Statement on principal adverse impacts of investment decisions on sustainability factors

Summary

Financial market participant Aktia Life Insurance Ltd (743700R78CJAROKAO614)

Aktia Life Insurance Ltd (743700R78CJAROKAO614) considers the principal adverse impacts of its investment decisions on sustainability factors. The present statement on principal adverse impacts on sustainability factors of Aktia Life Insurance Ltd.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024.

Summary of principal adverse impacts of Aktia Life Insurance Ltd's investment decisions on sustainability factors

Applicable	Theme	Adverse sustainability indicator			
Indicators applicable to investments in investee companies	Climate and other environment-related indicators	GHG emissions			
investes companies		Carbon footprint			
		GHG intensity of investee companies			
		Exposure to companies active in the fossil fuel sector			
		Share of non-renewable energy consumption and production			
		Energy consumption intensity per high impact climate sector			
		Activities negatively affecting biodiversity-sensitive areas			
		Emissions to water			
		Hazardous waste and radioactive waste ratio			
		Investments in companies without carbon emission reduction initiatives			
	Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises			
		Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises			
		Unadjusted gender pay gap			
		Board gender diversity			
		Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)			
		Lack of a supplier code of conduct			
Indicators applicable to investments in sovereigns and supranationals	Climate and other environment-related indicators	GHG intensity			
	Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters	Investee countries subject to social violations			
Indicators applicable to investments in real estate assets	Climate and other environment-related indicators	Exposure to fossil fuels through real estate assets			
		Exposure to energy-inefficient real estate assets			

Aktia Life Insurance Ltd's statement on principal adverse impacts ("PAI") of investment decisions on sustainability factors includes compulsory sustainability indicators describing adverse impacts applicable to investments in accordance with Annex I of the Regulation (EU) 2022/1288, as well as two additional indicators: 1. additional climate and other environment-related indicator in accordance with Table 2 of Annex I "Investments in companies without carbon emission reduction initiatives"; and 2. additional indicator for social and employee, respect for human rights, anti-corruption and anti-bribery matters in accordance with Table 3 of Annex I "Lack of a supplier code of conduct".

Equity, corporate bond and hybrid funds, invested financial instruments and feeder funds investing in such instruments, and private equity funds report PAI indicators applicable to investments in investee companies". EM fixed income funds and fixed income funds investing in government bonds report PAI indicators listed in "Indicators applicable to investments in sovereigns and supranationals". Real estate funds report PAI indicators applicable to investments in real estate assets".

A description of principal adverse impacts of investment decisions on sustainability factors and applicable sustainability indicators describing the adverse impacts are stated in accordance with Tables 1–3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288.

Data source: Morningstar, the figure representing impact in the "Impact" column is reported as the average of the effects observed during each period from 1 January to 31 December on 31 March, 30 June, 30 September and 31 December. The number of financial products covered by this report may also vary between years, which means that the reported figures are not directly comparable. The information provided is based on the situation as per the date the information was retrieved. The reported figures are not binding minimum amounts. The reported figures may change upwards or downwards. The calculation method of the figures may be changed by Morningstar and/or imposed by regulations, in which case the reported figures may not be comparable with each other. The figures are based on information provided by Morningstar and are based on the best available information. Due to the limited availability of the underlying information produced may be inaccurate.

