PUBLIC TRANSPARENCY REPORT

2025

Sp-Fund Management Company Ltd

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About this report

PRI reporting is the largest global reporting project on responsible investment.

It was developed with investors, for investors. PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders. This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2025 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2025 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

■ Why does your organisation engage in responsible investment?
■ What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Sp-Fund Management Company is part of savings Banks Group. Our mission is to promote the financial wellbeing and prosperity of our customers, responsibly. Our operations are guided by the values of the Savings Banks Group: customer-drivenness, cooperation, reliability and performance. Responsible investment is an integral part of Sp-Fund Management Company's investment process. A careful and more extensive analysis provides more information about the risks and opportunities of different investments, which can affect financial results. Sp-Fund Management Company integrates responsibility into its investment activities by adhering to the principles of responsible investing across all the funds it manages. These principles are implemented through a variety of approaches. Our approach includes the integration of ESG factors and risks, systematic monitoring of compliance with international norms and conventions, thematic impact investing and prioritization, exclusion, as well as active ownership and engagement.
At Sp-Fund Management Company, the principles of responsible investment are seamlessly embedded into the investment process. ESG factors are consistently incorporated into investment decision-making and analysis. Portfolio managers also evaluate ESG-related risks and opportunities, including principal adverse sustainability indicators, as an integral part of the investment analysis. Sp-Fund Management Company monitors how the investee companies of direct investments comply with international standards and conventions (such as Global Compact) regarding human and labour rights and prevention of environmental destruction and corruption. Sp-Fund Management Company excludes from direct investments companies that repeatedly violate international agreements and are not considered to be in a position to successfully influence them. Sp-Fund Management Company is an active owner. This includes, among other practices, the participation of Savings Bank funds in the general meetings of investee companies and maintaining direct dialogue with them. Sp-Fund Management Company participates in different international cooperation initiatives with other investors. We are an investor signatory of CDP's (former Carbon Disclosure Project) climate change, water and deforestation initiatives. We also encourage companies to report more transparently on their environmental activities through the CDP's Non-Disclosure Campaign initiative regarding the CDP's before-mentioned initiatives. We are involved in the Climate Action 100+ investor initiative that aims to influence more than one hundred companies with the highest emissions in various industries.
Sp-Fund Management Company does not make direct investments in companies involved in the manufacturing or sale of controversial weapons or their components. Sp-Fund Management Company excludes from its direct investments companies that repeatedly violate international agreements and where successful engagement is not deemed feasible. The company has also excluded from its direct investments coal users and producers. This exclusion applies to mining companies that derive more than 25% of their revenue from coal used for energy production or have high levels of thermal coal production (over 30% of total production). Among utility companies, the exclusion applies to those that rely significantly on coal as a fuel source (over 30% of energy production). Sp-Fund Management Company also refrains from direct investments in tobacco manufacturers and companies involved in adult entertainment production (if such activities exceed 5% of revenue)
For external fund investments, Sp-Fund Management Company seeks asset managers whose investment philosophy and approach align with Sp-Fund Management Company's own values and policies. When selecting external fund managers, preference is given to managers who have signed the PRI Principles. Furthermore, we only invest in funds whose management company is in a country party to OECD's AEOI agreement, or the agreement on the automatic exchange of tax information, or in the case of the US, to the FATCA agreement similar to the AEOI. We also examine from external asset managers disclosures that are equivalent to those required of Sp Fund Management Company under the Sustainable Finance Disclosure Regulation (SFDR) and the EU Taxonomy Regulation. In addition to the external service provider, companies' sustainability reports, NGOs' reports and other public sources are used in analysing responsibility. As of the end of 2024, all external asset managers used by Sp Fund Management Company had signed the PRI principles.

Section 2. Annual overview

■ Discuss your organisation’s progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
■ Reflect on your performance with respect to your organisation’s responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
• refinement of ESG analysis and incorporation
• stewardship activities with investees and/or with policymakers
• collaborative engagements
• attainment of responsible investment certifications and/or awards

