

Table 1

Statement on the principal adverse sustainability impacts of investment decisions

Financial market participant eQ Asset Management Ltd., LEI: 743700V8NFLW66YKYD58

Summary

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 2023 to 31 December 2023.

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.

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.

Published on 30 June 2024

Description of the principal adverse sustainability impacts

'Sustainability factors' mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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 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, 2023 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.-31.12.2023 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 the individual PAI indicator, which will be officially published for the second time in the summer of 2024, is not yet meaningful. It is important to monitor the trend development of the PAI indicator reading in the long term. First, however, you need to get more data points and improve the coverage and quality of the data.

Table 1

Indicators applied for investment in companies as investment products

Sustainability indicator describing the level of harm	Metric	Impact 2023 * ** ****	Impact [year n-1]	Description	Measures taken and the measures planned and targets set for the next reference period	
INDICATORS RELATED TO THE CLIMATE AND OTHER ENVIRONMENTAL FACTORS						
Greenhouse gas emissions	1. Greenhouse gas emissions	Scope 1 – greenhouse gas emissions	76 205 tCO ₂ e (78 %)	87 098 tCO ₂ e (76 %)		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 and fixed income funds (amount of target
		Scope 2 – greenhouse gas emissions	28 125 tCO ₂ e (79 %)	26 354 tCO ₂ e (76 %)		
		Scope 3 – greenhouse gas emissions	688 413 tCO ₂ e (78 %)	564 073 tCO ₂ e (75 %)		
		Total greenhouse gas emissions	780 210 tCO ₂ e (78 %)	677 707 tCO ₂ e (75 %)		
	2. Carbon footprint	Carbon footprint	449,79 tCO ₂ e/m€ (78 %)	374,21 tCO ₂ e/m€ (79 %)		

	3. Intensity of greenhouse gas emissions of companies we have invested in	Intensity of greenhouse gas emissions of companies we have invested in	798,71 tCO ₂ e/m€ (82 %)	737,39 tCO ₂ e/m€ (79 %)		<p>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).</p> <p>Exclusion</p> <p>Article 9 of eQ in the fund's investment process excludes e.g. the following industries (fossil energy and industries where a sustainable strategy does</p>
	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	6,4 % (80 %)	5,9 % (76 %)		
	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	68,7 % (59 %)	70,0 % (64 %)		
	6. The intensity of energy consumption per area that has a significant climate impact	Energy consumption as gigawatthours per million euros produced by the	NACE sector A (Agriculture, forestry and fishing) 0,95 GWh/m€ (0,0005%)	0,7 GWh/m€ (68 %)	Impact 2023: The coverage of the reviewed data is approximately 55%. It contains investment	