Description of principal adverse impacts on sustainability factors

Table 1 of Annex I of (EU) 2022/1288

Indicators applicable to investments in investee companies

Adverse sustaina	ability indicator	Metric	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and other	er environment-related indicators				
GHG emissions	1. GHG emissions	Scope 1 GHG emissions	17,599.95	tonnes	Climate change, including the sub-topic "Climate change mitigation and Energy", has been identified in the double materiality assessment completed in 2024 as a material topic in Aktia's operations.
		Scope 2 GHG emissions	7,763.25	tonnes	Aktia has set interim targets defined in its climate strategy in 2022. According to the interim targets of the climate strategy, Aktia is aiming for a 30% reduction of the carbon footprint in equity and corporate bond funds by 2025, and a 50% reduction by 2030 compared to 2019. Aktia has also published fund-specific ESG
		Scope 3 GHG emissions	353,719.10	tonnes	reports on equity and corporate bond funds, describing both the carbon footprint and carbon intensity, and investments aligning with the Paris Agreement. For the next reference period, Aktia is developing further the observation of climate risks and climate exposures in the investment process. Aktia regularly follows up its funds' climate scenario analyses and performs necessary measures in its funds in order to reduce climate risks, as well as develops its ESG reporting. In addition to
		Total GHG emissions	378,106.72	tonnes	fund-specific ESG reports, the funds' carbon footprint and carbon intensity are reported every six months as part of the Overview of responsible investment. In the overview, Aktia reports on its equity and fixed income funds' alignment with the Paris Agreement on Climate Change.
	2. Carbon footprint	Carbon footprint	34.97 including scope 1 & 2	tonnes/EUR mill.	The updated principles for responsible investment were published in April 2024 and they are applied in Aktia's investment operations. The update includes a speci
			506.94 including scope 1 & 2 & 3		cation of e.g. Aktia's approach to and its exclusion criteria related to fossil and unconventional fossil fuels. During the reference period, Aktia continued the active ownership and engagement methods: participated in engagement dialogues, implemented direct engage-
	3. GHG intensity of investee companies	GHG intensity of investee companies	68.27 including scope 1 & 2 1,011.23 including scope 1 & 2 & 3	emissions/EUR mill.	ment campaigns, and voted in general meetings. Aktia also participated in investor initiatives such as Climate Action 100+, Transition Pathway Initiative (TPI) in which Aktia is a public supporter, and the Net Zero Asset Managers Initiative aimed at mitigating climate change. Aktia is a public supporter of the reporting recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). More information on Aktia's active ownership and engagement can be found on its website: https://www.aktia.fi/fi/vastuullinen-sijoittaminen/raportit-ja-dokumentit.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	2.56%	N/A	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources	55.51 % of energy consumption	N/A	
		compared to renewable energy sources, expressed as a percentage of total energy sources 15.42 % of energy production			
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per EUR million of revenue of investee companies, per high impact climate sector	22.07	N/A	
Biodiversity	biodiversity-sensitive areas located in or near to biodiversity-se	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	areas where activities of	N/A	Biodiversity and ecosystems, including the sub-topic "Direct impact drivers of biodiversity loss", was identified in the double materiality assessment completed in 2024 as a material topic in Aktia's operations.
					The topic is also covered in the active ownership and engagement methods. Aktia began working on a biodiversity strategy, targets and objectives during 2024.
					As part of this, Aktia signed SPRING, the PRI's investor initiative, the aim of which is mitigating biodiversity loss, at the beginning of 2024. In 2023, Aktia also signed the Nature Action 100 Investor Initiative, which encourages companies to take more ambitious measures to stop biodiversity loss. In the initiative, investors engage with one hundred companies critical to reversing nature and biodiversity loss.
					Aktia has developed a tool for identifying natural capital dependencies based on the ENCORE database and will examine scaling the tool more extensively for portfolio management in the coming years. Aktia is also looking into other methods of integrating biodiversity-related risks and impacts with its investment processes. Aktia uses Upright Project's analysis of investee companies' and funds' impact on the environment. The sub-categories include biodiversity-related impacts.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per EUR million invested, expressed as a weighted average	0	N/A	Pollution, including the sub-topic "Pollution of air", "Pollution of water and soil", was identified in the double materiality assessment completed in 2024 as a material topic in Aktia's operations.
					As part of the investment processes, Aktia uses Upright Project's analysis of investee companies' and funds' impact on the environment. Sub-categories include impacts related to finite natural resources, such as clean water and waste. Aktia is also looking into other ways to integrate water-related risks and impacts in its investment processes. The topic is also covered in the active ownership and engagement methods.
					No quantitative targets have been set for the indicator, but the aim is to develop it as part of the responsible investment methods and stewardship practices.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per EUR million invested, expressed as a weighted average	0.69	N/A	Pollution, including the sub-topic "Pollution of air", "Pollution of water and soil", was identified in the double materiality assessment completed in 2024 as a material topic in Aktia's operations. Aktia has also identified in the double materiality assessment the "Resource use and circular economy" topic as material, including the sub-topics "Resource inflows" and "Resource outflows and waste".
					As part of the investment processes, Aktia uses Upright Project's analysis of investee companies' and funds' impact on the environment. This includes generation of waste. Aktia is also looking into other ways to integrate water-related risks and impacts in its investment processes.
					No quantitative targets have been set for the indicator, but the aim is to develop it as part of the responsible investment methods and stewardship practices.