Responsible investment remains a strategic focus area. The goal is to drive the transition towards more sustainable business models and a more sustainable society overall through responsible investment practices.
During 2024 Sp-Fund Management Company deepened personnel's overall knowledge of responsible investments processes and the consideration of sustainability preferences. We updated our Responsible Investment Policy and ESG Guide for portfolio managers to strengthen the incorporation of ESG factors and risks into investment analysis and decision-making. We also further developed our processes, metrics, and ESG tools to support more robust ESG analysis.
We continued to improve the sustainability disclosure of our funds. We updated the SFDR pre-contractual reports and materials for our funds. We also published the SFDR periodic disclosures for our funds as well as the Principal Adverse Impacts (PAI) statement. Currently, 29 of our funds are classified under SFDR Article 8, representing over 90% of the funds managed by Sp-Fund Management Company.
Especially climate change continues to be a key theme in the Savings Banks’ Group’s double materiality assessment. In 2024 we also improved the quality and coverage of GHG emissions accounting for our investments to align with CSRD requirements, including verifiability. This data was included in the limited assurance of our CSRD sustainability report. Climate scenario analysis and stress tests were conducted for equity and fixed income funds using the PACTA methodology, developed by the 2° Investing Initiative and managed by the Rocky Mountain Institute.
We continued publishing biannual sustainability reports for our funds, using data and ratings from Morningstar, MSCI, The Upright Project, and Bloomberg. The biannual sustainability report includes carbon footprints, Morningstar sustainability rating globes, total and individual E, S and G scores, Morningstar Low Carbon designations, positive environmental impact, carbon risk and the carbon footprint history as well as the total Net impacts and UN SDG alignment and SFDR fund classification. The number of Morningstar Low Carbon designations remained stable at approximately 12 by the end of 2024.
We continued our collaboration with The Upright Project to assess the net impact of our funds across four different categories: environment, health, society and knowledge. On an equal-weighted basis, the funds showed a positive net impact of +18%, with the strongest contributions in areas such as tax generation, infrastructure, and employment.
At the end of the year, we prepared rule changes for the Säästöpankki Ympäristö investment fund in line with ESMA’s guidelines on fund names. These changes included raising the threshold for investments contributing to environmental objectives to a minimum of 80% and expanding the exclusion criteria to meet the EU Paris-Aligned Benchmark standards.
In terms of active ownership, the aim is to promote openness, transparency, and accountability in how sustainability is implemented within investee companies. We also seek to support the transition to more sustainable business practices and a more sustainable society. In 2024 we engaged with 61 investee companies and participated in 20 annual general meetings. We also contacted companies when necessary to request information or to influence their practices, for example in cases involving breaches of international norms and standards. To further strengthen our active ownership, we acquired a proxy voting service, enabling us to exercise shareholder rights across a broader range of foreign holdings.
We also took part in Finance Finland’s working groups to support collaboration with policymakers on EU sustainable finance regulation. In addition, we participated in global investor initiatives, including Climate Action 100+, CDP's climate, water, forest and Non-Disclosure Campaign.
In 2024, our fund Säästöpankki Lyhytkorko was recognised at the Refinitiv Lipper Fund Awards as the Best Nordic Fund in the Short-Term Bond category.
In summary, 2024 marked significant progress in strengthening our responsible investment practices. We enhanced ESG integration across investment processes, improved sustainability disclosures in line with SFDR and CSRD requirements and deepened our climate-related analysis. Our active ownership efforts expanded through increased engagement and the adoption of a proxy voting service. Collaborative initiatives and external recognition further demonstrated our commitment to advancing sustainability in the financial sector. Through these efforts, we also aim to contribute to the broader transition towards more sustainable business practices and a more sustainable society.

Section 3. Next steps

■ What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

The Sp-Fund Management Company will continue to develop its policies, materials, processes, and support tools to ensure compliance with sustainable finance regulation and to enable customers to make informed decisions regarding the environmental, social, and governance aspects of financial products and services. SP-Fund Management Company will advance its commitment to responsible investment through the implementation of a transition plan for climate change mitigation, prepared in accordance with the CSRD requirements. The transition plan, approved by the Board of Directors, is grounded in science-based climate scenarios and includes clearly defined emissions reduction targets, implementation measures, and regular monitoring. Key implementation measures include seeking investment opportunities with lower carbon intensity within the scope of our existing investment strategies, and offering ESG-labelled products. These efforts are intended to support the transition to a low-carbon economy while managing climate-related risks and opportunities. We are also committed to strengthening our active ownership and refining our proxy voting practices. To support this, we are expanding the resources of our ESG analytics team, which will further reinforce the quality and consistency of our responsible investment practices.

Section 4. Endorsement
'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Petteri Vaarnanen

Position

CEO

Organisation’s Name

Sp-Fund Management Company Ltd

◉ **A**
'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.
○ B

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 1	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which international or regional ESG-related legislation(s) and/or regulation(s) did your organisation report?

