OP

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial Market Participant OP Asset Management Ltd, LEI:549300FVFD5HBP6XE830

Summary
OP Asset Management Ltd, LEI 549300FVFD5HBP6XE830 (OP Asset Management) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of OP Asset Management. This statement on principal adverse sustainability impacts covers the reference period from 1 January 2025 to 31 December 2025. This statement is 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 updated on an annual basis.

This statement also describes the principles applied at OP Asset Management in relation to the identification and prioritisation of principal adverse sustainability impacts, and how these principles are kept up to date and applied.

OP Asset Management provides institutions and other entities, as well as wealthy individuals, with asset management services. OP Asset Management provides its clients with investment advice on financial instruments (advisory investment management) and investment management services (discretionary portfolio management) and reception and transmission or execution of orders for mutual fund units and other orders for financial instruments. OP Fund Management Company, OP Life Assurance Company, OP-Eläkesäätiö and OP cooperative banks that offer discretionary investment management have outsourced their investment operations mainly to OP Asset Management. The portfolio management of funds managed by OP Fund Management Company has been outsourced to OP Asset Management, OP Real Estate Asset Management and some portfolio managers outside OP Financial Group. Adverse impacts on sustainability factors are also taken into account to the extent possible in investments in funds managed by an external asset manager that is not part of the OP Pohjola.

The principal adverse impacts on sustainability factors are divided into the following themes:

Indicators applied to investments in companies as investment products:

- Greenhouse gas emissions
- Biological diversity
- Water
- Waste
- Social and employee matters

Indicators applied to investments in governments and supranational organisations:

- Greenhouse gas intensity
- Countries in which we invest that have committed violations of social welfare legislation.

For example, principal adverse impacts on sustainability are analysed by screening all investments for the metrics provided in Table 1 and reporting them once per year. For the time being, it is challenging to identify the principal adverse impacts of investments, since entities we invest in do not report them comprehensively. The available information is combined with the estimated information from external service providers in order to obtain an indicative picture of what kind of sustainability impacts different companies have. The adverse sustainability impacts of the entities we invest in are combined, and the combined figure is monitored on the level of the financial market participant. Comparing the investments is difficult because our investment portfolios contain different asset classes and industries. Depending on the size and asset class distribution of the investment portfolio, the sustainability indicator figures describing the adverse impacts may vary by financial market participant.

Because the indicators have only been analysed for three full calendar years, no significant changes have been observed so far. Carbon emissions have decreased, as these are calculated systematically

according to the methods described in the table below. In addition, there have been changes to indicators related to biodiversity, emissions to water, and lack of processes and mechanisms to monitor compliance with the UN Global Compact principles or the OECD Guidelines for multinational enterprises. In these areas, the changes are due to improvements in the coverage and accuracy of data and analysis obtained from a third-party service provider.

Finnish and Swedish translations of this statement are available online at https://www.op.fi/en/op-financial-group/responsibility/responsible-business/sustainable-investment

Version history (applied date)
1.0 (30 Jun 2021): Consideration of Principal Adverse Sustainability Impacts in Investing and Insurance Operations
2.0 (28 Jun 2023): Added a list of indicators (including indicators applied to investments in governments and supranational organisations and property investments).
2.1 (22 Dec 2023) Updated reporting for Table 1 indicators 6, 8 and 9.
3.0 (30 Jun 2024) The statement on principal adverse impacts of investment decisions on sustainability factors was changed from an OP Financial Group-level statement to a company-level statement.
4.0 (30 Jun 2025): Statement on the reference period between 1 Jan 31 Dec 2024. PAI policy approved separately.
4.1 (29 Aug 2025): Publication of translated statements for the reference period 1 January–31 December 2024. The Finnish version has also been updated to ensure consistency. Due to updated background data, minor changes have been made to the calculations. The ESG data used in the latest calculations reflects the situation as of 31 May 2025.

