's Net Zero Investment Framework methodology. In accordance with the Net Zero Asset Owners Alliance Target Setting Protocol methodology, the engagement objective takes into account Evli's direct engagement with companies and/or engagement through collaborative engagement initiatives.

[3] The calculation of carbon footprint figures is defined by, for example, the international standard GHG protocol (greenhouse gas protocol). The GHG protocol classifies greenhouse gas emissions into scopes 1–3. Scope 1 greenhouse gas emissions refer to direct emissions from operations that originate from sources owned or controlled by the company. Scope 2 greenhouse gas emissions refer to indirect emissions from operations that arise from the production of purchased energy. Scope 3 includes indirect emissions related to the company's purchased products, outsourcing, business travel, etc.

The most significant share of Evli's emissions comes indirectly through investments. One of the interim targets of the climate targets is to reduce indirect emissions from investments by 50 percent by 2030 (base year 2019), provided that the investment environment enables this. As a long-term target, Evli aims to be a net zero asset manager by 2050 at the latest. To reinforce this commitment, Evli joined the Net Zero Asset Managers (NZAM) initiative in the summer of 2022. In the summer of 2023, Evli submitted its interim targets to the NZAM initiative, which are based on the analysis carried out by Evli's Climate Targets' Working Committee and aligned with the best practices defined by the initiative. The member organizations of the NZAM initiative approved the interim targets in the summer of 2023. More details on the interim targets are provided in the section Climate-related metrics and targets.

Evli’s products

Climate change also brings opportunities for investors. These include, for example, investments in companies that promote climate change mitigation or adaptation in their business. In addition, climate change is growing the market for sustainable investment products, such as green bonds, which provides means for developing new products. Evli has several investment products that support sustainable development. The Evli Green Corporate Bond fund focuses on green corporate bonds. Among the alternative investment funds, the forest funds Evli Impact Forest I and Evli Impact Forest II aim to mitigate climate change by achieving positive carbon impacts. In the forest funds, Evli's performance fee depends on the achievement of the fund's carbon dioxide removal target. The Evli Renewable Energy Infrastructure Fund II provides the opportunity to invest in reducing global carbon dioxide emissions. The Evli Impact Equity fund promotes a low-carbon and resource-efficient economy as well as human development.

Evli also offers its clients a wealth management climate portfolio strategy, the aim of which is to reduce the greenhouse gas emissions of the investment portfolio and to direct investments toward climate solutions according to the client's objectives. Careful allocation and risk analysis play a central role in the investment strategy.

Evli has assessed the sustainability of its investment strategies by preparing scenario analyses based on climate data produced by ISS STOXX. The purpose of the scenario analysis is to assess the potential impacts of climate-related risks and opportunities in different climate warming scenarios. Scenario analysis is also included in the tools available to the portfolio managers of Evli's equity and corporate bond funds, so the information from the analysis can be utilized both before and during an investment decision. The tools also enable systematic monitoring of the development of investment strategy scenarios. Evli monitors, for example, the implied temperature rise of its equity and corporate bond funds. In addition to scenarios, Evli monitors and reports on the share of fossil reserves in its investments and on companies' transition to a low-carbon economy. More detailed figures on scenarios and other metrics can be found in the section Climate-related metrics and targets.

Risk and impact management

Evli's most significant climate- and nature-related impacts and risks arise indirectly through investments and are broadly distributed across different sectors and geographical areas. Identifying and considering these is essential for risk management, and they also help identify engagement targets.

Evli's Climate and Nature Principles and climate targets set the foundations for considering and managing climate change and nature-related risks and impacts in investment activities. The measures Evli uses in risk management include analyzing and monitoring climate- and nature-related metrics of investee companies, engagement, and exclusion. The identification and assessment of climate and nature risks are based on the analysis of investments conducted by portfolio managers and the responsible investment team. In monitoring the Climate and Nature Principles and in other daily sustainability work as well as in investment decisions, Evli uses data from an external service provider.