		<p>companies we have invested in calculated per area that has a significant climate impact</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>targets for which both the energy consumption intensity and the NACE code from the MSCI system can be found.</p>	<p>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>Period 2023</p> <p>The PAI indicator figures have remained on average at the same levels as in 2022. On the other hand, a slight improvement can be seen in the coverage of the numbers in 2023 vs. 2022.</p> <p>The trend of fixed income and equity funds' carbon emissions has been monitored since 2017. The fund-specific ESG reports show that the carbon intensity (scope 1 + scope 2) trend of the funds has been decreasing in the long term. With the PAI indicator calculation, scope 3 emissions have</p>
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			<p>motorcycles) 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>also been monitored, which are still largely estimates made by the ESG data supplier MSCI. To a large extent, companies do not yet self- report Scope 3 greenhouse gas emissions.</p> <p>eQ's actively managed fund investments had no voting needs during 2023. The partners Fidelity (active Article 8 eQ Europe Active fund) and Vanguard (eQ's index funds) have exercised voting rights and held engagement discussions with investment targets during 2023.</p> <p>One important engagement theme of eQ is related to the existence of emission reduction targets for the investment targets of actively managed interest and equity funds. eQ feels that the science-based emission reduction target set by the investment</p>
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						<p>targets is a concretely good measure for monitoring the development of companies' climate work. eQ has been following this development in investment targets for a few years now. Last year, in 2023, eQ carried out an emissions survey for all investment targets of actively managed funds whose emission reduction targets could not be found in MSCI's position. In all actively managed interest and equity funds, the growth of science-based emission reduction targets can be seen in the investment targets. An important question for eQ's portfolio managers is what exactly belongs to those companies that have not yet set an emission reduction target. In addition, eQ encourages companies to set science-based emission reduction targets for their own</p>
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					<p>operations through the Science Based Target Initiative (SBTi) organized by CDP.</p> <p>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 second time in the summer of 2024, is not yet meaningful. It is important to monitor the trend development of the PAI indicator reading in the long term. First, however, you need to get more data points and improve the coverage and quality of the data.</p> <p>Plans for 2024</p> <p>Investment targets are monitored regularly with the help of sustainability indicators defined by eQ, and efforts are made to influence the companies' operating methods.</p>
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					<p>In fixed income and equity investments, eQ is a signatory to CDP's Climate Change program. eQ occasionally participates in joint influence initiatives together with other investors. Since 2019, eQ has been involved in the Science Based Target Initiative organized by CDP, which encourages companies to set science-based emission reduction targets for their own operations.</p> <p>At the end of 2023, eQ adopted the new PAI additional indicators for monitoring and reporting, Article 9 and Article 8 of eQ for fixed income and equity funds: Emission targets in accordance with the Paris Climate Agreement, Due diligence to monitor the realization of human rights and Processes to prevent human trafficking (only applies to Article 9 funds).</p>
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						<p>The engagement theme for 2024 will be about human rights.</p> <p>eQ monitors how the EU's CSRD reporting obligation, which has entered into force, will in the long term increase and improve the responsibility information provided by companies.</p>
Biological diversity	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	0,2 % (80 %)	2,7 % (76 %)		<p>Period 2023</p> <p>This PAI indicator figure slightly decreased and coverage slightly improved compared to 2022.</p> <p>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 second time in the summer of 2024, is not yet meaningful. It is important to monitor the trend development of the PAI indicator reading in the</p>

					<p>long term. First, however, you need to get more data points and improve the coverage and quality of the data.</p> <p>Article 9 of eQ in the equity fund examines and takes into account e.g. regenerative farming and biodiversity and the related activities of the companies.</p> <p>Plans for 2024</p> <p>eQ thinks that setting quantitative targets for biodiversity is still impossible. eQ is currently acquiring information and trying to understand what a science-based target for nature (SBTN, Science-Based Targets for Nature) means in practice and how related calculation methods are developing. In the fall of 2024, eQ will participate in the training organized by Sitra for companies and operators in the financial sector:</p>
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						<p>How is TNFD environmental reporting introduced?</p> <p>eQ monitors how the EU's CSRD reporting obligation, which has entered into force, will increase and improve the responsibility information provided by companies in the long term.</p>
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	0,04 t/m€ (2 %)	0,2 t/m€ (1 %)		<p>Period 2023</p> <p>The coverage of the Emissions to water indicator is still low.</p> <p>eQ has not yet defined threshold values for PAI indicators. In eQ's opinion, interpreting the value of the individual PAI indicator, which will be officially published for the second time in the summer of 2024, is not yet meaningful. It is important to monitor the trend development of the PAI indicator reading in the long term. First, however, you need to get more data</p>

						<p>points and improve the coverage and quality of the data.</p> <p>Plans for 2024</p> <p>eQ monitors how the EU's CSRD reporting obligation, which has entered into force, will increase and improve the responsibility information provided by companies in the long term.</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	1,9 t/m€ (27 %)	1,2 t/m€ (30 %)		<p>Period 2023</p> <p>The coverage of the waste indicator is still low.</p> <p>eQ has not yet defined threshold values for PAI indicators. eQ has not yet defined threshold values for PAI indicators. In eQ's opinion, interpreting the value of the individual PAI indicator, which will be officially published for the second time in the summer of 2024, is not yet meaningful. It is important to monitor the trend development of the PAI indicator reading in the</p>

