



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

eQ Fund Management Company Ltd.

30.6.2026

## Versio history

Version	Applied (date)	Changes
1.0	30.6.2023	First version
2.0	30.6.2024	Updated reporting for indicators 6 in Table 1 and additional indicators added. The statement on the principal adverse sustainability impacts of investment decisions on sustainability factors published on behalf of eQ Fund Management Company Ltd.
3.0	30.6.2025	The engagement activities implemented have been specified (including engagement discussions and voting).
4.0	30.6.2026	No changes

*Table 1*

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

**Financial market participant** eQ Fund Management Company Ltd., LEI: 7437000245ZT25KXG802

**Summary**

eQ Fund Management Company has outsourced the portfolio management and investment operations of all the funds it manages to eQ Asset Management Ltd (hereinafter jointly referred to as “eQ”). eQ 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 2025 to 31 December 2025.

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 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 2026

**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 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, 2025 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. Over the past two years, the quality and coverage of data provided by these funds have improved, and further progress is expected in the coming years. PAI indicator data received from the private equity underlying funds for the reference period 1 January–31 December 2025, together with the observations based on such data, will be reported in eQ's fund-specific private equity investment reports, which are provided to investors in the respective 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, it is not yet meaningful to interpret the value of an individual PAI indicator, which is being officially published for the fourth time in summer 2026. More relevant is the long-term trend in PAI indicators, as data quality and coverage continue to improve and the measurement results become progressively more accurate over time.

Table 1

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

Sustainability indicator describing the level of harm	Metric	Impact 2025 (coverage)  *  **	Impact 2024 (coverage)	Description	Measures taken and the measures planned and targets set for the next reference period
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**INDICATORS RELATED TO THE CLIMATE AND OTHER ENVIRONMENTAL FACTORS**

Greenhouse gas emissions	1. GHG emissions	Scope 1 – GHG emissions	89 623 tCO <sub>2</sub> e (84 %)	70 621 tCO <sub>2</sub> e (81 %)		eQ's key sustainable investment approaches ESG integration into investment practices, active ownership and engagement, and exclusion. 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,
		Scope 2 – GHG emissions	33 085 tCO <sub>2</sub> e (81 %)	30 040 tCO <sub>2</sub> e (81 %)		
		Scope 3 – GHG emissions	915 188 tCO <sub>2</sub> e (81 %)	769 227 tCO <sub>2</sub> e (81 %)		
		Total GHG emissions	1 047 062 tCO <sub>2</sub> e (81 %)	876 472 tCO <sub>2</sub> e (81 %)		
	2. Carbon footprint	Carbon footprint	511,84 tCO <sub>2</sub> e/m€ (84 %)	420,11 tCO <sub>2</sub> e/m€ (81 %)		

	3. Intensity of greenhouse gas emissions of companies we have invested in	Intensity of greenhouse gas emissions of companies we have invested in	859,58 tCO <sub>2</sub> e/m€ (84 %)	856,17 tCO <sub>2</sub> e/m€ (84 %)		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 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 STOXX).  <b>Exclusion</b> In eQ's Article 9 equity fund, excluded investments include, among others, companies referred to in Article 12(1)(a)–(g) of Commission Delegated Regulation (EU)
	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	6,7 % (83 %)	6,6 % (81 %)		
	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	64,2 % (82 %)	67,4 % (79 %)		
	6. The intensity of energy consumption per area that has a significant climate impact	Energy consumption as gigawatthours per million euros produced by the companies we have	NACE sector A (Agriculture, forestry and fishing) 0,48 GWh/m€ (0,00031 %)	NACE sector A (Agriculture, forestry and fishing) 0,71 GWh/m€ (0,00033 %)		