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	principles and Organisation .	Share of investments in investee companies that have been involved in violations of the UN Global Compact principles or OECD Guidelines for	0.63%	N/A	Key international agreements and norms, such as the UN Universal Declaration of Human Rights and corresponding UN conventions, UN Sustainable Developm Goals, ILO conventions, and OECD Guidelines for Multinational Enterprises create a value system for responsible investment at Aktia.
	for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Multinational Enterprises			As part of its work to update the principles for responsible investment, Aktia has also specified its methods of norms-based screening and active ownership an engagement. Investees are actively monitored from a responsibility perspective, and norms-based reviews of investees are carried out based on the UN Global Compact principles.
	compliance with UN Global Compact principles and OECD Guidelines for	Share of investments in investee companies without policies to monitor compliance with the UN Global Compact principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UN Global Compact principles or OECD Guidelines for Multinational Enterprises.	32.34%	N/A	The service provider ISS ESG monitors the allocations of Aktia's funds according to the criteria based on the UN Global Compact principles and identifies companies that have not been able to operate in accordance with the principles. The ISS ESG screening includes three categories: no violations, possible problem, verified problem. Most of the companies in which Aktia has invested operate in accordance with these principles. If a possible or verified violation of norms or other critical observations from a responsibility perspective are detected in an investee company, an engagement dialogue may be initiated with the investee company with the aim of inducing the investee to react to the observation and correct its activities. During the engagement dialogue, the response of the investee related to the consideration as well as possible remedial measures and changes in business activities are mapped. The means of implementation may be an engagement dialoguiate the service provider used for active ownership and engagement, or through Aktia's own engagement and dialogue with the investee. Portfolio management's findings are also discussed monthly in Aktia's ESG Committee. If, after the engagement dialogue, the outcome and the investee's measures are not as desired, A takes measures for holdings in accordance with the escalation method, market situation allowing. Measures may include selling of holdings, refraining from furth investments or continuing engagement dialogues, and possibly, in some time frame, allowing further investments if the investee is found to be otherwise attract and aligned with the principles for responsible investment. As part of ESG reporting, the funds report quarterly on their compliance with norms. No quantitative targets have been set for the indicator, but the aim is to develop it as part of the responsible investment methods and stewardship practices.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	18.34%	N/A	As part of the investment process, Aktia analyses the indicator through, for example, Upright and Bloomberg. The topic may also be discussed through the act ownership and engagement methods. Methods include, for example, engagement dialogues directly with companies, engagement dialogues through a service provider (pooled engagement), participating in engagement campaigns and investor initiatives together with other investors, participating in general meetings and exercising voting rights at general meetings either directly or through proxy voting. The methods of active ownership and engagement are reported every months in the Overview of responsible investment and annually in pooled engagement and proxy voting reports. During 2024, Aktia participated through ISS E a total of 124 engagement dialogues with various companies, covering 189 topics. Of these topics, 75 were related to human rights, 59 to the environment, 49 to labour rights and 6 to corruption. No quantitative targets have been set for the indicator, but the aim is to develop it as part of the responsible investment methods and as part of stewardship practices.
		Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	36.63%	N/A	As part of the investment process, Aktia analyses the indicator through, for example, Upright and Bloomberg. Efforts were made to impact the Board gender divby participating in companies' nomination committees and by using the right to vote at general meetings. No quantitative targets have been set for the indicator, but the aim is to develop it as part of the responsible investment methods and stewardship practices.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	N/A	As part of the investment process, Aktia excludes controversial weapons from its investments. The exposure is monitored regularly. If exposures are observed violation of the Principles for responsible investment, the exposure is reviewed, and further measures are taken. The updated Principles for responsible investment operations. The update includes a specification of e.g. Aktia's approach to and its excluding related to controversial weapons.