						<p>long term. First, however, you need to get more data points and improve the coverage and quality of the data.</p> <p>Plans for 2024</p> <p>eQ monitors how the EU's CSRD reporting obligation, which has entered into force, will increase and improve the responsibility information provided by companies in the long term.</p>
<p>INDICATORS RELATED TO SOCIAL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS, AND ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</p>						
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	0,1 % (91 %)	0,1 % (90 %)		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

	<p>11. Lack of processes and mechanisms to monitor that the UN Global Principles of the OECD's operating instructions for multinational companies are followed</p>	<p>Share of companies we have invested in that have no operating principles for monitoring adherence to the UN Global 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>	<p>47,2 % (80 %)</p>	<p>40,3 % (76 %)</p>		<p>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.</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>Period 2023</p> <p>eQ's actively managed fixed income and equity funds had no norm violations in 2023. 21 of the norm violations in 2023 were in eQ's index funds (in index funds, a</p>
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						<p>total of about 3,500 companies).</p> <p>Plans for 2024</p> <p>eQ monitors how the EU's CSRD reporting obligation, which has entered into force, will increase and improve the responsibility information provided by companies in the long term.</p>
	<p>12. Wage differentials between genders not evened</p>	<p>The unadjusted gender pay gap in the companies we have invested in</p>	<p>10,9 % (16 %)</p>	<p>13,3 % (15 %)</p>		<p>Period 2023</p> <p>No significant change in the figure and coverage of the PAI indicator compared to 2022.</p> <p>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 second time in the summer of 2024, is not yet meaningful. It is important to monitor the trend development of the PAI indicator reading in the</p>

						<p>long term. First, however, you need to get more data points and improve the coverage and quality of the data.</p> <p>Plans for 2024</p> <p>eQ monitors how the EU's CSRD reporting obligation, which has entered into force, will increase and improve the responsibility information provided by companies in the long term.</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	31,7 % (28 %)	31,1 % (25 %)		<p>Period 2023</p> <p>No significant change in the figure and coverage of the PAI indicator compared to 2022.</p> <p>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 second time in the summer of 2024, is not yet meaningful. It is important</p>

						<p>to monitor the trend development of the PAI indicator reading in the long term. First, however, you need to get more data points and improve the coverage and quality of the data.</p> <p>Plans for 2024</p> <p>eQ monitors how the EU's CSRD reporting obligation, which has entered into force, will increase and improve the responsibility information provided by companies in the long term.</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 % (80 %)</p>	<p>0,1 % (76 %)</p>		<p>Period 2023</p> <p>The numerical value of the indicator is very small (0.1%) and there is no big change in the coverage.</p> <p>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</p>

					<p>second time in the summer of 2024, is not yet meaningful. It is important to monitor the trend development of the PAI indicator reading in the long term. First, however, you need to get more data points and improve the coverage and quality of the data.</p> <p>Exclusion</p> <p>Article 9 In the investment process of eQ Blue Planet fund, e.g. the following industries (arms and defense industry). In addition, if the company has a verified norm violation in controversial weapons defined by eQ (e.g. cluster bombs and chemical weapons), the investment cannot be made in all funds managed by eQ itself. The exclusion regarding eQ's investment processes is described in more detail in eQ Asset Management Ltd.'s responsible</p>
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						<p>investment principles on eQ's website.</p> <p>Plans for 2024</p> <p>eQ monitors how the EU's CSRD reporting obligation, which has entered into force, will increase and improve the responsibility information provided by companies in the long term.</p>
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ADDITIONAL INDACATORS RELATED TO THE CLIMATE AND OTHER ENVIRONMENTAL FACTORS

