

## REPORT ON THE IMPLEMENTATION OF ENGAGEMENT POLICY EMPLOYED BY EVLI IN ASSET MANAGEMENT IN 2022

Evli<sup>1</sup> defined its Engagement Policy in 2019 and has last updated them in Spring 2023. This report is based on the Engagement Policy in force in 2022. The policy is applied when Evli invests the assets under its asset management in the equities of companies that are traded in a regulated market and in a corresponding trading venue and, where applicable, in investments in various fixed income instruments. The policy is also applied to mutual funds managed by Evli Fund Management company and the assets under its asset management, and in conjunction with the asset management of Aurator Asset Management Ltd. Therefore, the same policy is applied throughout the Evli Group. This report on the implementation of the Engagement Policy applies only to Evli's asset management and Aurator Asset Management and direct equity investments managed by these. The implementation of the policy in the direct equity investments of asset management must be reported annually. Further information on the implementation of Evli's Engagement Policy in Evli Fund Management Company and on Evli's responsible investment in general is available [here](#).

Evli's ownership control methods are: 1. engagement with companies either independently or together with other investors, 2. participation in general meetings of shareholders and 3. discussions during regular company meetings between company representatives and the portfolio managers or the responsible investment team.

### 1) Engagement with companies

Evli engages with companies both independently and together with other investors.

Evli participates in collaborative engagement initiatives that are aimed at influencing the market on a wider level. Climate change mitigation has been the most important theme in the collaborative engagement initiatives that Evli has joined. These initiatives include for example Climate Action 100+, investor letters coordinated by the CDP and the CDP's collaborative engagement initiative for setting Science-Based Targets (SBTs). In 2022, together with other investors, Evli signed a letter to governments, the Global Investor Statement to Governments on the Climate Crisis, encouraging them to set ambitious targets to achieve the Paris Agreement, establish roadmaps for carbon-intensive sectors to move to low-carbon, increase financing and policies needed to achieve carbon neutrality, and commit to corporate reporting in line with TCFD recommendations.

In addition to collaborative engagement, Evli's responsible investment team and portfolio management contacted eight companies independently. In addition to the responsible investment team, representatives of portfolio management participated in some of the engagement discussions. The cases of engagement were related to encouraging companies to set climate targets, good governance as well as human rights and the issues regarding the supply chain. The cases concerned Finnish companies.

Aurator did not carry out any engagement directed at companies in 2022.

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<sup>1</sup>The reported information relates to investment activities carried out in Evli Group. Evli Bank Plc demerged on 2 April 2022 through a partial demerger as a new asset management-focused listed group Evli Plc and as a company continuing Evli Bank Plc's banking operations Fellow Bank Plc, to which Fellow Finance Plc merged.

## 2) Participation in general meetings of shareholders

Evli's asset management attended 27 general meetings in 2022. The containment measures brought by the coronavirus pandemic were taken into account in the participation, and as a consequence, participation in the meetings took place by issuing a power of attorney along with voting instructions. Evli's representatives attended the general meetings (Annual General Meetings and/or Extra Ordinary General Meetings) of shareholders of Musti Group, Talenom, QT Group, Uponor, Kojamo, Tokmanni, Metsä Board, Terveystalo, Verkkokauppa.com, Gofore, Detection Technology, Lemonsoft, Ponsse, Eezy, Raisio, Sanoma, Revenio Group, Marimekko, Kempower, Relais Group, Remedy Entertainment, Kamux, Sitowise, Modulight, Puuilo and Konecranes. The criteria for participation in general meetings of shareholders are the stake in the company, the company's proportion in investments, the matters dealt with in the general meetings, and engagement possibilities. Before the general meetings of shareholders, Evli had contacted five companies regarding good governance. A ballot was conducted at 25 of the general meetings of shareholders. At four general meetings, Evli abstained from voting on the minority dividend requirement. At 24 general meetings, Evli abstained from voting on the election of the board members, it abstained once from voting on the election of auditor and once regarding resolution on the discharge of the members of the Board of Directors and the CEO from liability. At one general meeting, Evli abstained from voting on three questions regarding a Supervisory Board. Apart from these, Evli backed all the proposals.

Aurator did not participate in any general meetings in 2022.

## 3) Company meetings

In addition to the engagement work carried out by the responsible investment team, portfolio managers also actively engage in discussions with companies. In 2022, among others, one of the most important themes of the discussions was climate and companies' believable climate targets. Portfolio managers of Evli's asset management met with companies about 130 times during 2022.

Aurator met with companies about 250 times during the year, and nearly all discussions also covered responsibility themes.

## The implementation of engagement policy employed by EAB Asset Management Ltd

EAB Asset Management Ltd merged with Evli Plc as part of the fusion of Evli Plc and EAB Group Plc. Before the merge with Evli, the assets transferred from EAB Asset Management implemented their own engagement policy. EAB Asset Management's tools for active ownership were engagement with companies, participating in annual general meetings and meetings with company executives. In 2022, before the merge the portfolio managers of EAB Asset Management met company executives and representatives approximately 10 times and responsibility related matters were also discussed in the meetings. EAB Asset Management did not participate in annual general meetings, and it did not engage directly with companies during 2022 before the merger.