Indicators applicable to investments in sovereigns and supranationals

Adverse susta	inability indicator	Metric	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and ot	her environment-related indicators			-	
Environmental	15. GHG intensity	GHG intensity of investee countries	0.54	N/A	Climate change, including the sub-topic "Climate change mitigation and Energy", has been identified in the double materiality assessment completed in 2024 as a material topic in Aktia's operations.
					Aktia takes into account in various ways environmental indicators in the country selection model, which forms the basis for its investment activities in government bond funds investing in emerging markets and frontier countries. When assessing sovereigns from a responsibility perspective, Aktia takes into account, for example, the following responsibility factors: political practices, governance strength, sensitivity to climate change and biodiversity.
					Aktia is one of the original funders of the Assessing Sovereign Climate-related Opportunities and Risks (ASCOR) project and was the only Finnish asset manager to take part in the advisory committee during the first phase of the project. ASCOR is the first public tool for investors to assess sovereign bond issuers on climate change. In 2024, ASCOR published an extended report covering data on the emissions pathways, climate policies and climate financing of 70 countries.
					During the reference period, Aktia continued the active ownership and engagement methods. Aktia also participated in investor initiatives and engagement campaigns. Aktia participates in initiatives such as Climate Action 100+, Transition Pathway Initiative (TPI) as a public supporter, and the Net Zero Asset Managers Initiative aimed at mitigating climate change. Aktia is a supporter of the reporting recommendations of the Task Force on Climate-related Financial Disclosures (TCFD Aktia is committed to setting climate targets in line with the Science Based Targets initiative and will submit its updated targets for approval in 2026 at the latest.
					Aktia has continued its work to integrate active ownership and engagement methods into its EM fixed income funds. Examples include meeting with representativ of sovereigns and institutions. Climate is one of the themes of engagement dialogues.
					More information on Aktia's active ownership and engagement can be found on its website: https://www.aktia.fi/fi/vastuullinen-sijoittaminen/raportit-ja-dokumentii
Indicators for	social and employee, respect for huma	n rights, anti-corruption and anti-bribery matters			
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	3.23%	N/A	Aktia takes into account in various ways social indicators in the country selection model, which forms the basis for its investment activities in government bond funds investing in emerging markets and frontier countries. When Aktia assesses sovereigns from an ESG perspective, it considers, for example, the following ESG factors: political practices, governance strength, social development, economic and fiscal stability, resilience against external shocks and willingness to carry out reforms. As part of the development of the country selection model, Aktia has developed the Human Rights exclusion method to be included in the investment process. The exclusion of countries can also take place in an exclusion process where countries that do not meet the minimum standards of human rights or financial transparency are excluded from new investments.
					No quantitative targets have been set for the indicator, but the aim is to develop it as part of the responsible investment methods and stewardship practices.

Indicators applicable to investments in real estate assets

Adverse susta	inability indicator	Metric	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Climate and other environment-related indicators						
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0%	The Aktia Residential+ and Aktia Housing Fund VIII investments focus on rental flats without such exposure. Aktia Commercial Properties fund's investments focus on office premises which, based on our inspection of the official standard industrial classification, are not active in the sector of extraction, storage, transport or manufacture of fossil fuels.	These are verified through methods described in more detail in the fund material. The goal is to avoid exposure to fossil fuels through real estate assets also in the future. Basic measures to ensure fulfilment of the fund's strategic and management commitments.	
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	46%	Aktia Residential Fund+ All investment properties were built before 2021, when according to the definitions of the indicator in question, properties in energy class C or lower are energy-inefficient. One of the investment properties was an energy class C property. The rest were in the energy-efficient class B during the whole year. Aktia Commercial Properties All investment properties were built before 2021, when according to the definitions of the indicator in question, properties in energy class C or lower are energy-inefficient. Seven, or 38%, of the investment properties were in the energy-efficient class B. Aktia Housing Fund VIII All investment properties that are at the construction phase are designed to be in energy class A2018. All existing properties are energy class A2018.	Aktia Commercial Properties During 2024, energy efficiency projects were begun at investment properties and long-term maintenance plan work related to energy savings was continued. During the reference period, updates were made to energy certificates, which also take into account the impacts of measures from earlier reference periods. More detailed information on measures and goals can be found in the fund's annual report. Aktia Housing Fund VIII Measures to achieve energy efficiency class A have been ensured during the construction phase and the maintenance of energy efficiency is ensured in all investment properties in future reference periods.	