		<p>invested in calculated per area that has a significant climate impact</p>	<p>NACE sector B (Mining and quarrying) 0,86 GWh /m€ (0,36%)</p> <p>NACE sector C (Manufacturing) 0,66 GWh /m€ (25,4%)</p> <p>NACE sector D (Electricity, gas, steam and air conditioning supply) 4,27 GWh /m€ (1,95%)</p> <p>NACE sector E (Water supply; sewerage, waste management) 1,59 GWh /m€ (0,13 %)</p> <p>NACE sector F (Construction) 0,07 GWh /m€ (1,36%)</p> <p>NACE sector G (Wholesale and retail trade repair of motor vehicles and</p>	<p>NACE sector B (Mining and quarrying) 0,79 GWh /m€ (0,41%)</p> <p>NACE sector C (Manufacturing) 0,53 GWh /m€ (25,4%)</p> <p>NACE sector D (Electricity, gas, steam and air conditioning supply) 3,71 GWh /m€ (1,93%)</p> <p>NACE sector E (Water supply; sewerage, waste management) 1,52 GWh /m€ (0,13 %)</p> <p>NACE sector F (Construction) 0,25 GWh /m€ (1,27%)</p> <p>NACE sector G (Wholesale and retail trade repair of motor vehicles and</p>		<p>2020/1818, as well as companies operating in the following sectors: fossil energy, gambling, alcohol, tobacco, weapons and defence, and soft drinks. The exclusion criteria is described in more detail in <a href="#">eQ Asset Management's and eQ Fund Management Company's responsible investment principles</a> on eQ's website.</p> <p><b>Period 2025</b></p> <p>The values of the PAI indicators have remained largely at the 2024 levels. A slight increase has been observed in Scope 3 emissions; however, data coverage has improved compared to the previous year.</p> <p>The trend in carbon emissions from fixed income and equity funds has been monitored since 2017. Fund-specific ESG reports show that the trend in the carbon</p>
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			<p>motorcycles) 0,10 GWh /m€ 3,61%)</p> <p>NACE sector H (Transportation and storage) 1,55 GWh /m€ (1,46 %)</p> <p>NACE sector L (real estate activities) 0,47 GWh /m€ (1,22%)</p>	<p>motorcycle) 0,09 GWh /m€ 3,92%)</p> <p>NACE sector H (Transportation and storage) 1,38 GWh /m€ (1,31 %)</p> <p>NACE sector L (real estate activities) 0,49 GWh/m€ (1,08%)</p>	<p>intensity (scope 1 + scope 2) of funds has been declining in the long term. With the introduction of PAI indicator calculations, scope 3 emissions have also been included in the monitoring, which are still largely estimates made by ESG data provider MSCI. For the most part, companies do not yet report Scope 3 greenhouse gas emissions themselves.</p> <p>There were no voting matters requiring action in the holdings of eQ's actively managed funds during 2025. However, eQ's investment partners Fidelity (for the actively managed Article 8 fund eQ European Equity Active) and Vanguard (for eQ's index funds) exercised voting rights and engaged with investee companies throughout 2025.</p>
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						<p>Fidelity conducted engagement activities with 50 portfolio companies held by the eQ European Equity Active Fund. Key topics included executive remuneration, board effectiveness, greenhouse gas emissions, water use, and workforce management. Fidelity also voted at 56 shareholder meetings on matters including business practices, remuneration, corporate strategy, and ownership arrangements.</p> <p>Vanguard's stewardship activities cover companies in the United States, Europe, emerging markets, and Japan. In 2025, Vanguard-managed funds voted at more than 13,000 shareholder meetings and on more than 190,000 shareholder</p>
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					<p>proposals. In addition, under its Investment Stewardship programme, Vanguard engaged with more than 1,300 companies, representing approximately 55% of the equity portfolio's assets under management (AUM). Engagement topics included corporate governance, strategy, remuneration, and shareholder rights.</p> <p>Biodiversity was the engagement theme for eQ's actively managed equity and fixed income funds in 2025.</p> <p>A biodiversity survey was conducted to assess how investee companies take biodiversity into account in their business operations, the measures they have implemented to mitigate biodiversity loss, their reporting of biodiversity-related impacts, risks and dependencies, as well as</p>
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						<p>any biodiversity-related targets and metrics that have been established or are under development.</p> <p>The survey was sent to more than 550 companies, of which 165 responded. The responses provided valuable additional insights into the current practices of companies and their plans for further developing the consideration and monitoring of biodiversity. Further information on the results is available <a href="#">eQ Group Sustainability Report 2025</a> eQ also monitors the increasing adoption of Science Based Targets (SBTs) through a collaborative engagement initiative coordinated by CDP. The number of approved SBTs increased significantly in 2025, rising from approximately 7,000 to 10,000.</p>
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						<p>According to SBTi Trend Tracker data (August 2025), SBTs now cover more than 40% of global market capitalisation and approximately 25% of global revenue.</p> <p>eQ reports the distribution of investments with Science Based Targets on a fund-specific basis in its fund-level ESG reports.</p> <p><b>Plans for 2026</b></p> <p>Portfolio companies are monitored on a regular basis using sustainability indicators defined by eQ, and efforts are made to influence corporate practices through active engagement.</p> <p>For its fixed income and equity investments, eQ is a signatory to CDP's Climate Change programme and also monitors the growing adoption of Science Based Targets (SBTs) through a collaborative</p>
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						<p>engagement initiative coordinated by CDP.</p> <p>The engagement theme for spring 2026 will be a cybersecurity survey directed at investee companies. The purpose of the survey is to assess the current state of cybersecurity within companies, including governance and responsibilities, policies and practices, tools and technologies, employee training, investments, cybersecurity incidents, and future outlooks.</p>
Biodiversity	7. Functions that have a negative impact on areas with sensitive biological diversity	Share of companies we have invested in that have locations or functions in areas with sensitive biological diversity or near them and where the functions of these companies have a negative impact on such an area	8,2 % (83 %)	7,6 % (81 %)		<p><b>Period 2025</b></p> <p>No significant changes were observed in either the value of the PAI indicator or data coverage compared with 2024.</p> <p>In eQ’s view, it is not yet meaningful to interpret the value of an individual PAI indicator, which is being officially published</p>