Indicators aplied for investment in companies as investment products

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	53 % (81 %)	The indicator has been monitored since 2023		<p>Period 2023</p> <p>New additional PAI indicator.</p> <p>One important engagement theme of eQ is related to the existence of emission reduction targets for the investment targets of actively managed interest and equity funds. eQ feels that the science-based emission reduction target set by the investment targets is a good concrete</p>
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						<p>measure for monitoring the development of companies' climate work. eQ has been following this development in investment targets for a few years now. Last year, in 2023, eQ carried out an emissions survey for all investment targets of actively managed funds whose emission reduction targets could not be found in MSCI's position. In all actively managed interest and equity funds, the growth of science-based emission reduction targets can be seen in the investment targets. An important question for eQ's portfolio managers is what exactly belongs to those companies that have not yet set up emission reduction target. In addition, eQ encourages companies to set science-based emission reduction targets for their own operations through the Science Based Target</p>
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					<p>Initiative (SBTi) organized by CDP.</p> <p>eQ has not yet defined threshold values for PAI indicators. In eQ's view, interpreting the value of the PAI additional indicator, which will be published for the first time in the summer of 2024, is not yet meaningful. It is important to monitor the trend development of the PAI indicator reading in the long term. First, however, you need to get more data points and improve the coverage and quality of the data.</p> <p>Plans 2024</p> <p>eQ monitors how the EU's CSRD reporting obligation, which has entered into force, will increase and improve the responsibility information provided by companies in the long term.</p>
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ADDITIONAL INDICATORS RELATED TO SOCAIL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS AND ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Indicators applied for investment in companies as investment products

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	57 % (81 %)	The indicator has been monitored since 2023		<p>Period 2023</p> <p>New additional PAI indicator.</p> <p>eQ has not yet defined threshold values for PAI indicators. In eQ's view, interpreting the value of the PAI additional indicator, which will be published for the first time in the summer of 2024, is not yet meaningful. It is important to monitor the trend development of the PAI indicator reading in the long term. First, however, you need to get more data points and improve the coverage and quality of the data.</p> <p>Plans 2024</p> <p>eQ's engagement theme is human rights in 2024.</p> <p>Survey 2024 for investment targets of</p>
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						<p>actively managed fixed income and equity funds, for which there is no data yet in this regard via MSCI.</p> <p>The survey consists of:</p> <ul style="list-style-type: none">a. Human rights policy and the due diligence process for monitoring the realization of human rightsb. Human traffickingc. Approved by the board/management teamd. If no process yet -> future plans <p>Results in summer 2024</p> <p>Other:</p> <p>eQ monitors how the EU's CSRD reporting obligation, which has entered into force, will increase and improve the responsibility information provided by companies in the long term.</p>
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	<p>11. Lack of processes and measures for preventing trafficking in human beings</p>	<p>Share of investments in investee companies without policies against trafficking in human beings</p>	<p>88 % (99 %). This indicator is followed only in article 9 eQ Blue Planet fund.</p>	<p>The indicator has been monitored since 2023</p>	<p>Period 2023</p> <p>New additional PAI indicator.</p> <p>eQ has not yet defined threshold values for PAI indicators. In eQ's view, interpreting the value of the PAI additional indicator, which will be published for the first time in the summer of 2024, is not yet meaningful. It is important to monitor the trend development of the PAI indicator reading in the long term. First, however, you need to get more data points and improve the coverage and quality of the data.</p> <p>Plans 2024</p> <p>eQ's engagement theme is human rights in 2024.</p> <p>Survey 2024 for investment targets of actively managed fixed income and equity funds, for which there is no data</p>
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						<p>yet in this regard via MSCI.</p> <p>The survey consists of:</p> <ul style="list-style-type: none">a. Human rights policy and the due diligence process for monitoring the realization of human rightsb. Human traffickingc. Approved by the board/management teamd. If no process yet -> future plans <p>Results in summer 2024</p> <p>Other:</p> <p>eQ monitors how the EU's CSRD reporting obligation, which has entered into force, will increase and improve the responsibility information provided by companies in the long term.</p>