Description of the principal adverse impacts on sustainability factors
Sustainability factors refer to environmental, social and employee matters, respect for human rights and anti-corruption, and anti-bribery themes. OP Asset Management and OP Fund Management Company invest primarily in companies, but the investment portfolios also include bonds of states and supranational organisations, as well as real assets such as real estate units. Investment options may have adverse impacts on sustainability factors through their operations, and the practice of taking these impacts into account in investment decisions is known as the consideration of principal adverse impacts on sustainability factors.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	**Metric**	**Impact 2025** (coverage)	**Impact 2024** (coverage)	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					

Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	374,982.61 (95.48%)	844,637.45 (81.13%)	Unit: tCO2e	The actions and targets for greenhouse gas emissions, meaning indicators 1–6, are described here collectively, as we treat these indicators and other climate-related company- and portfolio-level analysis as a single entity from the perspective of our climate targets. Additional information is available in OP Asset Management's Climate and Nature Report 2024 https://www.op-mediapankki.fi/l/tjwvpkwhMFR5 **ESG analysis:** OP Asset Management has monitored the carbon footprint of investments since 2015. By the end of 2024, the weighted average of the carbon intensity of OP funds' investments had decreased by 55% from the 2019 level. OP Asset Management is committed to promoting the Paris climate goals and achieving net zero emissions from investments by 2050, and it has announced its goal as part of the international Net Zero Asset Managers initiative. As a tangible interim goal, we aim for 65% of OP funds' direct fixed income and equity investments to adapt to the net zero path by the end of 2028. As part of the effort to adapt the entire economy and not just exclude high-emission companies, OP Asset Management's new climate model emphasises a low-carbon transition approach rather than cutting greenhouse gases. Climate metrics are used in investment operations as part of the corporate analysis. This contains indicators that allow us to model the Paris Agreement's warming goals for investment products, and information about the target companies' emissions reduction goals. **Exclusions:** OP Asset Management excludes all direct, active investment in companies where over 20% of production's turnover is dependent on coal or coal-based energy, or that have coal expansion projects related to mining, power generation, or supporting infrastructure. In addition to general
		Scope 2 GHG emissions	113,354.70 (95.48%)	279,635.78 (81.13%)	Unit: tCO2e	
		Scope 3 GHG emissions	4,124,270.64 (95.51%)	8,150,352.82 (81.13%)	Unit: tCO2e Coverage changed	
		Total GHG emissions	4,675,423.61 (95.47%)	9,363,049.55 (81.10%)	Unit: tCO2e Coverage changed	
	2. Carbon footprint	Carbon footprint	234.71 (95.47%)	265.94 (81.10%)	Unit: tCO2e/m€	
	3. GHG intensity of investee companies	GHG intensity of investee companies	742.74 (96.17%)	880.65 (95.21%)	Unit: tCO2e/m€	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	2.82% (95.84%)	2.67% (95.24%)		
	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 compared to renewable energy sources, expressed as a percentage of total energy sources	65.18% (73.98%)	66.11% (87.18%)		

	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	A - Agriculture, forestry and fishing: 0.46 (33.69%) B - Mining and quarrying: 1.08 (33.69%) C - Manufacturing: 0.34 (33.69%) D - Electricity, gas, steam and air conditioning supply: 3.24 (33.69%) E - Water supply; sewerage, waste management and remediation activities: 1.71 (33.69%) F - Construction: 0.10 (33.69%) G - Wholesale and retail trade: 0.96 (33.69%) H - Transportation and storage: 1.38 (33.69%) L - Financial and insurance activites: 1.43 (33.69%)	A - Agriculture, forestry and fishing: 0.75 (17.91%) B - Mining and quarrying: 3.55 (17.91%) C - Manufacturing: 0.43 (17.91%) D - Electricity, gas, steam and air conditioning supply: 4.61 (17.91%) E - Water supply; sewerage, waste management and remediation activities: 2.07 (17.91%) F - Construction: 0.12 (17.91%) G - Wholesale and retail trade: 0.35 (17.91%) H - Transportation and storage: 0.99 (17.91%) L - Financial and insurance activites: 0.64 (17.91%)	Unit: GWh/€m There is a change in the interpretation of the method in the treatment of fund investments and in the calculation of coverage.	exclusion rules Articles 8 and 9, the funds do not invest in companies whose principal business is in fossil fuel production. The use of coal will be phased out gradually by 2030. **Active ownership:** We apply tangible engagement measures to portfolio holdings with high climate risk. This includes voting at shareholders' meetings, engaging in direct dialogue or collective engagement initiatives in which OP Asset Management is actively involved for the company in question. By the end of 2025, we had engaged on climate-related issues with a total of 25 companies using the engagement methods described above. Further information on engagement is available in the Report on the Implementation of Shareholder Engagement Principles in OP Pohjola: https://www.op.fi/en/op-financial-group/responsibility/responsible-business/sustainable-investment
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee	4.47% (96.01%)	4.41% (95.08%)		**ESG analysis:** In the case of globally distributed investments, investors still have only limited possibilities to assess financial risks related to nature because location-specific impacts on biodiversity can only be measured indirectly in most cases. We expanded our analysis in this area in 2024 as