Other indicators for principal adverse impacts on sustainability factors

Table 2 of Annex I of Regulation (EU) 2022/1288 Additional indicators applicable to investments in investee companies

Adverse susta	inability indicator	Metric	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Climate and ot	Climate and other environment-related indicators					
Emissions	Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	21.53%	N/A	During the reference period, Aktia continued the active ownership and engagement methods: participated in engagement dialogues, implemented direct engagement campaigns, and voted in general meetings. Aktia also participated in investor initiatives such as Climate Action 100+, Transition Pathway Initiative (TPI) in which Aktia is a public supporter, and the Net Zero Asset Managers Initiative aimed at mitigating climate change. Aktia is a supporter of TCFD's reporting recommendations (Task Force on Climate-related Financial Disclosures). Aktia is committed to setting climate targets in line with the Science Based Targets initiative and will submit its updated targets for approval in 2026 at the latest.	
					During 2024, Aktia participated through ISS ESG in a total of 124 engagement dialogues with various companies, covering 189 topics. Of these topics, 75 were related to human rights, 59 to the environment, 49 to labour rights and 6 to corruption.	
					More information on Aktia's active ownership and engagement can be found on its website: https://www.aktia.fi/fi/vastuullinen-sijoittaminen/raportit-ja-dokumentit Aktia will continue the active ownership and engagement methods in 2025.	
					The updated principles for responsible investment were published in April 2024 and they are applied in Aktia's investment operations. The update includes a specification of e.g. Aktia's approach to and its exclusion criteria related to fossil and unconventional fossil fuels.	

Table 3 of Annex I of Regulation (EU) 2022/1288 Additional indicators applicable to investments in investee companies

