Responsible investment 2025

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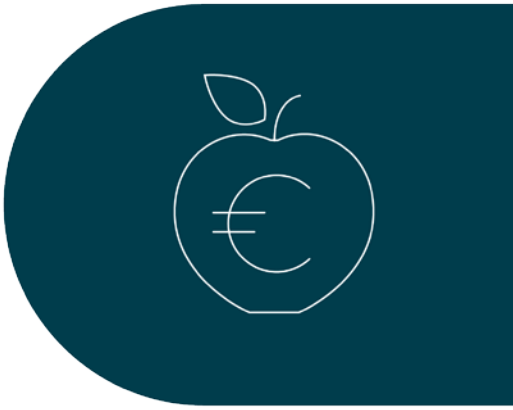
We safeguard sustainable pension funding

The aim is a to achieve a stable contribution level taking intergenerationality into account

By law, Keva must carry out its funding duties in a manner that secures pension benefits. Keva's strategy is based on a stable contribution level that secures pension benefits across generations.

We ensure pension funding for future generations



The funding position of the pension system managed by Keva is strong, and pension contributions have been reduced for ten consecutive years. In light of current information, the funding of Keva's pensions is sustainable in the long term at the current contribution level, and there is no pressure to increase contributions.

Contribution level decided on the basis of reports

Keva's Councillors decide annually on the contributions payable by Keva member organisations based on a proposal by Keva's Board of Directors.

The pension contribution of Keva's member organisations consists of the wage-based pension contribution paid by all members and a balancing payment paid by municipalities and wellbeing services counties. In Keva's pension contribution structure, the average wage-based pension contribution corresponds to the average TyEL contribution, and is 24.4% in 2026.

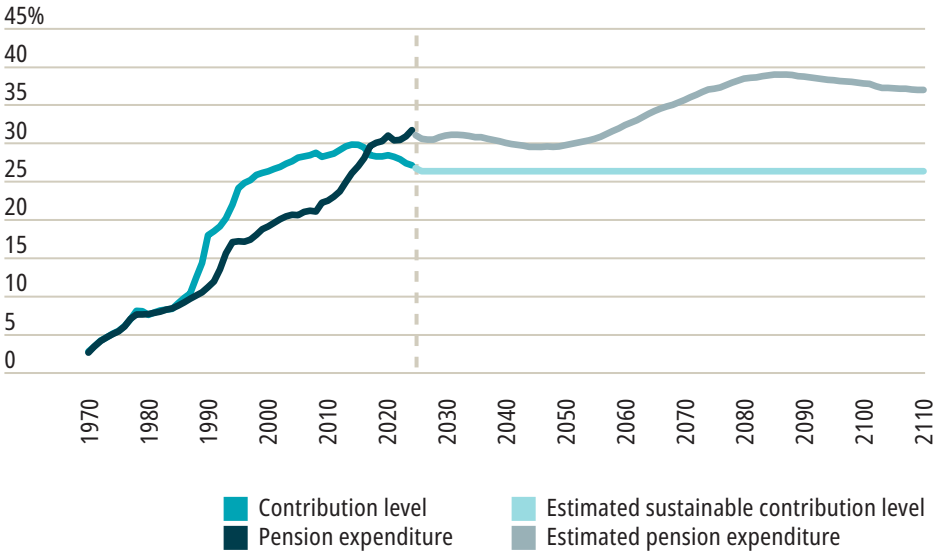
The part of the total contribution level that exceeds the wage-based contribution is collected through a balancing payment paid by municipalities and wellbeing services counties. In November 2025, Keva's Councillors decided that the total amount of the balancing payment for 2026 would be EUR 553 million, which is EUR 24 million lower than in 2025. The overall contribution rate decreased to 26.6 per cent of the sum of wages and salaries of Keva's member organisations. The Ministry of Finance confirmed the contribution rates in December.

The annual preparation of the contribution level follows the funding and payment principles outlined by Keva's Board of Directors. The starting point for the preparation is the biennial Asset/Liability report, which presents a long-term assessment of the structure and development of the pension expenditure for which Keva is responsible, the long-term financing situation, and the sustainable contribution level. The most recent report was prepared in 2023.

The Asset/Liability report is based on the most recent economic and demographic data, in addition to which a wide range of assumptions are used. The assumptions are largely consistent with the long-term calculations of the Finnish Centre for Pensions.