		companies negatively affect those areas				part of our Climate and Nature Report. Our intention is to continue and expand this analysis during 2026 and to integrate its outcomes into our investment activities in the coming years. **Exclusions:** We will continue to exclude companies that violate the UNGC principles and cause significant harm to the environment if our engagement efforts are unsuccessful. **Active ownership:** OP Asset Management is part of the Finance for Biodiversity initiative, thereby committing to matters such as assessing our investee companies' ecological impacts, setting targets and releasing public reports. At the end of 2025, there were no companies in OP Pohjola funds that had been involved in severe nature-related norm violations. Correspondingly, our watchlist included a few companies with an elevated risk of nature-related norm violations, and engagement activities were directed at these companies during 2025. These measures were coordinated by our external service provider specializing in the identification of norm violations and related engagement activities.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.33 (3.68%)	0.05 (2.00%)	Unit: t/€m Very low coverage: companies do not report this figure, and data service providers do not estimate it. The change may therefore be due to changes in individual companies.	**ESG analysis:** Regarding water, the amount of wastewater from industrial activities is monitored. As with all metrics, the data collected and produced by MSCI is available to portfolio managers and the asset management ESG team, and our screening tool highlights exceptional companies. Although data availability for this indicator is very limited, portfolio managers can still utilise it in investment decision-making. However, we have not implemented or planned any actions regarding water emissions at the company level so far.

Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1.60 (85.02%)	2.47 (66.03%)	Unit: t/m€	**ESG analysis:** We continue to assess the amounts of hazardous waste caused by the companies' operations as part of a portfolio-specific ESG analysis in the fields of operation where it is relevant.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.67% (43.11%)	0.29% (42.87%)		**ESG analysis:** OP signed the principles of the UN Global Compact initiative in 2011. We continue to screen investment options regularly for possible violations of international norms. **Active ownership:** If a norm violation is detected, we will begin a shareholder engagement process with the company. As a last resort, the company will be excluded from investment if engagement does not progress. If a norm violation is identified, an engagement process is initiated with the company. Ultimately, the company will be excluded from investments if the engagement does not lead to results. At the end of 2025, there were a total of 3 norm violations in the funds managed by OP Fund Management, as well as 48 potential norm violations or cases on the watchlist. The majority of these violations or suspected cases were related to human rights. Engagement dialogues were ongoing in relation to all of these 51 cases, coordinated by an external service provider specializing in the identification of norm violations and related engagement activities. We will continue dialogues with the companies also in 2026.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact	Share of investments in investee companies without policies to monitor compliance with the UNGC	1.77% (95.84%)	1.87% (95.22%)		**ESG analysis:** We monitor the good governance of the companies in which we invest, including from the perspective of the Global Compact principles and the OECD guidelines. Our model is integrated into

	principles and OECD Guidelines for Multinational Enterprises	principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises				the investment process and serves as the primary tool for defining sustainable investments. If a company does not meet the requirements, the investment will only be approved through a justified exception. In 2026, we will continue to actively monitor the minimum requirements in accordance with our process and, if necessary, seek to influence companies where violations or other deficiencies have been detected.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	12.39% (71.76%)	13.21% (53.12%)		**ESG analysis:** Currently, data coverage is still low, although it has improved significantly during the last few years. We acquire the indicator data from an external service provider which strives to improve the data coverage. We will monitor the development of data quality and, among other things, the effects of the EU Pay Transparency Directive, and reassess our engagement opportunities as an asset manager in the future.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	38.13% (82.37%)	37.83% (83.11%)		**ESG analysis:** We continue to monitor the gender distribution of companies in which we have invested and, if necessary, review the company further if its Board does not acknowledge gender diversity. **Voting at shareholders' meetings:** Board diversity, including the gender composition of the board, is one of our key stewardship objectives when exercising voting rights at general meetings of both domestic and international listed companies. For domestic general meetings, we apply in our voting policy the 40% gender representation requirement set out in the Finnish Corporate Governance Code issued by the Securities Market Association, taking into account the applicable rounding rules. At international general meetings, we follow the Sustainability Voting Policy of our proxy advisor ISS, which incorporates gender diversity considerations in board-related voting decisions. In the U.S.