Adverse susta	inability indicator	Metric	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators for	social and employee, respect for hum	nan rights, anti-corruption and anti-bribery matters			
Social and employee matters	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	2.41%	N/A	Aktia excludes companies using child labour from its equity and corporate bond fixed income funds. As part of the investment process and follow-up, Aktia also observes the companies' compliance with the UN Global Compact principles. The service provider ISS ESG monitors the allocations of Aktia's funds according to the criteria based on the UN Global Compact principles and identifies companies that have not been able to operate in accordance with the principles. The ISS ESG screening includes three categories: no violations, possible problem, verified problem. Most of the companies in which Aktia has invested operate in accordance with these principles. If a possible or verified violation of norms or other critical observations from a responsibility perspective are detected in the investee companies, engagement dialogues may be initiated with the investee company with the aim of inducing the investee to react to the observation and correct its activities. During the engagement dialogue, the response of the investee related to the consideration as well as possible remedial measures and changes in business activities are mapped. The means of implementation may be an engagement dialogue via the service provider used for active ownership and engagement, or through Aktia's own engagement and dialogue with the investee. Portfolio management's findings are also discussed monthly in Aktia's ESG Committee. If, after the engagement dialogue, the outcome and the investee's measures are not as desired, Aktia takes measures for holdings in accordance with the escalation method, market situation allowing. Measures may include selling of holdings, refraining from further investments or continuing engagement dialogues, and possibly, in some time frame, allowing further investments if the investee is found to be otherwise attractive and aligned with the principles for responsible investment. As part of ESG reporting, the funds report quarterly on their compliance with norms.
					During 2024, Aktia participated through ISS ESG in a total of 124 engagement dialogues with various companies, covering 189 topics. Of these topics, 75 were related to human rights, 59 to the environment, 49 to labour rights and 6 to corruption.
					No quantitative targets have been set for the indicator, but the aim is to develop it as part of the responsible investment methods and stewardship practices.
					More information on Aktia's active ownership and engagement can be found on its website: https://www.aktia.fi/fi/vastuullinen-sijoittaminen/raportit-ja-dokumentit. We will continue the active ownership and engagement methods in 2025.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Aktia takes sustainability risks and factors into account in the investment decision-making process. The guidelines for responsible investing at Aktia are presented in The Board of Directors' guidelines for responsible investment at Aktia and in more detail in Aktia's Principles for responsible investment. These principles describe Aktia's approach to responsible investing, the organisation and reporting of responsible investing and the main methods for implementing these principles. Aktia's statement on principal adverse impacts of investment decisions on sustainability factors includes compulsory sustainability indicators describing adverse impacts applicable to investments in accordance with Annex I of the Regulation (EU) 2022/1288. Two additional indicators have been selected through a qualitative assessment on the basis of materiality so that the indicators that are, in portfolio management's view, relevant for value creation are taken into account. Funds investing in government bonds consider mandatory indicators as well as all additional indicators. In addition, the availability and reliability of data as well as the economic materiality by asset class and investment strategy are considered when selecting indicators. Aktia uses both its own tools as well as tools developed by external service providers as assessment methods to identify and analyse diverse sustainability risks and factors in the investment decision-making process. These tools are used as an integral part of the decision-making process also for identifying sustainability risks and principal adverse impacts on sustainability factors before making investment decisions and with the aim of reporting them afterwards. Data sources are e.g. ISS ESG, Morningstar/Sustainalytics, Upright Project and Bloomberg.

Information on sustainability risks and factors will be considered as part of the product offering and maintained and updated regularly as part of Aktia's materials and reporting. The methods and tools used to identify these risks vary depending on the asset class and the valid definitions of sustainability risk regulation. The methodology takes into account as extensively as possible the likelihood and severity of these principal adverse impacts, including their potentially irreversible nature. Any incomplete data is complemented by qualitative and quantitative measures. Indicators on the principal adverse impacts of investment decisions on sustainability factors are based on information provided by an external service provider. Reported information is the primary choice when it is available. Information provided by external service providers can be based on assessments when the information reported in accordance with the service provider's methodology is incomplete. The precision of the methods is impacted by the quality of the information reported by companies and the margin of error of the assessments made by the external service provider. The average coverage of the data used to calculate the indicators is 64.3 %. Aktia is engaging in dialogue with the service provider to improve the coverage and quality of the data.

The consideration of sustainability risks is influenced by the investment horizon and objectives of the investment portfolio as well as by other regulation concerning the portfolio's investment universe. In this context, sustainability risks refer to an event or circumstance related to the environment, society or governance, the realisation of which could have a real or potential negative material impact on the value of the investment. In this context, sustainability factors refer to matters relating to the environment, society and employees, respect for human rights, and anti-corruption and anti-bribery matters.

Aktia's internal rules describe their scope of application, owner and interpreter. The units consulted in connection with the updating of the documents mentioned below are the key stakeholders and, where applicable, the control functions in the second defence line.

The Board of Directors' guidelines for responsible investment at Aktia (approved on 18 December 2024 by the Board of Aktia Bank Plc/Board of Aktia Fund Management Company Ltd/Board of Aktia Life Insurance Ltd) are updated annually. These guidelines serve as the key document guiding Aktia's principles for responsible investment, outlining the framework for Aktia Group's responsible investments. The purpose of the guidelines is to ensure that responsible investment is managed reliably, efficiently and appropriately, and that it supports Aktia Group's business strategy. Aktia applies the Board's guidelines as a financial market participant and when developing financial products. The Board of Directors' guidelines for responsible investment are integrated into the investment process and portfolio management.