In Evli's equity and corporate bond funds, the emissions of investee companies are monitored by analyzing, among other things, the portfolio-weighted carbon intensity of the funds, which measures the portfolio's exposure to carbon-intensive companies. Emissions data and other data related to climate analysis have been integrated into portfolio management systems alongside other ESG data, enabling Evli to also monitor and assess the development of climate risks in its investments. To identify nature-related risks and impacts, Evli monitors, among other things, companies' norm violations and the PAI indicators (Principal Adverse Impact Indicators)[1] describing the principal adverse sustainability impacts of investments. In addition, Evli's portfolio managers take ESG factors into account when analyzing their investments, which ensures that potential environment-related risks are also considered.

In accordance with its Climate and Nature Principles, Evli has excluded companies that produce peat for energy production. In addition, Evli avoids investing in companies that derive a significant part of their revenue (at least 10%) from thermal coal mining or use in energy production or from oil sands extraction. If a company has a clear plan to change its operations and/or the company supports just transition, an exception to the exclusion may be made by decision of the responsible investment team.

Evli does not finance new coal-fired power plants, coal mines, or oil sands projects that are in the planning or construction stages. In addition to the general exclusion principles, some of Evli's funds follow a broader exclusion of thermal coal and/or fossil fuels, where the revenue threshold for exclusion is five percent.

Information in accordance with the Climate and Nature Principles and the funds' broader exclusion criteria have been incorporated into the portfolio management system, which prevents investments in excluded companies and requires portfolio managers to provide justification if an investment exceeds avoidance thresholds. If an avoidance threshold under the Climate and Nature Principles were to be exceeded, the responsible investment team would be automatically notified and the team would analyze the company and decide on further measures.

Evli regularly monitors that investments comply with the international principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the principles set out in the OECD Guidelines for Multinational Enterprises. Through this monitoring, both climate and nature perspectives are taken into account, and serious violations are escalated to Evli's responsible investment team for review. In connection with handling violations, Evli's responsible investment team decides whether it start engagement with a company so that it can make its operations more responsible and reduce the adverse impacts of its activities. If a company does not improve its practices despite engagement, Evli's responsible investment team may ultimately exclude the company from investments. The PAI indicators are also regularly monitored, and their consideration is based on Evli's Principles for Responsible Investment, Climate and Nature Principles, and climate targets. The PAI indicators include both climate- and nature-related indicators, such as companies' operations in biodiversity-sensitive areas, emissions to water, and the amount of hazardous waste. Evli's responsible investment team regularly reviews companies flagged through PAI monitoring and may, for example, initiate engagement with a company if its operations have negative nature-related impacts or otherwise present significant risks. Evli reports on PAI indicators annually at the company level.

For identifying nature risks and impacts, Evli utilizes, among other things, the ENCORE[2] tool and its data, on the basis of which Evli has built portfolio analysis. The analysis enables examination of which ecosystem services the portfolio's sectors may depend on, what nature-related impacts the portfolio's sectors may have, and how significant the dependencies or impacts are. The portfolio analysis data is sector-specific and can serve as a first step toward more detailed analysis to determine which sectors the portfolio's nature-related risks and impacts are concentrated in. In the next step, individual companies from the most significant sectors can be examined in more detail, such as what practices, targets, and various metrics the company has in place. ENCORE analysis also enables assessment of which sectors or drivers of nature loss are most significant for Evli's investments and which should be prioritized. In addition to ENCORE, Evli utilizes other available tools and data in its analysis.

[1] Principal Adverse Impact, i.e. PAI indicators, refer to the principal adverse impacts of investment decisions on sustainability factors.

[2] www.encorenature.org/en

Engagement and active ownership

At Evli, active ownership and engagement with companies are one means of managing climate change and nature-related risks. Climate change mitigation is a major theme in Evli's engagement activities. Nature has also been included as an important topic in discussions with companies, particularly when a company's operations have significant impacts on nature or involve material nature-related risks. In engagement work, companies are encouraged to adopt transparent reporting and set climate targets. In addition, Evli monitors company-specific targets and their progress. Evli has set targets for its climate engagement under its NZAM commitment, and Evli also seeks to identify engagement targets related to nature.