						<p>for the fourth time in summer 2026. More relevant is the long-term trend in PAI indicators, as data quality and coverage continue to improve and measurement results become progressively more accurate over time.</p> <p>Within eQ's Article 9 equity fund, topics such as regenerative agriculture and biodiversity, as well as related corporate actions, are assessed and taken into consideration as part of the investment process.</p> <p>Biodiversity was the engagement theme for eQ's actively managed equity and fixed income funds in 2025. A biodiversity survey was conducted to assess how companies take biodiversity into account in their business</p>
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						<p>operations, the measures implemented to mitigate biodiversity loss, the reporting of biodiversity-related impacts, risks and dependencies, and any biodiversity-related targets and metrics that have been established or are under development.</p> <p>The survey was sent to more than 550 companies, of which 165 responded. The responses provided valuable additional insights into the current practices of companies and their plans for further developing the consideration and monitoring of biodiversity. Further information on the results can be found in <a href="#">eQ Group Sustainability Report 2025</a>.</p> <p><b>Plans for 2026</b></p> <p>The engagement theme for spring 2026 is a</p>
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						cybersecurity survey directed at investee companies. The purpose of the survey is to assess the current state of cybersecurity within companies from the perspectives of governance and responsibilities, policies and practices, tools and technologies, employee training, investments, cybersecurity incidents, and future outlooks.
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	0,15 t/m€ (9 %)	0,1 t/m€ (3 %)		<p><b>Period 2025</b></p> <p>No change was observed in the value of the PAI indicator compared with 2024. Data coverage has improved slightly.</p> <p>In eQ's view, it is not yet meaningful to interpret the value of an individual PAI indicator, which is being officially published for the fourth time in summer 2026. More relevant is the long-term trend in PAI indicators, as</p>

						<p>data quality and coverage continue to improve and measurement results become progressively more accurate over time.</p> <p><b>Plans for 2026</b></p> <p>Cybersecurity Survey for portfolio companies of eQ's actively managed equity and fixed income Funds.</p>
Waste	9. Amount of hazardous waste and radioactive waste	The weighted average of hazardous waste and radioactive waste caused by companies we have invested in as tons per million euros invested	1,4 t/m€ (82 %)	1,2 t/m€ (77 %)		<p><b>Period 2025</b></p> <p>The coverage of the indicator has improved compared with 2024.</p> <p>In eQ's view, it is not yet meaningful to interpret the value of an individual PAI indicator, which is being officially published for the fourth time in summer 2026. More relevant is the long-term trend in PAI indicators, as data quality and coverage continue to improve and measurement results</p>