The Principles for responsible investment (approved on 3 June 2025 by the CEO of Aktia Bank Plc / Board of Aktia Fund Management Company Ltd / Board of Aktia Life Insurance Ltd) are updated as necessary, at least every three years. The implementation of the Principles for responsible investment is integrated into the investment processes. The realisation of the principles is monitored regularly as part of portfolio management and the ESG team's work. With regard to Aktia Life Insurance Ltd's investment portfolio, the company's CEO may decide separately on a procedure that deviates from these principles when considering a specific responsibility perspective, if other regulation concerning the company or other special features of the investment activities require it.

The directive on the Principles for corporate governance (approved on 25 January 2023/CEO of Aktia Bank Plc). The responsibility for monitoring the companies' operations, which is described in more detail in the principles, lies with the portfolio manager responsible for each investment portfolio. The responsibility for publishing the principles on the website and public reporting on the realisation of the principles lies with Aktia's director of sustainable investing.

Statement on sustainability risks (approved on 25 June 2025/CEO of Aktia Bank Plc). The statement affects all investment decision-making, both in the management of customer assets, as well as the investment activities in Aktia Life Insurance Ltd's balance sheet.

Engagement policies

Aktia's engagement policies aim to ensure that Aktia's or its partners' activities do not cause significant harm to society and employees, and that activities do not violate human rights or participate in corruption and bribery. Aktia has a diverse range of active ownership and engagement methods in place. These include direct engagement dialogues with companies, participation in engagement campaigns together with other investors, participation in annual general meetings and the exercise of voting rights at general meetings, and participation in companies' nomination committees. Through corporate engagement, stewardship, and active ownership, Aktia promotes good governance in investee companies as well as good long-term return development in investee companies or investment portfolios. The engagement policies do not specify measures that are carried out if principal adverse impacts do not diminish during more than one reporting period. Investee companies are monitored continuously and their alignment with e.g. the UN Global Compact principles is reported regularly. When a violation of norms comes to light in an investee, Aktia follows the escalation method described in Aktia's Principles for responsible investment. If a significant number of such principal adverse impacts, as described in Tables 1–3 of Annex I of (EU) 2022/1288, is observed, or if these adverse impacts are significantly larger compared to the reference group, guidelines and principles are updated in order to prevent, correct and alleviate the impacts. Applicable engagement policies are:

Principles for responsible investment

The principles describe Aktia's responsible investment methods in different asset classes, methods for active ownership and engagement, the organisation of and responsibilities for responsible investment, as well as reporting. The principles are intended as a guideline for responsible investment in Aktia Bank Plc and its subsidiaries Aktia Fund Management Company Ltd and Aktia Life Insurance Ltd. Aktia Life Insurance Ltd complies with these principles in its own investment activities. For more information see: Aktia's principles for responsible investment.

Principles for corporate governance

The principles define the corporate governance goals and Aktia's expectations towards the investee companies, and describe among other things the principles for engagement relating to the use of voting rights and guidelines for participating in nomination committees. Aktia's principles for corporate governance define the methods and manners for implementing stewardship, through which Aktia seeks to influence the management and policies of equity and corporate bond investments in a way that supports the long-term value of the funds and investment portfolios it manages. The principles are intended as a guideline for rights and ownership relating to equity and corporate bond investments for Aktia Bank Plc and its subsidiaries Aktia Fund Management Company Ltd and Aktia Life Insurance Ltd. Aktia Life Insurance Ltd complies with these principles when managing customers' investment assets based on the asset management agreements. The principles observe applicable regulation and the recommendations on corporate governance in the sector. Aktia seeks also to promote its climate strategy goals with the methods described in the principles for corporate governance. The goals are connected to the mitigation of relative average greenhouse gas emissions. Within climate and other environment-related indicators, the material indicators to be considered are greenhouse gas emissions (indicators 1-6). For more information see: Aktia's principles for corporate governance.