Within the framework of its independent engagement work based on its climate targets, Evli contacted 14 companies in 2025 and continued monitoring the progress of companies engaged in previous years. In addition, Evli held discussions with ten companies during the year, covering both climate- and nature-related topics. In 2025, Evli participated in a total of 88 general meetings. Evli decides whether to attend general meetings based on Evli's stake in the company, the agenda items to be discussed and its potential to influence them. More information on Evli's general meeting participation practices can be found in the engagement policies of Evli and Evli Fund Management Company. Evli provides more detailed information on its voting activity in the annual reports and semi-annual review of its investment funds when presenting the implementation of the engagement policies.

In addition to independent engagement, Evli is committed to several investor initiatives aimed at, among other things, influencing the broader market, companies at risk from climate change or nature loss, and encouraging governments to take more ambitious action on climate change mitigation.

Evli participates in the following significant initiatives, among others: the Climate Action 100+ initiative, CDP investor letters (climate change, deforestation, and water), Nature Action 100, and PRI Spring. Evli has also signed several investor letters to governments, such as the 2024 Global Investor Statement to Governments on the Climate Crisis. In that letter, governments were encouraged to take the necessary political actions to accelerate the private capital flows needed for the just transition to a climate-resilient and nature-positive economy. In addition, in 2022, Evli co-signed the global COP15 investor statement "Moving Together on Nature" with other investors, calling on governments to take coordinated action against climate change and nature loss worldwide, to give financial institutions a stronger mandate to align financial activities with biodiversity targets, and to adopt an ambitious Global Biodiversity Framework.

In addition to these measures, Evli regularly monitors developments in regulation related to climate change and nature loss. Evli has been involved in discussions on EU legislation in Finland as a member of Finsif and Finance Finland and has participated in international discussions as a PRI signatory through events organized by PRI. In 2024, Evli was also part of a Finance Finland working group that prepared a joint nature commitment for the financial sector. In 2024, Evli also participated in the Taskforce on Nature-related Financial Disclosures (TNFD) consultation concerning reporting recommendations for the financial sector.

One important stakeholder for Evli is data providers, with whom Evli has an ongoing dialogue regarding, among other things, climate and nature data. The aim is both to develop Evli's own operations, tools, and reporting and to improve the data available to investors for achieving various objectives.

Climate-related metrics and targets

Evli regularly monitors the development of the carbon footprint of its equity and corporate bond funds by calculating the portfolio-weighted carbon intensity, i.e., by analyzing the Scope 1 and Scope 2 emissions[1] of each investment, dividing them by the company's revenue, and weighting each investment by its relative share in the portfolio. The fund's weighted carbon intensity is compared with the corresponding figure for the fund's benchmark index.