						market, we apply a stricter voting approach than the ISS Sustainability Policy, requiring that at least 30% of board members represent the underrepresented gender. The objective of this approach is to promote gender equality in decision-making and to encourage companies to take concrete actions to improve equality.
	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	0.02% (96.47%)	0.01% (95.26%)		**Exclusions:** We excluded all companies with identified links to controversial weapons or nuclear weapons until 04/2025. Our current criteria allow investments in companies registered in NATO and EEA countries that produce landmines or whose involvement in nuclear weapons is limited to supporting services or component manufacturing. We will also continue to monitor changes in the operating environment in 2026 and assess any potential need to update our exclusion criteria accordingly.
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		**Metric**	**Impact 2025** (coverage)	**Impact 2024** (coverage)	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Environmental	15. GHG intensity	GHG intensity of investee countries	196.91 (43.16%)	224.80 (46.21%)	Unit: tCO2e/m€	**ESG analysis:** OP Asset Management is committed to promoting the Paris climate goals and achieving net zero emissions from investments by 2050, and it has announced its goal as part of the international Net Zero Asset Managers initiative. As for government bond investments, we monitor the greenhouse gas intensity of governments.

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	7 0.51% (40.72%)	7.00 0.43% (46.21%)	Units: pcs and relative percentage	OP Asset Management will continue to comply with sanctions by various international bodies such as the EU, UN and USA. Investments are screened in accordance with these sanctions lists.
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		**Metric**	**Impact 2025** (coverage)	**Impact 2024** (coverage)	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
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	N/A N/A	N/A N/A	The adverse impacts of real estate investments are reported in OP Real Estate Investment's PAI statement.	

Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A N/A	N/A N/A	The adverse impacts of real estate investments are reported in OP Real Estate Investment's PAI statement.	
ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Indicators applicable to investments in investee companies						
Emissions	4. 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.	33.44% (92.67%)	38.69% (91.18%)		**ESG analysis:** The starting point for OP Asset Management's new climate targets is to promote adaptation in the real economy and monitor the share of companies that adapt, alongside reducing absolute emissions. We will continue to actively engage with portfolio companies that do not have tangible climate goals or commitments. **Active ownership:** OP Asset Management's climate engagement target period for 2023–2025 concluded in 2025. During this period, engagement measures were directed at a total of 25 companies with high climate risk through direct dialogue, collaborative engagement, and general meeting voting, focusing on companies with clear shortcomings, for example in climate target-setting or emissions reporting. As a result, 69.7% of the investments in OP Financial Group's direct equity or fixed income funds were either aligned or aligning with a Paris Agreement–consistent net zero pathway, or were subject to active climate engagement. The target was to reach a level of 70% by 2025.
ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Indicators applicable to investments in investee companies						
Human rights	14. Number of identified cases of severe human rights issues and incidents.	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis.	0.00 (94.24%)	0.00 (79.03%)	Calculation method changed.	**ESG analysis:** OP has signed the principles of the UN Global Compact initiative in 2011. We continue to screen investment options regularly for possible violations of international norms. The responsible investment model used in the portfolio management of OP Asset Management's Article 8 and 9 funds includes indicators intended to

	identify human rights-related risks in investments. When it comes to responsible investments, we adhere to the principle of “do no significant harm”, which prevents investments in companies that have adverse social impacts. In line with indicator #11, we also monitor good governance in our investments. **Active ownership:** If a norm violation is detected, we will begin a shareholder engagement process with the company. As a last resort, the company will be excluded from investment.

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

On 28 May 2025, the Board of Directors of OP Asset Management Ltd approved the operating principles for identifying and prioritising principal adverse sustainability factors as described in this statement. The need to update the principles is assessed annually.

In OP Asset Management’s investment operations, the consideration of sustainability factors applies to OP Asset Management’s direct equity and debt investments, investments in derivatives, and, as far as possible, investments in funds managed by external asset managers outside OP Pohjola. Methods specific to financial products have been determined in the disclosure of each product in accordance with Article 7 of SFDR, such as the funds prospectus in the case of funds.