Statement on sustainability risks and sustainability factors

Identification and consideration of sustainability risks and sustainability factors in Aktia Group's investment activities and investment advice. Aktia considers the sustainability impacts of investments on the environment, society and governance. For more information see: Statement on sustainability risks and sustainability factors.

References to international standards

Aktia complies with international codes of conduct, due diligence and reporting related to responsible business activities. Key international agreements and norms, such as the UN Universal Declaration of Human Rights and corresponding UN conventions, UN Sustainable Development Goals, ILO conventions and OECD Guidelines for Multinational Enterprises, create a set of values for responsible investment. Aktia supports and/or has signed a number of international conventions and initiatives. Aktia regularly monitors the share of investments in investee companies that have been involved in violations of the UN Global Compact principles or OECD Guidelines for Multinational Enterprises.

Aktia has had its own Principles for responsible investment since 2006. Aktia's climate strategy was drawn up in 2021. Aktia has signed the Principles for Responsible Investment (PRI) and Principles for Responsible Banking (PRB) supported by the UN. Aktia is a member of the corporate responsibility network Finnish Business & Society (FIBS) and Finland's Sustainable Investment Forum (FINSIF), a Finnish organisation that promotes responsible investment. Aktia participates in investor initiatives on topics such as climate change mitigation and adaptation as well as safeguarding and promoting biodiversity, such as Net Zero Asset Managers (NZAM), Climate Action 100+, Nature Action 100 and PRI

Spring. Aktia reports to CDP on the climate impacts of its operations. Aktia is also a public supporter of the Transition Pathway Initiative (TPI) and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Aktia is also a member of the Alternative Investment Management Association (AIMA), Standards Board for Alternative Investments (SBAI) and Green Building Council Finland. Aktia is one of the original funders of the Assessing Sovereign Climate-related Opportunities and Risks (ASCOR) project and was the only Finnish asset manager to take part in the advisory committee during the first phase of the project. Aktia is committed to setting near- and long-term climate targets in line with the Science Based Targets initiative's (SBTi) requirements. This means that Aktia will assess and develop its current climate targets to align them with the initiative. In line with the Paris Agreement, the goal is to limit global warming to 1.5 degrees above pre-industrial levels. The climate targets will be submitted to SBTi for validation in 2026 at the latest.

Aktia reports on sustainability risks and the principal adverse impacts on sustainability factors as required by regulation and as part of other responsible investment reporting to customers and stakeholders. As a source of information, Aktia uses external service providers' tools for reporting and analysing sustainability risks and responsibility factors, such as the principal adverse impacts on sustainability factors, climate risk analyses, climate scenario analyses and enterprise-specific ESG analyses. Key indicators for identifying climate-related risks include the carbon footprint (scope 1, 2 and 3), the relative carbon footprint, carbon intensity and climate-related PAI indicators. A key method for using the information above as a part of investment activities is to identify the investee companies' performance in proportion to the reference group and the change in the level compared to historical data. Data sources are e.g. ISS ESG, Morningstar/Sustainalytics, Upright Project and Bloomberg. In company-related investment activities, coverage is mainly good, and the methods used describe and predict the main adverse impacts of the investee companies. In private equity funds, feeder funds and fund of funds' master funds, the portfolio managers of the master fund follow their own processes and methods for acquiring and using corresponding information.

In the forward-looking analysis, Aktia uses IEA's SDS (Sustainable Development Scenario), delivered by ISS ESG, as the most important global warming scenario. Aktia reports a scenario analysis on its equity and fixed income funds every six months according to different global warming scenarios as part of the climate risk analysis. Based on it, Aktia assesses how well its funds are aligned with the Paris Agreement's goal of limiting global warming to 1.5 degrees. The data underlying the scenario is based on the latest available reported data for the financial year. Alignment with the goals of the Paris Agreement is viewed separately for each fund, which is why the data in question cannot at the present time be reported at the level of the financial market participant.

Historical comparison

Financial market participant shall, after the next reporting period, provide in the section "Description of principal adverse impacts on sustainability factors" in Table 1 a historical comparison of the period reported on with the previous period reported on and, subsequently, with every previous period reported on up to the last five previous periods.

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