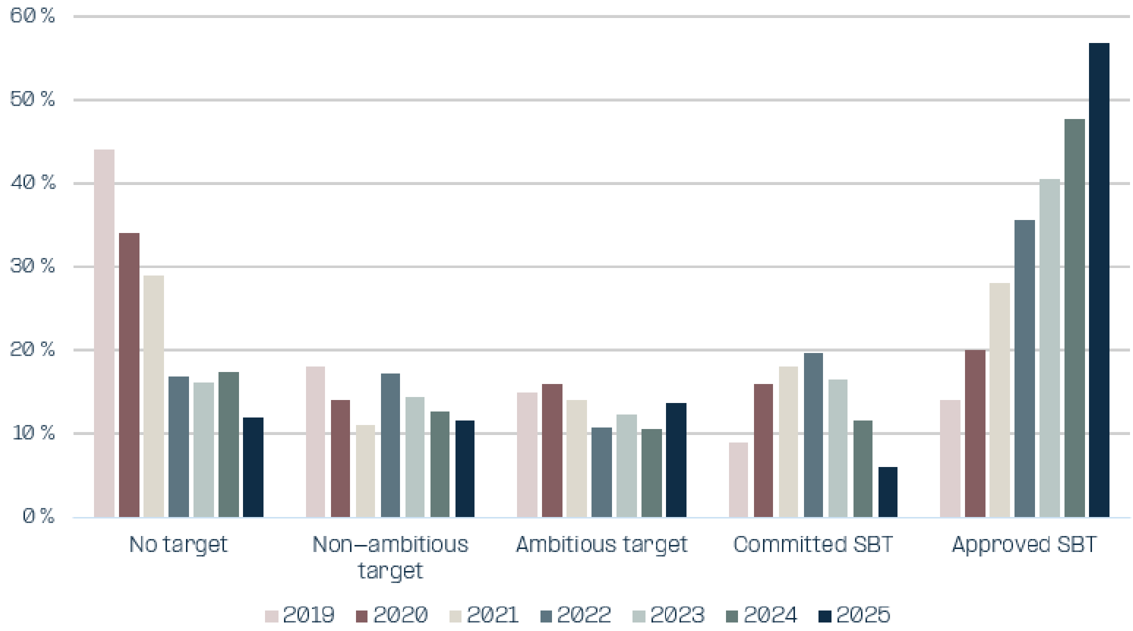
In addition, Evli has mapped the absolute and financed emissions of its investments. The absolute emissions of Evli's investments are the total emissions of investee companies proportioned to Evli's ownership share of the investee companies' total value. Correspondingly, financed emissions are calculated by dividing the absolute emissions of investments by the present value of all investments. Absolute emissions and weighted average carbon intensity are presented in the table below for Scope 1, 2, and 3 emissions. It should be noted that the Scope 3 emissions[1] figures are partly based on the data provider's modelling and should therefore be interpreted as indicative. The table data includes, in addition to Evli's equity and corporate bond funds, direct wealth management equity and corporate bond investments.

	Scope 1 + 2	Scope 1+2+3
Absolute emissions (tonnes of CO2eq, coverage 79%)	1,188,903	5,978,909
Carbon intensity (tonnes of CO2eq / USD million revenue, coverage 79%)	117.3	691.5

Sources: Evli, MSCI ESG Research

While monitoring the carbon footprint helps to understand the emissions profile of investments, it is not a perfect indicator on its own for describing portfolio-related emissions, nor does it help assess the future development of emissions or emission reduction opportunities. For this reason, in addition to emissions, Evli monitors the emission reduction targets and their development of investee companies. Evli has mapped the distribution of its investments' climate targets over the period 2019–2025. The development of targets is shown in the chart "Distribution of climate targets 2019–2025" below. The investments' climate targets range from "No target" to "Approved science-based target (SBT)". Evli aims to increase the share of investments with science-based climate targets and thereby reduce the potential risks that climate change poses to investments.

Distribution of climate targets 2019–2025



Source: Evli, ISS STOXX

The climate target assessment covers all of Evli's direct investments, including equity and corporate bond funds and direct wealth management equity and corporate bond investments. The chart shows that between 2019 and 2025, the share of investee companies with no climate targets has decreased significantly, and the share of companies with science-based targets has clearly increased. For example, the share of companies with "Approved SBT" increased by 43 percentage points. The trend for committed climate targets has been declining between 2022 and 2025, which may be explained by the fact that companies that had committed to setting science-based climate targets have obtained SBT approval for their targets. Correspondingly, the share of the companies with no targets decreased by 32 percentage points between 2019 and 2025.

The positive development shown in the chart is in line with Evli's climate targets, as encouraging investee companies to set climate targets is an important part of Evli's engagement work and climate roadmap.

Evli also utilizes scenario analysis produced by ISS STOXX to assess climate-related risks and opportunities. According to an assessment based on the IEA's carbon budgets, the combined implied temperature rise (ITR) of Evli's equity and corporate bond funds was 1.7 degrees at the end of 2025, taking into account the targets related to the investee companies. In this scenario, the carbon budget would be exceeded in 2044. Based on current policies scenario, the ITR was 1.8 degrees, and the carbon budget would exceed in 2036. Based on the companies' historical emissions trajectory, the ITR was 2.2 degrees, and the carbon budget would exceed in 2034.