OP Asset Management is primarily responsible for the investment operations of other OP Pohjola entities through outsourcing. OP Asset Management has outsourced the portfolio management and investment decisions of real estate investments in other portfolios to OP Real Estate Asset Management Ltd. Real estate investments are thus guided by OP Real Estate Asset Management’s PAI principles.

OP Asset Management has organised responsible investment, including the implementation of these operating principles, in a way that allows appropriate decision-making, monitoring, management of risks and conflicts of interest, and remuneration. These operating principles are approved by the Board of Directors of OP Asset Management. Decisions in line with the priorities are made by the Committee for Responsible Investment of OP Asset Management and by ESG Specialists. The actual ESG strategies are implemented on a case-by-case basis by ESG Specialists or portfolio managers and in collaboration.

1 Identifying and prioritising factors

In OP Asset Management’s investment operations, the consideration of sustainability factors is guided by OP Asset Management’s and OP Fund Management Company’s principles for responsible investment, as well as the objectives, policies and commitments based on the principles. Guiding documents are publicly available on OP’s website at https://www.op.fi/en/op-financial-group/responsibility/responsible-business/sustainable-investment.

OP Asset Management uses the PAI indicators required in SFDR in its regular reporting and when making investment decisions in portfolio management. Comprehensive internal ESG models are available for OP Asset Management’s portfolio managers, and they can use these models to analyse investments and to identify principal adverse impacts. In addition to PAI indicators, the models include a wide variety of other indicators for sustainability factors, a benchmark index and reference points of peer companies. ESG Specialists maintain responsible investing models and policies, and they can support portfolio managers in ESG matters, if necessary.

The scope and quality of the data available is considered when prioritising methods and indicators. There are several PAI indicators, and some of them are not relevant for individual investment decisions, even though all of them are monitored at a portfolio level. SFDR does not set threshold values or requirements regarding how the PAI indicators should be considered. Section 2 below describes the methods that are applied in order to consider and minimise adverse impacts on sustainability. Clear policies are possible for certain PAI indicators such as those related to exclusionary screening because identifying the threshold from the adverse impact is straightforward. These include tobacco production and the manufacture of controversial weapons. For example, for emissions or the amount of dangerous waste, it would not be sensible to determine exact threshold values because these areas vary greatly from sector to sector. We therefore use the screening described below, as it helps us identify potential portfolios including higher emissions or individual investments where emissions are significantly greater compared to peers.

2 Methods and actions for considering principal impacts

Regular screening of adverse impacts on sustainability: Principal adverse impacts on sustainability are analysed regularly by ESG Specialists by screening investments against PAI indicators. If screening reveals investment options with significant principal adverse impacts on sustainability compared to its peers, and if the said PAI indicator is deemed essential for the company, the company will be monitored more closely and excluded if necessary. Also, a process to influence the company's behaviour can also be initiated. The portfolios' investments are also screened regularly for violations of international norms using an external service provider's analysis.

ESG analysis: Investment operations use ESG indicators and an ESG analysis of the investment options that considers how relevant sustainability factors are per field of operation. These help with prioritising and identifying which adverse impacts on sustainability are the most relevant for each investment option.

Violations of international norms: International norms such as the UN Global Compact define the minimum level for responsible business. In active direct investments in OP funds, OP Asset Management exercises influence on companies that are considered to have violated international norms. The aim is to make non-compliant companies change their practices and begin to comply with international standards.

Exclusionary screening: OP Asset Management excludes from its active direct investments any controversial weapon manufacturers, tobacco producers, mining companies producing thermal coal, power companies using thermal coal, and companies that have breached international standards, and where engagement has been unsuccessful. Regarding the direct equity and fixed income investments of finance products that promote ESG characteristics and include sustainability objectives in accordance with Articles 8 and 9 of SFDR, we will exclude companies that derive more than 5% of their revenue from coal, oil or gas exploration, distribution, refining and production business, and which do not have a clear and credible strategy for transitioning from fossil fuels to more sustainable business models. The exclusion lists are public and available online at https://www.op.fi/en/op-financial-group/responsibility/responsible-business/sustainable-investment. External asset managers in whose funds OP Asset Management invests follow their own exclusion principles. Funds' and portfolios' holdings are screened on a quarterly basis to ensure that the exposure of the fund's investments to OP Asset Management's exclusion list is minimised.