Indicators applied to investment in governments and supranational organisations

Sustainability indicator describing the level of harm		Metric	Impact 2023 * ** ****	Impact [year n-1]	Description	Measures taken and the measures planned and targets set for the next reference period
Environment	15. Greenhouse gas intensity	Intensity of greenhouse gas emissions of countries we have invested in	220,3 tCO ₂ e/m€ (93 %)	222,1 tCO ₂ e/m€ (93 %)		<p>The eQ Euro Government Bond fund mainly invests in euro-denominated bonds issued by countries belonging to the 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</p>

						<p>warming scenario target state °C).</p> <p>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 second time in the summer of 2024, is not yet meaningful. It is important to monitor the trend development of the PAI indicator reading in the long term. First, however, you need to get more data points and improve the coverage and quality of the data.</p> <p>Period 2023</p> <p>No significant change in the number and coverage of the PAI indicator compared to 2022.</p>
Social	16. Countries invested in that have committed a	Number of countries invested in (absolute number and a	0 0,0 % (100 %)	0 0,0 % (77 %)		The fund excludes from its investments issuing countries where the rule of law is not observed. If the

	violation of social code regulations	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>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-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</p>
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						<p>equality of income distribution.</p> <p>Period 2023</p> <p>Data coverage has increased to 100 percent.</p>
<p>Indicators applied to investment in real estate assets</p>						
<p>Sustainability indicator describing the level of harm</p>		<p>Metric</p>	<p>Impact 2023 *** ****</p>	<p>Impact [year n-1]</p>	<p>Description</p>	<p>Measures taken and the measures planned and targets se for the next reference period</p>
Fossil fuels	<p>17. Exposure to a risk related to fossil fuels through real estate assets</p>	<p>Share of investment in such real estate assets that relate to the recover, storage, transport or production of fossil fuels</p>	<p>0 % (100 %)</p>	<p>0 % (100 %)</p>		
Energy efficiency	<p>18. Exposure to a risk related to energy inefficiency real estate assets</p>	<p>Share of investment in energy inefficient real estate assets</p>	<p>69,07 %</p>	<p>73,25 %</p>	<p>The share of GAV of properties with an energy certificate of C or worse as of</p>	<p>eQ's real estate and residential funds have been set a carbon-neutral target for energy consumption during operation by 2030. The</p>

					<p>31 December 2022. Properties without an energy certificate are also classified in the category "energy certificate C or worse". The calculation includes properties owned and completed on 31 December 2023.</p>	<p>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. The set carbon-neutral target guides both the selection process for real estate and measures to promote responsibility and sustainability in the real estate during ownership. In addition, Breeam In Use certification targets with schedules and Very Good target levels have been set for the real estate targets of eQ's funds. With the help of certification, the functionality of both the property and the related maintenance functions is assessed, possible deficiencies are identified and development targets are selected.</p>
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					<p>Period 2023</p> <p>With the reporting reform regarding real estate investments implemented in 2023, eQ monitors and reports the energy class distribution of real estate sites and its development.</p> <p>Plans for 2024</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. Among other things, consumption data for all sites (energy, water, waste) is collected, deviations are monitored and measures are taken based on the data. In addition, measures to improve energy efficiency are carried out in connection with, for example, ventilation, heating and cooling systems, lighting and thermal insulation of structures. The possibility</p>
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						of using geenergy, solar electricity and green district heating is always investigated in the sites. eQ's real estate funds have adopted BREEAM certification during use as one of their important tools for monitoring and developing responsibility and sustainability at the property level. BREEAM certifications continue.
ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS 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	0 tCO2e (100 %) 6 735 tCO2e (100 %) NA	The indicator followed in 2023. No Scope 3 emissions from 2023 yet.		Period 2023 New additional PAI indicator. Coverage of indicators (Scope 1 and Scope 2) 100%. Scope 3 calculation is still under development. The renewal of eQ's sustainable reporting on real estate investments was a key development project in 2023. Property-specific ESG data (energy efficiency MWh, carbon