☑ **(A) Corporate Sustainability Reporting Directive (CSRD) [European Union]**
☑ **(B) Directive on AIFM (2011/61/EU) [European Union]**
☐ (C) Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers (PS21/24) [United Kingdom]
☑ **(D) EU Taxonomy Regulation [European Union]**
☐ (E) Improving shareholder engagement and increasing transparency around stewardship (PS19/13) [United Kingdom]
☐ (F) IORP II (Directive 2016/2341) [European Union]
☐ (G) Law on Energy and Climate (Article 29) [France]
☑ **(H) MiFID II (2017/565) [European Union]**
☐ (I) Modern Slavery Act [United Kingdom]
☐ (J) PEPP Regulation (2019/1238) [European Union]
☑ **(K) PRIIPS Regulation (2016/2340 and 2014/286) [European Union]**
☐ (L) Regulation on the Integration of Sustainability Risks in the Governance of Insurance and Reinsurance Undertakings (2021/1256) [European Union]
☑ **(M) SFDR Regulation (2019/2088) [European Union]**
☐ (N) SRD II (Directive 2017/828) [European Union]
☐ (O) The Occupational Pension Schemes Regulation on Climate Change Governance and Reporting [United Kingdom]
☐ (P) Climate Risk Management (Guideline B-15) [Canada]
☐ (Q) Continuous Disclosure Obligations (National Instrument 51-102) [Canada]
☐ (R) Disposiciones de Carácter General Aplicables a los Fondos de Inversión y a las Personas que les Prestan Servicios (SIEFORE) [Mexico]
☐ (S) Instrucciones para la Integración de Dactores ASG en Los Mecanismos de Revelación de Información para FIC (External Circular 005, updated) [Colombia]
☐ (T) Provides for the creation, operation, and disclosure of information of investment funds, as well as the provision of services for the funds, and revokes the regulations that specifies (CVM Resolution No. 175) [Brazil]
☐ (U) SEC Expansion of the Names Rule [United States of America]
☐ (V) SEC Pay Ratio Disclosure Rule [United States of America]
☐ (W) ASIC RG65 Section 1013DA Disclosure Guidelines [Australia]
☐ (X) Circular to Licensed Corporations: Management and Disclosure of Climate-related Risks by Fund Managers [Hong Kong SAR]
☐ (Y) Financial Investment Services and Capital Markets Act (FSCMA) [Republic of Korea]
☐ (Z) Financial Instruments and Exchange Act (FIEA) [Japan]
☐ (AA) Financial Markets Conduct Act [New Zealand]
☐ (AB) Guiding Opinions on Regulating the Asset Management Business of Financial Institutions [China]
☐ (AC) Guidelines on Environmental Risk Management for Asset Managers [Singapore]
☐ (AD) Guidelines on Sustainable and Responsible Investment Funds [Malaysia]
☐ (AE) Modern Slavery Act (2018) [Australia]

☐ (AF) Stewardship Code for all Mutual Funds and All Categories of AIFs [India]
☐ (AG) ADGM Sustainable Finance Regulatory Framework [United Arab Emirates]
☐ (AH) JSE Limited Listings Requirements [South Africa]
☐ (AI) Other
☐ (AJ) Other
☐ (AK) Other
☐ (AL) Other
☐ (AM) Other
○ (AN) Not applicable; our organisation did not report to any ESG-related legislation and/or regulation during the reporting year.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 2	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which voluntary responsible investment/ESG frameworks did your organisation report?

☐ (A) Asset Owners Stewardship Code [Australia]
☐ (B) Código Brasileiro de Stewardship [Brazil]
☐ (C) New Zealand Stewardship Code
☐ (D) Principles for Responsible Institutional Investors (Stewardship Code) [Japan]
☐ (E) Stewardship Code [United Kingdom]
☐ (F) Stewardship Framework for Institutional Investors [United States of America]
☐ (G) CFA Institute ESG Disclosure Standards for Investment Products [Global]
☑ **(H) Guidelines on Funds' Names using ESG or Sustainability-related Terms [European Union]**
☐ (I) Luxflag ESG Label [Luxembourg]
☐ (J) RIAA Responsible Investment Certification Program [Australia]
☐ (K) SRI Label [France]
☐ (L) ANBIMA Code of Regulation and Best Practices of Investment Funds [Brazil]
☐ (M) Code for Institutional Investors 2022 [Malaysia]
☐ (N) Code for Responsible Investing in South Africa (CRISA 2) [South Africa]
☐ (O) Corporate Governance Guidelines [Canada]
☐ (P) Defined Contribution Code of Practice [United Kingdom]
☐ (Q) European Association for Investors in Non-Listed Real Estate Vehicles (INREV) Guidelines [Global]
☐ (R) Global ESG Benchmark for Real Assets (GRESB) [Global]
☐ (S) Global Impact Investing Network (GIIN) Impact Reporting and Investment Standards (IRIS+) [Global]
☐ (T) OECD Guidelines for MNES - Responsible Business Conduct for Institutional Investors [Global]
☐ (U) UN Guiding Principles (UNGP) on Business and Human Rights [Global]
☐ (V) Net Zero Asset Managers (NZAM) Initiative [Global]
☐ (W) Net-Zero Asset Owner Alliance (NZAOA) [Global]
☐ (X) Recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) [Global]
☐ (Y) The Net Zero Investment Framework (NZIF) 2.0 [Global]
☐ (Z) Recommendations of the Taskforce for Nature-related Financial Disclosure (TNFD) [Global]
☐ (AA) Global Reporting Initiative (GRI) Standards [Global]
☐ (AB) IFC Performance Standard [Global]
☐ (AC) International Sustainability Standards Board (ISSB) Standards [Global]
☐ (AD) Sustainability Accounting Standards Board (SASB) Standards [Global]
☐ (AE) Other
☐ (AF) Other
☐ (AG) Other
☐ (AH) Other
☐ (AI) Other
○ (AJ) Not applicable; our organisation did not report to any voluntary responsible investment/ESG frameworks during the reporting year.