						<p>become progressively more accurate over time.</p> <p><b>Plans for 2026</b></p> <p>Cybersecurity Survey for portfolio companies of eQ's actively managed equity and fixed income funds.</p>
<p><b>INDICATORS RELATED TO SOCIAL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS, AND ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b></p>						
Social and employee matters	<p>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)</p>	<p>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</p>	<p>0,00 % (100 %)</p>	<p>0,2 % (95 %)</p>		<p>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 severe 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</p>
	<p>11. Lack of processes and compliance mechanisms to monitor that the UN Global Principles of the OECD's operating</p>	<p>Share of companies we have invested in that have no operating principles for monitoring adherence to the</p>	<p>18,1 % (83 %)</p>	<p>19,7 % (81 %)</p>		

	<p>instructions for multinational companies</p>	<p>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>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><b>Period 2025</b></p> <p>No verified severe violations of international norms were identified in the holdings of eQ's fixed income and equity funds during 2025.</p> <p>Respect for human rights was the engagement theme for eQ's actively managed equity and fixed income funds in 2024. Further information on</p>
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						<p>the results is available in the eQ Group Sustainability Report 2024.</p> <p><b>Plans for 2026</b></p> <p>Cybersecurity Survey for portfolio companies of eQ’s actively managed equity and fixed income funds.</p>
	12. Unadjusted gender pay gap	The unadjusted gender pay gap in the companies we have invested in	13,4 % (72 %)	13,7 % (61 %)		<p><b>Period 2025</b></p> <p>No changes were observed in either the value of the PAI indicator or data coverage compared with 2024.</p> <p>In eQ’s view, it is not yet meaningful to interpret the value of an individual PAI indicator, which is being officially published for the fourth time in summer 2026. More relevant is the long-term trend in PAI indicators, as data quality and coverage continue to improve and measurement results become progressively more accurate over time.</p>

						<p><b>Plans for 2026</b></p> <p>Cybersecurity Survey for portfolio companies of eQ’s actively managed equity and fixed income funds.</p>
	<p>13. Gender diversity in the Board of Directors</p>	<p>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</p>	<p>33 % (27 %)</p>	<p>32 % (26 %)</p>		<p><b>Period 2025</b></p> <p>No changes were observed in either the value of the PAI indicator or data coverage compared with 2024.</p> <p>In eQ’s view, it is not yet meaningful to interpret the value of an individual PAI indicator, which is being officially published for the fourth time in summer 2026. More relevant is the long-term trend in PAI indicators, as data quality and coverage continue to improve and measurement results become progressively more accurate over time.</p> <p><b>Plans for 2026</b></p> <p>Cybersecurity Survey for portfolio companies of eQ’s actively managed</p>

						equity and fixed income funds.
	14. Exposure to a risk related to controversial weapons (antipersonnel mines, cluster bombs, chemical weapons and biological weapons)	Share of companies we have invested in that participate in the production or sale of controversial weapons	0,08 % (84 %)	0,09 % (81 %)		<p><b>Period 2025</b></p> <p>No changes were observed in either the value of the PAI indicator or data coverage compared with 2024.</p> <p>In eQ's view, it is not yet meaningful to interpret the value of an individual PAI indicator, which is being officially published for the fourth time in summer 2026. Greater emphasis should be placed on monitoring the long-term trends of PAI indicators, as data quality and coverage continue to improve and measurement results become progressively more accurate over time.</p> <p><b>Exclusion</b></p> <p>eQ's Article 9 fund investment process excludes, among others, the following sectors (weapons and defense</p>