		<p>Total GHG emissions generated by real estate assets</p>	<p>6 735 tCO2e (100 %)</p>	<p>Total emissions do not yet include Scope 3 emissions.</p>	<p>footprint t CO2, water m3 and waste t) has been systematically collected since 2018, and the first ESG report on real estate investments was published in 2019. eQ carefully evaluates the ESG data needed for analysis and real estate development, its quality and coverage, the data collection process and general development needs in terms of data access and reporting. The reporting reform also moved to fund-specific ESG reports. The renewed ESG report of each fund consists of the fund's basic information and ESG indicators and their trend development. The report also shows the development of the fund's ESG ratings and carbon footprint, as well as key real estate development projects and the results of the tenant satisfaction survey. The waste recycling rate became a</p>
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						<p>new indicator for reporting.</p> <p>Plans for 2024</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. Among other things, consumption data for all sites (energy, water, waste) is collected, deviations are monitored and measures are taken based on the data. In addition, measures to improve energy efficiency are carried out in connection with, for example, ventilation, heating and cooling systems, lighting and thermal insulation of structures. The possibility of using geenergy, solar electricity and green district heating is always investigated in the sites.</p>
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<p>Energy consumption</p>	<p>19. Energy consumption intensity</p>	<p>Energy consumption in GWh of owned real estate assets per square meter</p>	<p>0,00022 (80 %)</p>	<p>The indicator followed in 2023</p>	<p>Period 2023</p> <p>New additional PAI indicator.</p> <p>Indicator's value very low and coverage high.</p> <p>Renewing eQ's sustainability reporting on real estate investments was a key development project in 2023. This has already been described in connection with the previous indicator.</p> <p>Plans for 2024</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. Among other things, consumption data for all sites (energy, water, waste) is collected, deviations are monitored and measures are taken based on the data. In addition, measures to</p>
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						<p>improve energy efficiency are carried out in connection with, for example, ventilation, heating and cooling systems, lighting and thermal insulation of structures. The possibility of using geoenery, solar electricity and green district heating is always investigated in the sites.</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 %)	The indicator followed in 2023		<p>Period 2023</p> <p>New additional PAI indicator.</p> <p>Indicator coverage 100%.</p> <p>In the summer of 2023, the waste recycling rate became a new indicator for ESG reporting. Since the summer, real estate funds have monitored the waste recycling rate and at the same time implemented concrete measures (e.g. space arrangements to facilitate sorting, site-specific recycling and sorting</p>

						<p>guides for tenants) to improve the recycling rate. The recycling rate of eQ Commercial Properties fund 57% (ESG report 31.12.2023) and the recycling rate of eQ Community Properties fund 37% (ESG report 31.12.2023)</p> <p>Plans for 2024</p> <p>Activities will be continued to improve the recycling rate of real estate funds.</p>
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* Data source: MSCI (exc. in indicator 10 ISS ESG). The results for 2023 have been calculated as the average of the six months. The results for 2022 as as of 31 December 2022.

** The number in brackets indicates how extensive the data is (%).

*** Data source: Data of eQ’s real estate

**** 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.

Decription of the operating principles for identifying and prioritising principal adverse sustainability factor

The Board of Directors of eQ Fund Management Company has approved the policies most recently on 13 June 2024. The need to update the principles is assessed annually.

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. 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. 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 second time in the summer of 2024, 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 an 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).

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 regularly assessed by taking into account the PAI indicators applicable to real estate investments. The indicators apply to risks related to fossil fuels and energy inefficiency. In real estate and residential funds, the portfolio manager also monitors the realization of the sustainable investment goal with, among other things, the development of the fund's carbon neutrality target, the results obtained from the GRESB

responsibility assessment, BREEAM In-use certificates and the development of consumption data for individual real estate sites (emissions, energy consumption, water, waste).

Collaboration with significant stakeholders is also key. As an example, let's mention the regular tenant satisfaction survey, the purpose of which is to collect information about the satisfaction and experiences of the users of the sites, to identify development targets for both individual properties and eQ's own operations and processes as well as those of its partners.

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's 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.