In addition, Evli analyzes the share of companies owning fossil fuel reserves and compares it with the corresponding figure for the fund's benchmark index and examines companies' transition to a low-carbon economy by categorizing companies based on the risks and opportunities related to the energy sector transformation. This allows Evli to more precisely assess opportunities to reduce the funds' carbon footprint and to identify companies that are at risk from climate change. Evli also regularly explores new tools to better measure the actual impacts of investments on various stakeholders and the environment, including impacts on climate change. The ESG reports for Evli's equity and corporate bond funds are publicly available on Evli's fund-specific webpages.

In alternative asset classes, corresponding metrics are used while taking into account asset class-specific differences. For example, in real estate investments, the emission data of properties is monitored; in forestry investments, the amount of sequestered carbon dioxide is measured; and in funds of funds, the climate targets and emission data set by external fund managers are assessed. Data coverage may vary in alternative asset classes, and we are aware of the related challenges in data availability. We continue to work towards building a more precise overview also in these asset classes. Available ESG reports for Evli's alternative investment funds can be found on Evli's fund-specific webpages.

Net Zero Asset Managers initiative's interim targets

In addition to its own climate targets, Evli has a Net Zero Asset Managers (NZAM) interim targets approved in 2023, which are based on the interim climate targets Evli set in 2021 and on the climate roadmap. The NZAM interim targets provide concrete tools and clear metrics to support Evli's short-term and long-term climate targets. In the first phase, the NZAM interim targets include Evli's equity and corporate bond funds, as they have the most comprehensive data available. The work will continue for other asset classes in line with the roadmap of Evli's climate targets.

Evli's NZAM interim targets are based on two methodologies approved by the initiative. Evli defined the interim targets related to the assessment of companies (portfolio coverage targets) following the Paris Aligned Investment Initiative's[1] Net Zero Investment Framework[2] (NZIF) methodology. Based on the Net Zero Asset Owner Alliance's[3] Target-Setting Protocol[4] (TSP) methodology, Evli defined the sub-portfolio target and the engagement target. Evli will report on the progress of these targets annually.

Regarding the sub-portfolio target, at the end of 2025, the carbon footprint had reduced by 49.8 percent compared to the base year 2019. The target is a 50 percent reduction in investment emissions by 2030.

In accordance with the engagement target, Evli engaged independently with 23 companies and through collaborative engagement initiatives with 27 companies during 2023–2025. In addition, Evli continued its climate engagement by also engaging with other high-emission companies. The target was that Evli would engage with the 20 highest emitting companies that have not committed to or do not have an approved science-based target (SBTi) or that are not aligned to a net zero pathway as defined in the NZIF methodology.

Regarding the portfolio coverage targets, 60 percent of investments in material sectors were net zero, aligned, or aligning at the end of 2025. The target is that by 2030, the share of assets under management will be 65 percent.

[1] The Paris Aligned Investment Initiative (PAII) was launched in May 2019 by the Institutional Investors Group on Climate Change (IIGCC). The objective of the initiative is to examine how investors can align their portfolios to the goals of the Paris Agreement.
[2] The Net Zero Investment Framework methodology, developed by the PAII, provides a common set of recommended actions, metrics, and methodologies through which investors can maximize their contributions to achieving global net zero emissions by 2050 or sooner. www.parisalignedassetowners.org/media/2021/03/PAII-Net-Zero-Investment-Framework_Implementation-Guide.pdf
[3] The UN-convened Net Zero Asset Owner Alliance (NZAOA) is a member-led initiative of institutional investors committed to transitioning their investment portfolios to net zero greenhouse gas emissions by 2050 — consistent with a maximum temperature rise of 1.5°C.
[4] Target-Setting Protocol is a broad framework for reporting and delivering short-term climate targets. www.unepfi.org/industries/target-setting-protocol-third-edition/