In the report, the assumptions have been adjusted to some extent to correspond to the special characteristics of the pension system of Keva's member organisations, so that

Sustainable contribution level and pension expenditure estimated in the autumn 2025 contribution level report



The estimated sustainable contribution level was 26.4% in autumn 2025. Together with investment returns, the contribution covers pension expenditure in the long term, and based on current information, there is no pressure to increase contributions in the near future.

the results describe the pension system for which Keva is explicitly responsible in the best possible way. For example, mortality takes into account the higher-than-average life expectancy in the public sector. The Asset/Liability report also uses a sensitivity analysis to study the impact of key factors on the ratio between pension expenditure and the sum of wages and salaries, the contribution level, and the fund amount.

An annual report on the contribution level is prepared to support decision-making.

It provides an estimate of a sustainable level of contributions and describes the identified financial factors that should be taken into account when deciding on the contribution level. In accordance with the funding and payment principles of Keva's Board of Directors, the total contribution level will be adjusted towards the new sustainable contribution level in accordance with the latest payment level survey by taking into account 20–30% of the need for contribution changes.

The role of investment returns in funding pensions is growing

In the pension system for Keva's member organisations, pension expenditure exceeded contribution income in 2017. Since then, part of pension expenditure has been funded by investment returns. The sustainability of financing therefore requires real returns on investments, the pursuit of which requires taking investment risk. The risk level of Keva's investment portfolio was increased in 2023–2024.

In the future, the importance of investment returns in funding will grow as pension expenditure increases faster than contribution income. However, pension contributions will continue to remain the largest source of funding for each year's pensions.

The market value of Keva's investments was EUR 74 billion at the end of 2025. Of this, around EUR 58 billion has accumulated from investment returns, and around EUR 16 billion has been collected through pension contributions since the start of funding.

Responsibility for investment operations

Intergenerational mission

Keva's basic mission is to safeguard the pension benefits of the pension system for its member organisations also for future generations, and investment operations play a key role in this. Sustainability has been part of Keva's investment strategy since 2002.

Keva's investment assets are diversified globally across different asset classes. The operating environment has been exceptionally volatile in recent years, but the objective of investment operations in all market conditions is to achieve sufficient long-term returns to safeguard the funding of the pension system. The importance of investment returns is increasing, as contribution income alone has not covered the growing pension expenditure for several years; instead, part of pension financing is based on investment returns.

Climate change and other sustainability issues affect investments through both risks and return expectations. At Keva, we consider these factors part of the investment portfolio as a whole and its long-term return potential. Climate-related risks are systemic in nature, and their impacts extend across the entire economy and financial markets.

Engagement is an essential part of responsible investment. Keva engages with its investees both directly and through its extensive network of asset managers. More than 80% of the investment assets are managed by external asset managers. When selecting asset managers, in addition to investment expertise, we emphasise the ability to recognise the significance of sustainability factors for long-term value creation and investment returns.

Chief Investment Officer Maaria Kettunen

Managing intergenerational pension liabilities requires the investment portfolio to generate sufficient and controlled returns also in the decades ahead. This means considered risk-taking, integrating responsible practices into investment decisions, and continuously assessing how changes in the operating environment affect the portfolio's risk-return profile.

In Keva's investment operations, responsibility and return requirements go hand in hand. Long-term investment that takes sustainability factors into account supports our objective of ensuring the sustainable financing of the pension system and a stable contribution level in the future as well.

Biodiversity and human rights as focus areas

In Keva's responsible investment operations, recent years have deepened an understanding of two themes that are strategically important for investors: biodiversity and human rights. These themes are also included in the annual survey of asset managers, the results of which are discussed later in this report.

Reports were prepared on both themes with the aim of identifying related risks and opportunities, strengthening analytical methods, and identifying practical opportunities for action by asset managers and portfolio companies in these areas.

Head of Responsible Investment Kirsi Keskitalo

Portfolio analysis through a biodiversity lens

For its biodiversity work, Keva examined the significance of biodiversity for the economy and investment activities.

"In the analysis, we sought to assess the dependencies and impacts on nature of Keva's investments, and to identify the sectors and holdings where the risks are most significant. The assessment made use of tools and frameworks including the ENCORE tool, the TNFD framework, and a survey of asset managers that covers biodiversity. The ENCORE analysis was carried out for listed equities and corporate bonds, as well as private equity and infrastructure investments," says Kirsi Keskitalo, Keva's Head of Responsible Investment.

> Biodiversity work involves clarifying dependencies and identifying risks.