External asset managers: OP Asset Management has established minimum ESG criteria with which external asset managers must comply. Additionally, the annual review of external asset managers reveals how the external asset managers take the adverse impacts on sustainability into account in their investments. For ETFs, the process has been modified so that the survey is not required from the asset managers of these funds. In addition to the minimum criteria, features such as alignment with the EU Taxonomy, the share of responsible investments in accordance with OP Asset Management's model and the consideration of PAI indicators in ETF investments are monitored in relation to ETF investments. A more detailed description can be found in OP Asset Management's Principles for Responsible Investment.

General meetings and shareholder engagement: OP Fund Management Company and OP Asset Management participate in shareholders' meetings in Finland and abroad in accordance with the shareholder engagement principles, which take the responsibility perspectives into account. Voting at the general meeting applies only to certain funds managed by OP Fund Management Company. In addition, OP Fund Management Company and OP Asset Management carry out shareholder engagement related to violations of international norms and thematic engagement in accordance with the principles for responsible investment and shareholder engagement.

3 Additional indicators

The most essential criteria in selecting additional indicators include the availability and quality of data, as well as the suitability of the indicator for a wide range of investments in terms of OP Asset Management's and OP Fund Management Company's sustainability strategies related to the principles for responsible investment. The selection of additional indicators has been made by ESG Specialists and approved by the Committee for Responsible Investment of OP Asset Management on 24 March 2025. The selection of additional indicators is assessed annually as these principles are reviewed, and they are updated as necessary, especially if the above-mentioned principles for responsible investment have been modified.

OP Asset Management reports option 4 of SFDR's Delegated Regulation, "Investments in companies that have no initiatives for reducing carbon emissions", as an additional indicator related to the climate or other environmental issues. Climate change is one of the greatest global challenges with irrevocable, diverse and complex effects. They may manifest as extreme weather phenomena, rising sea levels, scarcity of water resources and disappearance of animal and plant species. Climate change that has already occurred has been observed with certainty, that is, the probability of its effects is certain. The occurrence of effects is very likely, if not certain, and they may be serious and irrevocable by nature.

OP Asset Management is committed to promoting the Paris climate goals and achieving net zero emissions from investments by 2050, and climate metrics are used in investment operations as part of the corporate analysis. This contains indicators that allow us to model the Paris Agreement's warming goals for investment products, and information about the target companies' emissions reduction goals. The objectives of OP Asset Management's climate policy renewed in 2024 are linked to investments' alignment with net zero.

The selected additional indicator for matters related to society and employees, respecting human rights and combatting corruption and bribery is 14, "Number of cases identified that relate to severe human rights issues and violations". This indicator is the only one in SFDR for monitoring actual and identified human rights violations, because other indicators relate to the policies and risk assessments of investments, based on assumptions related to geographic area and sector. In accordance with its principles for responsible investment, OP Asset Management monitors the implementation of UN Global Compact principles in its investments via Sustainalytics, as part of its exclusion strategy, in addition to MSCI's PAI data, and human rights are one of UN Global Compact's main themes. Investment screening seeks to identify investment options that have a significant number of identified cases related to human rights violations, and if necessary, we will start monitoring the company more closely. Human rights violations might manifest as forced labour, slavery, discrimination or restriction of people's freedom of expression. As sustainability impacts, human rights violations will remain likely, if not certain, even in the future for companies in the global investment universe or in their supply chains. OP takes human rights violations seriously and considers their effects irrevocable in nature.

4 Margin of error related to the methods

Opportunities to identify and analyse the principal adverse impacts related to sustainability factors depend on the availability and quality of information. The information reported by the portfolio companies are primary, but a large part of adverse impacts on sustainability concern information that the companies do not yet publish extensively. In addition to the portfolio companies, the applied information comes from third-party information service providers. We continuously strive to improve the quality and coverage of information. OP Asset Management's ESG Specialists monitor significant quantitative changes in the metrics, as well as changes to the methods and sources used by service providers. They stay in active contact with the service providers to minimise errors and improve accuracy.