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Net Zero Asset Managers initiative's interim targets

SUB-PORTFOLIO TARGET

Target:	Investment emissions reduction -50%
Base year:	2019
Carbon footprint of the base year:	241.8 t CO_2e/$M Sales
Target year:	2030
Achieved at the end of 2025:	-49.8% of the base year

ENGAGEMENT TARGET

Target:	Evli will engage with the 20 highest emitting companies that have not committed to or do not have an approved science-based target (SBTi) or that are not aligned to a net zero pathway as defined in the NZIF methodology
Base year:	2022
Target year:	2025
Achieved at the end of 2025:	
— Independent engagement	23 companies (2025: 13, 2024: 6, 2023: 4)
— Through collaborative initiatives	27 companies (2025: 0, 2024: 15, 2023: 12)
	The number of companies includes individual new engaged companies during the years 2023–2025.

PORTFOLIO COVERAGE TARGETS

Target:	To achieve a certain percentage of assets under management (AUM) in material sectors that is net zero, aligned, or aligning by 2050
Base year:	2022, share of AUM 42%
Target year:	2027, share of AUM 55%
Target year:	2030, share of AUM 65%
Achieved at the end of 2025:	Share of AUM 59.52%

	Carbon intensity (tonnes of CO_2eq / USD million sales)[1]	Compared to benchmark index (%-points)[2]	Weight of companies owning fossil fuel reserves (%)[3]	Compared to benchmark index (%-points)[2]	Coverage / fund (%)[4]	Coverage / benchmark (%)[4]	Investments in Solutions class in the MSCI Low Carbon Transition classification (%)[5]
Equity Funds							
Evli Atlas Europe Enhanced Index	123,43	48.00	5.41	-1.00	97.36	100.00	6.30
Evli Atlas USA Enhanced Index	114.98	33.00	3.74	-0.46	96.58	99.90	15.93
Evli Emerging Frontier	1 121.87		0.00	0.00	47.25		0.00
Evli Equity Factor Europe	32.53	-61.60	0.00	-6.50	96.94	99.49	5.78
Evli Equity Factor Global	46.59	-50.43	0.00	-5.65	97.70	99.28	6.99
Evli Equity Factor USA	33.17	-62.86	0.00	-4.35	98.31	99.23	3.74
Evli Europe	167.35	97.53	0.00	-6.50	99.15	99.49	3.97
Evli Europe Growth	102.97	23.00	0.46	-5.99	95.92	100.00	0.67
Evli Finland Mix	92.49		0.00	0.00	75.91		0.00
Evli Finland Select	68.45	-1.00	0.00	0.00	89.43	90.22	0.00
Evli Finnish Small Cap	49.43	-41.22	0.00	0.00	55.56	84.10	0.00
Evli GEM	268.79	-1.35	4.11	-1.85	93.36	98.33	1.74
Evli GEM X	81.56	-70.00	0.00	0.00	77.21	99.90	1.82
Evli Global	94.23	0.25	0.00	-5.65	98.86	99.28	5.23
Evli Global X	99.24	5.58	0.00	-5.65	99.30	99.28	5.51
Evli Hannibal	197.27	136.00	0.00	0.00	91.00	100.00	0.88
Evli Impact Equity	497.81	348.39	2.84	-2.67	97.66	99.66	15.81
Evli Japan	75.68	32.23	7.23	-1.95	89.52	99.17	1.86
Evli Nordic	90.47	116.37	0.00	-1.84	97.08	99.33	5.59
Evli Nordic Small Cap	10.14	-86.22	0.00	-2.10	74.25	73.60	3.69
Evli North America	100.05	4.22	8.02	3.13	99.43	99.21	3.70
Evli Silver and Gold	327.44		1.23	1.23	83.35		0.00
Evli Sweden Equity Index	14.86	-6.00	0.00	0.00	98.84	100.00	0.37
Evli Swedish Small Cap	54.21	16.68	0.00	0.00	76.19	86.82	4.62
Evli UK Value Fund	93.63		6.99	6.99	92.62		0.00
Evli USA Growth	17.35	-80.58	0.29	-4.05	97.47	99.23	9.64

Sources: Evli, MSCI ESG Research.