"The food and beverage sector, the materials sector, and energy production stood out in particular, and significant water-related dependencies and impacts were also identified in several sectors."

The biodiversity work was further deepened by, among other things, participating in training courses aimed at the financial sector, preparing a peer analysis, and updating the portfolio analysis and materials intended for portfolio management. In addition, a review of the location-specific dependencies and impacts of the investment portfolio was launched, and is progressing in stages.

"According to the survey conducted among asset managers, biodiversity-related risks are being assessed increasingly often. Measures

to manage these risks vary by asset class, but the most common methods are engagement with investees and training for both staff and investees," Keskitalo says.

Identifying human rights risks in a global investment portfolio

The aim of the human rights analysis was to deepen the understanding of the responsibilities of an institutional investor and to identify key risk areas across Keva's different asset classes. The analysis examined international human rights standards, such as the UN Guiding Principles on Business and Human Rights (UNGPs), and applied them both in the portfolio analysis and in the survey of asset managers.

From an investor's perspective, the human rights review supports the management of investment risks and strengthens Keva's role as an active owner.

The majority of Keva's asset managers take steps to address and manage human rights risks. The most common measures are engagement with investees and various human rights-related principles and processes.

Human rights-related risks are particularly pronounced in emerging markets, labour-intensive sectors, and long supply chains. In the analysis, human rights risks were identified particularly in sectors such as metals and mining, as well as hotels, restaurants and leisure, and consumer staples and retail. Due to the global investment portfolio, the review also took into account country-specific exposures to human rights risks.

The majority of Keva's asset managers take steps to address and manage human rights risks.

According to Keskitalo, the analyses carried out helped to strengthen Keva's analytical capabilities in two rapidly developing areas of responsibility.

"Both themes are material from the perspective of Keva's long-term investment returns and risk management. At the same time, they further reinforce the need for systematic data development, close cooperation with asset managers, and consistent ownership steering," Keskitalo says.

Key figures 2025

74.0
bn EUR
investment assets at 31 Dec 2025

3.8%
return on investments over 10 years (real return excluding capital weighting)

5.0%
return on investments since funding began in 1988 (real return without capital weighting)

Attendance at
8,690
general meetings

99%
attendance rate at general meetings

110,660
votes cast in general meetings

271
goal-oriented engagement projects in equity and corporate bond investments

87
engagement projects relating to the environment (E) theme

33
engagement projects relating to the social (S) theme

147
engagement projects relating to the governance (G) theme

Sustainability targets set for investees

65%
Private equity funds

47%
Real estate funds

85%
Infrastucture funds

Share and number of companies with net-zero targets of Keva's financed emissions

2022	2025
Listed equities:	
28%	**45%**
645 companies	**1,378** companies
Corporate bonds:	
10%	**17%**
101 companies	**191** companies

Change in Keva's financed emissions

2022–2025

Listed equities:
-9%

Corporate bonds:
-12%

CO_2 emissions derived from energy use in our direct real estate investments compares to 2018

-77%

Keva's investment portfolio

At the beginning of 2025, Keva's investments had a market value of EUR 71.4 billion. Keva's total return on market value after expenses was 5.8%. By the end of the year, the market value of investments had risen to EUR 74.0 billion. Some investments are managed internally by Keva, while others are managed through external asset managers.

Keva's listed equity investment programme provides broadly diversified exposure to the global equity market. At the end of 2025, the portfolio amounted to EUR 31 billion, consisting of a total of 41 investment strategies and around 6,000 equities. A significant portion of the portfolio is managed by external asset managers.

At the end of 2025, Keva's direct equity investment portfolio amounted to approximately EUR 1.7 billion, representing 5% of all of Keva's equity investments. The strategy is relatively concentrated, and over the course of the portfolio's history (2019–2025), it has included around 40–60 companies. The investment style is close to quality investing. In terms of style, the direct equity investment strategy forms part of Keva's overall equity investment portfolio. The overall portfolio consists of several styles.

The market value of Keva's investments was EUR 74 billion at the end of 2025.

At the end of 2025, the outsourced equity portfolio included 36 active strategies and four passive index strategies.

Keva's private equity portfolio is diversified by investment strategy, sector, industry, and vintage. Investment commitments are made primarily to private equity funds managed by asset managers. These are so-called closed-end funds, meaning that the investor commits to them for several years.

At the end of 2025, assets under management amounted to EUR 10.9 billion. In 2025, there were 52 asset managers in total, and more than 60% of the portfolio value was allocated to 10 asset managers through several investment strategies. In total, the portfolio has investments in just over 1,500 companies.