						<p>industry). In addition, companies that have business activities related to controversial weapons (cluster bombs, and chemical and biological weapons) are not invested in the equity and fixed income funds actively managed by eQ. The exclusions regarding eQ's investment processes are described in more detail in <a href="#">eQ Asset Management's and eQ Fund Management Company's Responsible Investment Principles</a> on eQ's website.</p> <p><b>Plans for 2026</b></p> <p>Cybersecurity Survey for portfolio companies of eQ's actively managed equity and fixed income funds.</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	56 % (79 %)	57 % (80 %)	<p><b>Period 2025</b></p> <p>eQ’s actively managed fixed income and equity funds have emissions reduction targets based on the Science Based Targets initiative (SBTi) and Net Zero commitments of their investee companies. The objective is to increase annually the proportion of companies within the portfolios that have committed to emissions reduction targets. In 2023, eQ conducted a survey among investee companies regarding their emissions reduction targets.</p> <p>eQ has actively promoted and monitored the adoption of science-based emissions reduction targets within its</p>
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						<p>investments for several years.</p> <p>eQ also monitors the increasing adoption of Science Based Targets (SBTs) through a collaborative engagement initiative coordinated by CDP. The number of approved SBTs increased significantly in 2025, rising from approximately 7,000 to 10,000. According to SBTi Trend Tracker data (August 2025), SBTs now cover more than 40% of global market capitalisation and approximately 25% of global revenue.</p> <p>eQ reports the distribution of investments with SBTi and Net Zero targets on a fund-specific basis in its fund-specific ESG reports.</p> <p><b>Plans for 2026</b></p> <p>Cybersecurity Survey for portfolio companies of</p>
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						eQ's actively managed equity and fixed income funds.
<b>ADDITIONAL INDICATORS RELATED TO SOCAIL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS AND ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>						
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	34 % (83 %)	38 % (81 %)		<p><b>Period 2025</b></p> <p>A slight improvement was observed in both the value of the PAI indicator and data coverage compared with 2024.</p> <p>Respect for human rights was the engagement theme for eQ's actively managed equity and fixed income funds in 2024. In spring 2024, eQ conducted a human rights survey among the investee companies of its equity and fixed income funds (excluding the eQ Short-Term Bond Fund) for which no relevant data were available through MSCI. Through the survey, eQ assessed the</p>

						<p>existence of human rights-related policies, commitments, and concrete due diligence processes within portfolio companies.</p> <p>The survey was sent to more than 300 companies, of which 148 responded. The responses provided valuable additional insights into companies' current practices and future plans regarding the implementation and monitoring of human rights. Further information on the results is available in the eQ Group Sustainability Report 2024.</p> <p><b>Plans for 2026</b></p> <p>Cybersecurity Survey for portfolio companies of eQ's actively managed equity and fixed income funds.</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>13 % (99 %). This indicator is followed only in article 9 eQ Blue Planet fund.</p>	<p>18 % (98 %). This indicator is followed only in article 9 eQ Blue Planet fund.</p>		<p><b>Period 2025</b></p> <p>A slight improvement was observed in both the value of the PAI indicator and data coverage compared with 2024.</p> <p>Respect for human rights was the engagement theme for eQ's actively managed equity and fixed income funds in 2024. In spring 2024, eQ conducted a human rights survey among the investee companies of its equity and fixed income funds (excluding the eQ Short-Term Bond Fund) for which no relevant data were available through MSCI. The survey assessed the existence of human rights-related policies and concrete due diligence processes within portfolio companies.</p>
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						<p>The survey was sent to more than 300 companies, of which 148 responded. The responses provided valuable additional insights into the current status of companies and their future plans regarding the implementation and monitoring of human rights. Further information on the results is available in the eQ Group Sustainability Report 2024.</p> <p><b>Plans for 2026</b></p> <p>Cybersecurity Survey for portfolio companies of eQ’s actively managed equity and fixed income funds.</p>
<b>Indicators applied to investment in governments and supranational organisations</b>						
<b>Sustainability indicator describing the level of harm</b>	<b>Metric</b>	<b>Impact 2025 (coverage)</b>	<b>Impact 2024 (coverage)</b>	<b>Description</b>	<b>Measures taken and the measures planned and targets set for the next reference period</b>	
		* **				