5 Information sources used

OP Asset Management's main source for PAI indicators is MSCI ESG Research, from which the information for the annual PAI report is obtained. In addition, portfolio management uses other supplementary information sources. For the analysis and monitoring of international standard violations, the service provider used is Sustainalytics. Meanwhile, S&P Trucost is the information source for target companies' compliance with the UN Sustainable Development Goals (SDGs). The Institutional Shareholder Service (ISS) study is used to support shareholder engagement. The above service providers use both data reported by companies and estimates based on assessment models developed by each service provider.

Engagement policies

The principles of shareholder engagement and responsible investment direct advocacy work. OP Asset Management has its own shareholder engagement principles, which are available online at https://www.op.fi/en/op-financial-group/responsibility/responsible-business/sustainable-investment. OP Asset Management acts as the portfolio manager of the funds managed by OP Fund Management Company Ltd, and as the asset manager for OP Pohjola's insurance companies and pension corporations. These entities have their separate shareholder engagement principles, as required by regulation, which are implemented by OP Asset Management on behalf of the entities.

There are three primary methods of investor engagement with companies:

- dialogue with investee companies;
- participation in general meetings and exercising voting rights related to ownership;
- participation in joint engagement initiatives by investors.

In addition to financial performance, in active and direct investment, the environmental, social and governance issues of the investment options are taken into account. When meeting with representatives of the companies, we will find out, when necessary, how the company's strategy is implemented and what the relevant responsibility questions are. In investment activities, we also monitor companies' compliance with international norms, such as the UN Global Compact and OECD guidelines. International norms define the minimum level for responsible business. If this minimum level is not met, meaning that the company has violated international norms, we begin advocacy work with the company. This advocacy work is linked to item 10 in Table 1. The aim is to exercise influence on the companies' operation through owning shares or promissory notes so that non-compliant companies change their practices and begin to comply with international norms in their operations. Primarily, we try to influence the company that violated norms and only secondarily will we give up the investment if the advocacy work does not work. Decisions to disengage from investments are made on a case-by-case basis, taking the severity and extent of norm violations into account. The decision is approved/rejected in the Committee for Responsible Investment of OP Asset Management.

In addition to direct advocacy work, we use the right to vote at the general meetings of both domestic and foreign listed companies. OP Asset Management participates in general meetings primarily on behalf of funds managed by OP Fund Management Company, as well as on behalf of OP Pohjola's insurance companies and pension corporations, in which case the representative of OP Asset Management at the general meeting complies with the shareholder engagement principles and themes of the respective entity. Typical items on the general meeting agenda include the composition of the Board, remuneration, changes in capital structure and reporting. In addition to these, the significance of environmental and social matters is continuously growing in general meetings. A significant mean of exerting influence is to use the right to vote in these matters. In principle, OP Asset Management (representing entities such as OP Fund Management Company in accordance with the processes defined in the principles of shareholder engagement, as is verified at the beginning of this document) has a positive view on proposals related to environmental and social topics. In principle, OP Fund Management Company supports proposals related to climate change, energy efficiency, renewable energy, product safety and human rights. The principles of shareholder engagement of OP Fund Management Company list examples of issues that OP Fund Management Company principally supports at general meetings. These particularly concern the indicators of adverse sustainability impacts, which are listed in Table 1. OP Fund Management Company's general meeting positions and votes in which voting rights have been exercised are publicly available at https://www.op.fi/en/op-financial-group/responsibility/responsible-business/sustainable-investment.

OP Asset Management Ltd's ESG specialists may also strive to influence topical and material responsibility matters by participating in investors' cooperation initiatives. They are used to motivate companies to promote climate action, set emissions reduction targets, or improve reporting related to climate and the environment.

The adverse impacts are acknowledged strongly in advocacy work from the climate perspective. We apply tangible engagement measures to investments with high climate risk. This includes voting at shareholders' meetings, engaging in direct dialogue or collective engagement initiatives in which OP Asset Management is actively involved for the company in question. The target of exerting influence is to make sure that these investment options with a high risk of climate transition have an emissions reduction plan in line with the Paris Agreement. The goal of the engagement measures is to mitigate the adverse sustainability impacts listed in points 1–5 of Table 1.

Given that extensive reported data on the adverse sustainability impacts listed in Table 1 is unavailable for the time being, investor engagement measures currently focus only on the indicators and themes described above. As the availability of data and analysis improve, we will also investigate opportunities for expanding our engagement activities to cover other adverse sustainability impacts.

