

ESG RATING METHODOLOGY FOR EVLI'S FUND-OF-FUNDS

This document describes the methodology used for the ESG¹ ratings included in the marketing materials of alternative fund-of-funds managed by Evli Fund Management Company Ltd (hereafter referred as "Evli"), in accordance with Regulation (EU) 2024/3005. Before investing and on a regular basis thereafter, the fund-of-funds conduct ESG analyses of the relevant management companies and target funds. Based on this internal analysis, an ESG rating is assigned. Below information relates to the following alternative fund-of-funds: Evli Private Equity Funds, Evli Infrastructure Funds, Evli Private Debt Funds and Evli Impact Forest Funds.

a) An overview of the rating methodologies used and any changes made to them, including whether the analysis is backward-looking (historical) or forward-looking, and the time horizon covered

The ESG rating is based on the Evli team's assessment of the target funds and their fund managers' ESG commitment and processes. During the due diligence phase all target funds are asked to fill out Evli's ESG Due Diligence Questionnaire. After the investment is made the investment team continues to monitor the ESG performance and development of the target funds. The ESG assessment is repeated yearly by sending out Evli's Annual ESG Questionnaire. The data is based on the previous calendar year. If there are significant changes in the fund managers ESG approach or practices, the ESG rating of the target fund can be adjusted.

The ESG rating of Evli Impact Forest Funds is based on the evaluation at the time of each commitment. Given the relatively stable composition of the managers and assets in the portfolio throughout the Fund's term, an annual re-assessment of the ESG rating is not considered necessary currently.

The rating scale may be revised over time to reflect developments in ESG practices and evolving market standards.

b) The industry classification system used

The industry is not considered in the ESG rating.

c) An overview of data sources, including whether data is sourced from sustainability statements required under Directive 2013/34/EU or from information disclosed under Regulation (EU) 2019/2088 and whether sources are public or non-public, and an overview of data processes, estimation of input data in case of unavailability and frequency of data updates

Data is obtained through Evli's ESG questionnaire responses provided directly by the target fund manager. This information is not considered to be sourced directly from disclosures made pursuant to Directive 2013/34/EU or Regulation (EU) 2019/2088. The source is non-public unless the respondent has also published the same information through external channels. The information is obtained before first investment and yearly thereafter.

d) The ownership structure of the ESG rating provider

The ESG analysis and rating concern alternative fund-of-funds managed by Evli Fund Management Company Ltd and are conducted internally. Evli Fund Management Company Ltd is 100% owned by Evli Plc.

¹ESG is an abbreviation from words Environment, Social and Governance

e) **Information on whether and how the rating methodologies are based on scientific evidence**

The ESG rating is not based on scientific evidence.

f) **Information on the ESG rating's clearly defined objective and marking whether the rating is assessing risks, impacts, or both, according to the double materiality principle, or any other dimensions, and in the case of double materiality the proportion of the risk and impact materiality**

Approach to ESG integration is driven by the need to understand the fund managers' commitment to ESG, how they integrate ESG factors in different stages of the investment process, and how the fund managers' report on their progress in ESG. Both risk and impact factors are considered, with approximately equal weighting.

g) **The ESG rating's scope, namely, whether it covers an individual E, S, or G factor or whether it is an aggregated rating aggregating E, S and G factors, or whether it covers specific issues such as transition risks**

Overall rating combines E, S and G factors. More information regarding rating can be found in the section h.

h) **In the case of an aggregated ESG rating, the weighting of the three overarching E, S and G categories of factors (for example 33% for the E factor, 33% for the S factor, 33% for the G factor), and the explanation of the weighting method, including weight per individual E, S and G category**

The ESG rating considers E, S and G factors. However, these factors are integrated within the methodology and cannot be clearly separated. The ESG rating consists of five main areas (share of total points): ESG commitment and policies (20%); ESG in investment process (20%); ESG in ownership phase (30%); ESG reporting and disclosure (15%); Climate, biodiversity, and diversity & inclusion (15%).

For Evli Impact Forest Funds, the ESG rating consists of five main areas (share of total points): ESG commitment and policies (15%); Sustainable Forest management (35%); ESG and investments (15%); Carbon measurement & reporting (20%); General ESG reporting and disclosure (15%).

The rating classes may be revised over time to reflect developments in ESG practices and evolving market standards.

i) **Within the E, S or G factors, specification of the topics covered by the ESG rating, and whether they correspond to the topics from the sustainability reporting standards developed pursuant to Article 29b of Directive 2013/34/EU**

In accordance with Article 29b of Directive 2013/34/EU, the environmental (E) component includes climate-related data provided by fund managers, such as greenhouse gas (GHG) emissions, the share of renewable energy consumption at the target fund level, the manager's capacity to identify and address climate-related risks and opportunities (including the frameworks and tools applied), climate-related commitments and targets, and the scope and quality of climate reporting.

The social (S) component includes diversity-related metrics and targets applicable to both the fund manager and portfolio companies.

The governance (G) component covers ESG-related commitments and policies, including adherence to standards, exclusion policies, sustainability objectives, and the integration of ESG considerations into ownership practices, investment processes, and reporting.

In addition to the above, Evli Impact Forest Funds require its forestry assets to be certified under either the FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification) certification schemes. Evli Impact Forest Funds also conducts ongoing monitoring of fund managers' implementation of carbon impact initiatives and broader ESG activities across their portfolios.

j) Information on whether the rating is expressed in absolute or relative value

ESG rating is expressed as a relative value.

k) Where applicable, reference to the use of artificial intelligence in the data collection or rating process including information about current limitations and risks of using artificial intelligence

The ESG rating is based on the Evli team's own assessment of the target funds and their fund managers' ESG commitment and processes. ESG questionnaire is answered by the target fund managers and the responses are not audited.

l) General information on criteria used for establishing fees charged to clients, specifying the various elements taken into consideration, and general information on the business/payment model

Not relevant in this context.

m) Any limitation in data sources and methodologies used for the construction of ESG ratings

The ESG rating is based on the Evli team's own assessment of the target funds and their fund managers' ESG commitment and processes. ESG questionnaire is answered by the target fund managers and the responses are not audited.

n) The main risks of conflicts of interest and the measures implemented to mitigate them

Not relevant in this context.

o) If an ESG rating of a rated item covers the E factor, information on whether that rating takes into account the targets and objectives of the Paris Agreement or any other relevant international agreements

The ESG Questionnaire includes questions relating to climate-related commitments and targets (incl. the portfolio level), biodiversity-related targets and the international standards and frameworks to which the respondent adheres. Full points are awarded when the manager complies with multiple international standards.

p) If an ESG rating of a rated item covers the S and G factors, information on whether that rating takes into account any relevant international agreements

The ESG Questionnaire includes questions relating to diversity targets and metrics, metrics used to monitor social and human rights matters, applicable policies and commitments and, the international standards and frameworks to which the respondent adheres. Full points are awarded when the manager complies with multiple international standards.

q) Any limitations in the information available to the ESG rating provider

The ESG rating is based on the Evli team's own assessment of the target funds and their fund managers' ESG commitment and processes. ESG questionnaire is answered by the target fund managers and the responses are not audited.