[1] Evli uses weighted average carbon intensity to measure carbon footprint. A fund's weighted average carbon intensity is calculated by dividing the company-specific scope 1 and scope 2 greenhouse gas emissions by the company's revenues. After that, company-specific carbon intensity is multiplied by the company's portfolio weight. The fund-specific carbon footprint is a sum of company-specific carbon intensities apportioned based on portfolio weights. Scope 1 greenhouse gas emissions refer to emissions directly occurring from sources that are owned or controlled by the company. Scope 2 greenhouse gas emissions refer to indirect emissions generated in the production of electricity purchased by the company.

[2] Compared to benchmark figure shows how the fund compares to corresponding figures for the benchmark index. As it is not possible to calculate this figure to all benchmark indices, some sections are left blank.

[3] Weight of companies owning fossil fuel reserves shows the share of companies owning coal, gas or oil reserves in the fund. In this report coal reserves refer to use of coal in energy production (thermal coal).

[4] Coverage indicates the share of fund's/index's holdings (measured by market value) for which emissions data is available. The emissions data is based on emissions reported by the companies or other publicly available emissions data (e.g. CDP) and the data provider's estimate of emissions.

[5] Shows the share of companies which have been classified in MSCI's Low Carbon Transition Classification to Solutions category. The Solutions category means that, according to MSCI's analysis, the companies in this category have the potential to benefit through the growth of low-carbon products and services.

	Carbon intensity (tonnes of CO_2eq / USD million sales)[1]	Compared to benchmark index (%-points)[2]	Weight of companies owning fossil fuel reserves (%)[3]	Compared to benchmark index (%-points)[2]	Coverage / fund (%)[4]	Coverage / benchmark (%)[4]	Investments in Solutions class in the MSCI Low Carbon Transition classification (%)[5]
Corporate Bond Funds							
Evli Corporate Bond	58.41	-37.98	0.78	-4.73	88.07	97.31	7.48
Evli Emerging Markets Credit	454.56	2.52	14.61	-0.25	53.92	83.56	3.28
Evli Euro Liquidity	97.87		0.00	0.00	64.41		2.00
Evli European High Yield	67.93	-43.26	0.00	-2.15	59.82	73.52	0.51
Evli European Investment Grade	47.21	-49.87	0.91	-4.59	93.29	97.31	8.60
Evli Green Corporate Bond	89.32	-28.09	2.97	-3.23	91.68	99.40	11.38
Evli Nordic Corporate Bond	88.41	5.52	0.00	-4.90	71.31	97.08	5.63
Evli Nordic High Yield	118.03		0.00	0.00	31.64		1.31
Evli Short Corporate Bond	109.53		0.00	0.00	81.46		1.96

Sources: Evli, MSCI ESG Research.

[1] Evli uses weighted average carbon intensity to measure carbon footprint. A fund's weighted average carbon intensity is calculated by dividing the company-specific scope 1 and scope 2 greenhouse gas emissions by the company's revenues. After that, company-specific carbon intensity is multiplied by the company's portfolio weight. The fund-specific carbon footprint is a sum of company-specific carbon intensities apportioned based on portfolio weights. Scope 1 greenhouse gas emissions refer to emissions directly occurring from sources that are owned or controlled by the company. Scope 2 greenhouse gas emissions refer to indirect emissions generated in the production of electricity purchased by the company.

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Nature related metrics

Evli's nature and biodiversity-related risks and opportunities are examined through investment activities. Risks arising through investments can be physical or transition-related, and they result from the nature-related dependencies and impacts of investee companies. Nature-related opportunities are primarily investment targets that promote the green transition and biodiversity, for example, in line with the EU taxonomy objectives.