Environment	15. Greenhouse gas intensity	Intensity of greenhouse gas emissions of countries we have invested in	165,25 tCO <sub>2</sub> e/m€ (100 %)	182,5 tCO <sub>2</sub> e/m€ (100 %)	<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 warming scenario target state °C).</p> <p>In eQ's view, it is not yet meaningful to interpret the value of an individual PAI indicator, which is being officially published for the fourth time in summer 2026. More</p>
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						<p>relevant is the long-term trend in PAI indicators, as data quality and coverage continue to improve and measurement results become progressively more accurate over time.</p> <p><b>Period 2025</b></p> <p>The value of the PAI indicator showed a slight improvement compared with 2024.</p>
Social	16. Countries invested in that have committed a violation of social code regulations	Number of countries invested in (absolute number and a relative divided by all invested countries) that have a committed violation of international fundamental and general treaties, the United Nations' principles or social code regulations under international legislation	0 0,0 % (100 %)	0 0,0 % (100 %)		<p>The fund excludes from its investments issuing countries where the rule of law is not observed. If the fund's investment target is potentially excluded, the investment will be abandoned within a reasonable period of time.</p> <p>The fund's investment targets are monitored regularly. The social features promoted by the fund are related, among other things, to issues related to the observance of human rights, anti-</p>

						<p>corruption measures and the realization of the principles of the rule of law. The fund's portfolio manager monitors the implementation of the features from the issuers fi(states) with sustainability indicator information obtained, including the number of issuers on the EU sanctions list, implementation of the rule of law, freedom of the press, the presence of public sector corruption in the issuing state and equality of income distribution.</p> <p><b>Period 2025</b></p> <p>No changes were observed in either the indicator value or data coverage.</p>
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## Indicators applied to investment in real estate assets

Sustainability indicator describing the level of harm		Metric	Impact 2025 (coverage) *** ****	Impact 2024 (coverage)	Description	Measures taken and the measures planned and targets se for the next reference period
Fossil fuels	17. Exposure to a risk related to fossil fuels through real estate assets	Sellaiseen kiinteistövarallisuuden tehtyjen sijoitusten osuus, joka liittyy fossiilisten polttoaineiden talteenottoon, varastointiin, kuljetukseen tai valmistukseen	0 % (100 %)	0 % (100 %)		
Energy efficiency	18. Exposure to a risk related to energy inefficiency real estate assets	Share of investment in energy efficient real estate assets	66,6 %	66,1 %	The share of GAV of properties with an energy certificate of C or worse. Properties without an energy certificate are also classified	eQ's real estate and residential funds have been set a carbon-neutral target for energy consumption during operation by 2030. The measures for achieving the target of carbon neutrality are defined in eQ's low-carbon road map for real estate investments

					<p>in the category "energy certificate C or worse". The calculation includes properties owned and completed at the end of year.</p>	<p>(2020). The achievement of the target is monitored and reported annually to investors</p> <p><b>Period 2025</b></p> <p>By the end of 2025, both of eQ's real estate funds were already very close to achieving their carbon neutrality targets, while the residential fund had already reached its carbon neutrality target. The carbon neutrality target guides both the acquisition process for real estate assets and the sustainability and environmental measures implemented during the ownership period.</p> <p>In 2025, sustainability in real estate investments was promoted systematically. Key achievements included:</p> <p>The real estate funds entered into new</p>
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					<p>voluntary energy efficiency agreements (TETS) for the period 2026–2035, with a target of achieving a 10% reduction in energy consumption during the agreement period.</p> <p>An energy efficiency programme was launched with the objective of reducing energy consumption by 2% annually between 2024 and 2027.</p> <p>Greenhouse gas emissions were calculated for all real estate assets in accordance with the Greenhouse Gas Protocol (GHG Protocol) for the second consecutive year.</p> <p>The energy consumption, greenhouse gas emissions, water consumption, and waste volumes of the real estate funds were externally assured for the second time in spring 2025.</p>
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						<p>During the year, 15 new energy efficiency projects were initiated, including heat pump and ventilation solutions, as well as upgrades to lighting systems and building automation technologies.</p> <p>eQ monitors and reports the energy performance certificate (EPC) rating distribution of its real estate assets and its development in ESG reports published on eQ's website.</p> <p><b>Plans for 2026</b></p> <p>As part of the normal asset management process, measures are implemented at individual properties during the ownership period to promote sustainability and responsible business practices.</p> <p>In 2026, key areas of development will include the preparation of a biodiversity plan and the</p>
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						<p>development of a sustainability strategy for the real estate business.</p> <p>The strategy will define fund-specific sustainability objectives, including targets related to reducing energy consumption and increasing the certification coverage of properties. In addition, the update of the carbon neutrality roadmap for the real estate and residential funds will continue in early 2026, and the target-setting framework will be expanded to more systematically cover value chain emissions (Scope 3).</p>
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**ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS**