References to international standards

OP Asset Management agrees to comply with several international norms, and it uses international frameworks when screening investment options. The methods used take the following international standards and conventions into account:

- UN Global Compact principles (UNGC)
- UN Guiding Principles on Business and Human Rights (UNGPs)
- OECD Guidelines for multinational enterprises
- Conventions of the International Labour Organization (ILO)
- Partnership for Carbon Accounting Financials (PCAF)
- Net Zero Asset Managers Initiative (NZAM)

The companies in which we invest are monitored for compliance with the UN's Global Compact initiative's principles and Guiding Principles on Business and Human Rights, as well as the OECD's Guidelines, by using indicator 10, "Violations of the UN's Global Compact principles and the OECD Guidelines for multinational enterprises", in Table 1. OP Asset Management uses an external service provider Sustainalytics, which analyses companies' potential violations of international standards, and determines the level and severity of the violations. Sustainalytics monitors and reports on companies that have been found to violate international norms or that are on the company's watchlist due to suspected norm violations. The analysis covers more than 20,000 investee companies globally.

Greenhouse gas emissions (Scope 1, 2 and 3), carbon footprint and greenhouse gas intensity are indicators that support the analysis and calculation, taking into account the Partnership for Carbon Accounting Financials and Net Zero Asset Managers initiatives. In addition to these indicators, we use other metrics for identifying climate risk in the manner described below.

OP Asset Management utilises company- and portfolio-level analysis in investment decision-making, based on data from the Implied Temperature Rise and Low-Carbon Transition product families produced by MSCI ESG Research. MSCI uses scenarios and research data from NGFS and IPCC in these products. In its latest methodology, MSCI refers to the REMIND NGFS Net Zero 2050 scenario developed in 2022.

Paris Agreement

OP Asset Management is committed to promoting the Paris climate goals and achieving net zero emissions from investments by 2050. A tangible interim goal is our target to halve the total CO2 intensity of OP funds by the end of 2030 compared to 2019. The key indicators for identifying the climate risk related to companies we invest in include greenhouse gas emissions (Scopes 1, 2 and 3), carbon footprint, and greenhouse gas intensity.

High-quality and extensive data is required for climate analysis in investment operations. Investment operations use their own ESG tool as part of company-specific or sectoral analysis. In addition to greenhouse gas emissions, this contains climate metrics and indicators from external service providers (MSCI, S&P Trucost), which allows the modelling of the warming goals of the Paris Agreement in investment portfolios, for example. The modelling uses the 1.5°C scenario of the Intergovernmental Panel on Climate Change (IPCC) and the NZE 2050 scenario of the International Energy Agency (IEA). To limit climate risks, OP Asset Management currently prohibits all direct, active investments in companies whose operations generate more than 20% of their revenue from coal or coal-based energy, or that have coal expansion projects related to mining, power generation, or supporting infrastructure. Coal will be phased out gradually by 2030. In addition, certain Article 8 and 9 funds managed by OP Asset Management that make active direct investments do not invest in companies primarily engaged in fossil fuel production.

Historical Comparison

PAI reporting has only been carried out since 2022, and it is therefore impossible to make a historical comparison for five periods. The indicators for 2023 are presented in the table above. Comparison is also complicated by changed interpretations of calculation methods. The figures for the comparison period have not been adjusted to correspond to the method used in 2024. As per the Information sources used section above, we actively monitor changes in the methods of external service providers and, if necessary, request clarifications if there are unexpected changes in the figures.

The same trends are visible in the changes in indicators of many different OP financial market participants. For example, since 2022, OP Fund Management Company's carbon footprint has clearly decreased, which is reflected in indicators 1–3. The combined Scope 1, 2 and 3 carbon emissions in 2022 were 21.2 million tonnes of CO2, meaning that emissions have decreased by over 57% compared to the 2025 figure of 9.0 MtCO2. The additional emissions indicator, “4. Investments in companies that do not have initiatives aimed at reducing carbon emissions,” has also decreased significantly: the 2022 average was 60%, compared with 40.7% in 2025.

Due to changed coverage and methodologies, comparisons with other indicators, especially 2022, are not very meaningful or relevant on a broad scale. In accordance with the methodology section, OP Asset Management actively monitors company-specific deviations in portfolio management, but it is difficult to analyse changes at the annual financial market participant level.