Evli has analyzed the exposure of its equity and corporate bond funds to biodiversity-related risks by mapping the share of investments that 1) operate in sectors that are significant for nature, or 2) operate in nature-sensitive areas. These metrics are recommended by the TNFD for financial sector actors. The analysis is based on MSCI data, from which the investment shares in the relevant sectors and areas have been calculated based on the investments' relative share in the portfolio.

The TNFD-defined sectors that are significant for nature are based on the GICS classification standard. Sector-specific figures are reported at the higher-level GICS sector classification, but the figures are based on more granular sector data according to the TNFD's list of nature-significant sectors.

Nature-sensitive areas are defined based on MSCI data on companies that have at least three known operational locations in biodiversity-sensitive areas. Sensitive areas are classified as healthy forests, intact areas, important conservation areas, and deforestation areas. In addition, the metric takes into account companies that have reported owning, leasing, or managing operational sites in or in the immediate vicinity of such areas.

Based on these metrics, the share of nature-significant sectors in Evli's equity and corporate bond funds is 49 percent. The largest share is in the Materials sector. The ENCORE tool enables examination of nature impacts and dependencies at the sector level. The Materials sector includes sub-sectors such as chemicals, containers and packaging, and metals and mining. Significant nature impacts for this sector may include toxic waste reaching water and soil, or noise pollution from operations. The Materials sector is particularly dependent on ecosystem services related to precipitation and water purification. It should be noted regarding ENCORE results that the analysis data is sector-specific and does not directly indicate how individual companies operate or what impacts and dependencies their operations actually have.

Sector[1]	Share of equity and corporate bond fund investments operating in sectors significant for biodiversity[2]
Consumer Discretionary	7%
Consumer Staples	4%
Energy	1%
Health Care	4%
Industrials	7%
Information Technology	2%
Materials	11%
Real Estate	8%
Utilities	4%
Not relevant	51%

Sources: Evli, MSCI

[1] The sectors significant for nature in accordance with TNFD recommendations are: energy equipment and services; oil, gas and consumable fuels; chemicals; construction materials; containers and packaging; metals and mining; paper and forest products; air freight and logistics; passenger airlines; marine transportation; ground transportation; transportation infrastructure; auto components; automobiles; household durables; textiles, apparel and luxury goods; hotels, restaurants and leisure; consumer staples distribution and retail; beverages; food products; tobacco; household products; personal care products; biotechnology; pharmaceuticals; semiconductors and semiconductor equipment; commercial services and supplies; electric utilities; gas utilities; multi-utilities; water utilities; independent power and renewable electricity producers; homebuilding; construction and engineering; real estate management and development; diversified REITs; industrial REITs; hotel and resort REITs; office REITs; health care REITs; residential REITs; and retail REITs.

[2] Data coverage 88%.

	Share of equity and corporate bond fund investments operating in biodiversity-sensitive areas
Operations in sensitive areas	47.3%
Activities that negatively affect biodiversity-sensitive areas	8.4%
No operations in sensitive areas	42.1%
Data not available	10.6%

Sources: Evli, MSCI
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47.3 percent of Evli's investments are directed to biodiversity-sensitive areas. In addition, the sensitive areas analysis presents the PAI indicator "Activities that negatively affect biodiversity-sensitive areas", which describes the principal adverse sustainability impacts. The indicator represents the share of investments that operate in nature-sensitive areas and have had negative nature impacts. The share of such investments has been 8.4 percent.

While sector-based and operational area-based analysis helps to understand the nature and biodiversity-related risks of investments, it alone does not provide a complete picture of the investment portfolio's exposure to nature risks or of the impacts of investee companies' operations on nature. Company-specific approaches to preserving or restoring biodiversity may vary within a sector and regionally. Companies may also have nature-related targets or operational guidelines that fall outside the scope of this analysis. In addition, it should be noted that not all companies necessarily report comprehensively on their nature-related impacts.

Evli aims to continue developing its nature-related approach regarding analysis, metrics, and reporting.

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