Indicators applicable to investments in real estate assets

Greenhouse gas emissions	18. GHG emissions	<p>Scope 1 - GHG emissions generated by real estate assets</p> <p>Scope 2 -GHG emissions</p>	0 tCO2e (100 %)	0 tCO2e (100 %)		<p><b>Period 2025</b></p> <p>For the second consecutive year, greenhouse gas emissions were calculated for all real estate assets in</p>
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		generated by real estate assets	1 449 tCO2e (100 %)	188 tCO2e (100 %)		accordance with the Greenhouse Gas Protocol (GHG Protocol), including Scope 3 emissions. The calculations were primarily based on measured data and emission factors, supplemented where necessary by estimates and average data.
		Scope 3 -GHG emissions generated by real estate assets	9 578 tCO2e (100 %)	24 517 tCO2e (100 %)		In 2025, Scope 3 Category 13 (Downstream Leased Assets) was included in the calculations for the first time. The following emission sources were taken into account:
		Total GHG emissions generated by real estate assets	11 027 tCO2e (100 %)	24 705 tCO2e (100 %)		<ul style="list-style-type: none"> <li>• Scope 1</li> </ul> On-site heat generation Self-generated electricity <ul style="list-style-type: none"> <li>• Scope 2</li> </ul> Purchased electricity District heating District cooling <ul style="list-style-type: none"> <li>• Scope 3</li> </ul>

						<p>Purchased goods and services (e.g. administrative expenses, maintenance and cleaning services, insurance, and marketing costs)</p> <p>Capital goods (investment and maintenance projects, as well as energy use at construction sites)</p> <p>Upstream energy-related activities (indirect emissions from the production of purchased energy and transmission and distribution losses)</p> <p>Downstream leased assets (emissions from leased properties not included in Scope 1 or Scope 2 emissions)</p> <p><b>Plans for 2026</b></p> <p>As part of the normal asset management process, measures are implemented at individual properties during the ownership period to promote sustainability</p>
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						<p>and responsible business practices.</p> <p>In early 2026, the update of the carbon neutrality roadmap for the real estate and residential funds will continue, and the target-setting framework will be expanded to more systematically cover value chain emissions (Scope 3).</p>
Energy consumption	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter	0,00021 (100 %)	0,00021 (81 %)		<p><b>Period 2025</b></p> <p>The indicator value remains very low, while data coverage is 100%.</p> <p><b>Plans for 2026</b></p> <p>As part of the normal asset management process, measures are implemented at individual properties during the ownership period to promote sustainability and responsible business practices.</p>

						In early 2026, the update of the carbon neutrality roadmap for the real estate and residential funds will continue, and the target-setting framework will be expanded to more systematically include value chain emissions (Scope 3).
Waste	20. Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery of recycling contract	0 % (100 %)	0 % (100 %)		<p><b>Period 2025</b></p> <p>Indicator coverage 100 %.</p> <p>Starting in summer 2023, real estate and residential funds will monitor waste recycling rates and implement concrete measures (e.g., rearranging spaces to facilitate sorting, site-specific recycling and sorting guides for tenants) to improve the recycling rate. The recycling rate of the eQ Commercial Properties fund is 63 %, the recycling rate of the</p>

						<p>eQ Community Properties fund is 37 %, the recycling rate of the eQ Residential fund is 37 % and the recycling rate of the eQ Residential III fund is 34 % (ESG reports 31 December 2025).</p> <p><b>Plans for 2026</b></p> <p>Efforts to improve the recycling rate of the real estate funds will continue</p>
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\* Data source: MSCI (exc. in indicator 10 ISS STOXX). The results for 2025 and 2024 have been calculated as the average of the six months.

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

\*\*\* Data source: Data of eQ’s real estate and residential funds.

\*\*\*\* 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 approved the operating principles described in this statement on June 10, 2026. 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 and eQ Fund Management's principles of responsible investment create a reference framework for all of eQ's investment operations and its processes. The principles describe in detail the methods that are used both to identify sustainability risks and to consider principal adverse impacts in all of eQ's investment areas. The principles of responsible investing are available on eQ's website at [www.eQ.fi](http://www.eQ.fi). eQ 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. The SFDR does not prescribe any threshold values for how PAI indicators should be taken into account in investment activities. eQ Fund Management's risk management monitors the promotion of environmental and social characteristics in Article 8 funds and the attainment of sustainable investment objectives in Article 9 funds through threshold values set for sustainability indicators. These thresholds are described in the funds' sustainability-related disclosures available on eQ's website. In eQ's view, it is not yet particularly meaningful to interpret the individual values of PAI indicators, which are being officially published for the fourth time in summer 2026. More relevant is the long-term trend in these indicators, as data quality and coverage continue to improve and measurement results become progressively more accurate over time.

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 exclusion criteria applied to investment targets ([eQ Asset Management's and eQ Fund Management Company's principles of responsible investment](#)). 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 STOXX).

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

Violation of international norms:

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

The UN Global Compact principles are consistent with the following universal principles: the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Rio Declaration on Environment and Development and the UN Convention against Corruption.

External asset managers:

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

## Real estate:

Principal adverse impacts are assessed regularly using PAI metrics applicable to investments in real estate assets. The metrics for 2025 relate to exposure to risks associated with fossil fuels and energy inefficiency, greenhouse gas emissions, waste, and energy consumption intensity. In real estate and residential funds, the portfolio manager also monitors the achievement of sustainable investment targets by, among other things, the development of the fund's carbon neutrality target, the results of the GRESB sustainability assessment, BREEAM In-use certificates, and the development of consumption data for individual properties (emissions, energy consumption, water, waste). Cooperation with key stakeholders is also essential. One example is the regular tenant satisfaction survey, which aims to gather information on the satisfaction and experiences of property users, identify areas for development in individual properties, and review the operations and processes of both eQ and its partners. Cooperation on sustainability matters with eQ's suppliers is also important. All agreements (e.g., construction contracts and service providers) are always accompanied by eQ's Code of Conduct for Suppliers. eQ and the contractors it uses have zero tolerance for the gray economy, underpayment, and illegal labor.

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

Opportunities to identify and analyse the principal adverse impacts related to sustainability factors depend on the availability and quality of data. Data reported by portfolio companies constitute the primary source of information for the calculation of PAI indicators. As companies do not yet comprehensively report all data relating to principal adverse impacts on sustainability factors, part of the available data may be based on estimates provided by external service providers. Data quality, coverage, and availability continue to present challenges, particularly with respect to smaller companies and less developed markets. eQ continuously seeks to improve the quality and coverage of sustainability-related data by encouraging investee companies, among other things, to enhance their emissions accounting, consider biodiversity-related impacts in their business activities, and implement or further develop human rights due diligence processes to help ensure respect for human rights.

## **Information sources used**

eQ 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 STOXX, 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.

The proportion of estimated data varies depending on the sustainability indicator and the sustainability factor being assessed, and it is therefore not possible to determine unambiguously the share of estimated data across all sustainability-related information as a whole. In general, it is challenging to quantify the proportion of sustainability data that is estimated versus directly reported. Where reported data are available, they are used as the primary source of information. External data providers indicate, for each metric, whether the data are based on company-reported information or on estimates derived from the provider's proprietary models.

### **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 STOXX reviews the norm violations of all eQ fixed income and equity funds and in cases of norm violations directly affects the company and monitors the development.

More information about eQ's means of engagement in use can be found in [eQ Asset Management and eQ Fund Management Company ownership policy](#), which are available together with [eQ Asset Management's and eQ Fund Management Company'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 2024 – 31 December 2024.