At the end of last year, the direct corporate bond portfolio amounted to EUR 2.7 billion. The investments are diversified across companies and financial institutions that have issued bonds in the European markets. The bonds' credit ratings are mainly in the low-risk investment grade category. The portfolio had investments in around 100 issuers.

External asset managers are responsible for Keva's investments in higher-risk high-yield corporate bonds.

The portfolio focuses on European and US companies, whose income streams are often global. A small portion of the portfolio is also invested in corporate bonds from emerging countries. In total, the portfolio included bonds from around 1,400 different companies, accounting for EUR 8.2 billion of Keva's investment portfolio at the end of 2025.

The portfolio is fully managed by external asset managers. At the end of 2025, the portfolio was managed by 19 asset managers through 20 investment products.

Keva's private credit portfolio, consisting of 23 funds, is managed entirely by eight asset managers. Approximately one fifth of the portfolio is invested in direct lending funds, while the remainder is invested in more opportunistic fund strategies, including special situations, distressed and stressed debt, and structured product funds. Geographically, the investments are mainly focused on the European and US markets. At the end of the year, total assets under management amounted to approximately EUR 1.4 billion.

The market value of Keva's real estate investments was approximately EUR 3.3 billion at the end of 2025.

Direct real estate investments include direct property investments in Finland, shares of real estate companies, as well as joint venture investments in the Nordic countries. The portfolio consists of around 130 properties with a net lettable area of approximately 870,000 m^2 in Q4 2025. The properties are concentrated in the Helsinki Metropolitan Area and in other growth centres in Finland. In terms of value, the portfolio consists of business premises (37%), offices (24%), residential properties (22%), hotels (8%), and other properties (9%).

Keva's real estate fund portfolio is diversified geographically, chronologically, by investment style, and by property type. Most of the investment properties in the portfolio are located outside of Finland, mostly in Europe and the United States. At the end of 2025, total assets managed were valued at around EUR 1.6 billion and the portfolio consisted of investments in around 650 individual properties.

Infrastructure typically refers to structures and facilities that enable the effective functioning of society, and includes energy distribution and production, transport infrastructure, as well as social and digital infrastructure. Infrastructure plays an integral role in the transition to a more carbon-neutral society.

We invest in infrastructure mainly through funds, but also by making direct investments in unlisted infrastructure projects and companies. ESG aspects are integrated into our investment analysis both in direct and fund investments. The portfolio is under construction. The aim is to diversify the infrastructure portfolio geographically, chronologically, by investment style, and across infrastructure sectors.

At the end of 2025, the total amount of assets invested in infrastructure was EUR 2.5 billion, with a total of 114 companies in the portfolio.

Hedge fund investments are primarily aimed at diversification benefits and absolute returns that are independent of the market. The funds make use of instruments from different asset classes and derivatives. Keva's hedge fund portfolio is highly diversified both by geography and style. In 2025, the assets were managed by 15 asset managers through 15 funds. At the end of 2025, the total assets under management in the portfolio amounted to EUR 3.4 billion. We use a rating provided by an external independent research firm for hedge funds. The rating also takes ESG issues into account.

Engagement

Keva engages with and exercises responsibility for its portfolio holdings through different methods across different asset classes. The activities aim to create long-term value in portfolio holdings from the perspectives of both return and security.

Typically, shareholders have the most straightforward opportunities to influence a company's activities. Keva's most important engagement methods are voting at the general meetings of investee companies, discussions with the management of investee companies, and cooperation with asset managers.

Private equity, private credit, and real estate and infrastructure funds are typically implemented through so-called closed-end funds, where the investor commits to the fund for several years. In these investments, a key channel for engagement is the advisory committee, which consists of the fund's largest investors and typically meets 2–4 times a year. Through the advisory committee, an investor can influence both individual investee companies and the asset manager's practices, including responsible investment practices and objectives.

Listed equity investments

Keva and its asset managers vote at thousands of general meetings worldwide each year. In 2025, voting activity was 99%, covering a total of 8,690 general meetings in nearly 70 countries. At general meetings, we voted on a total of approximately 111,000 proposals:

In 2025, we voted at a total of 8,690 general meetings.

76% in favour of the proposal and 19% against. Management proposals were most commonly opposed in matters related to remuneration. This was particularly evident in North American advisory votes on executive remuneration, known as "Say on Pay" or "Advisory Vote on Executive Compensation."

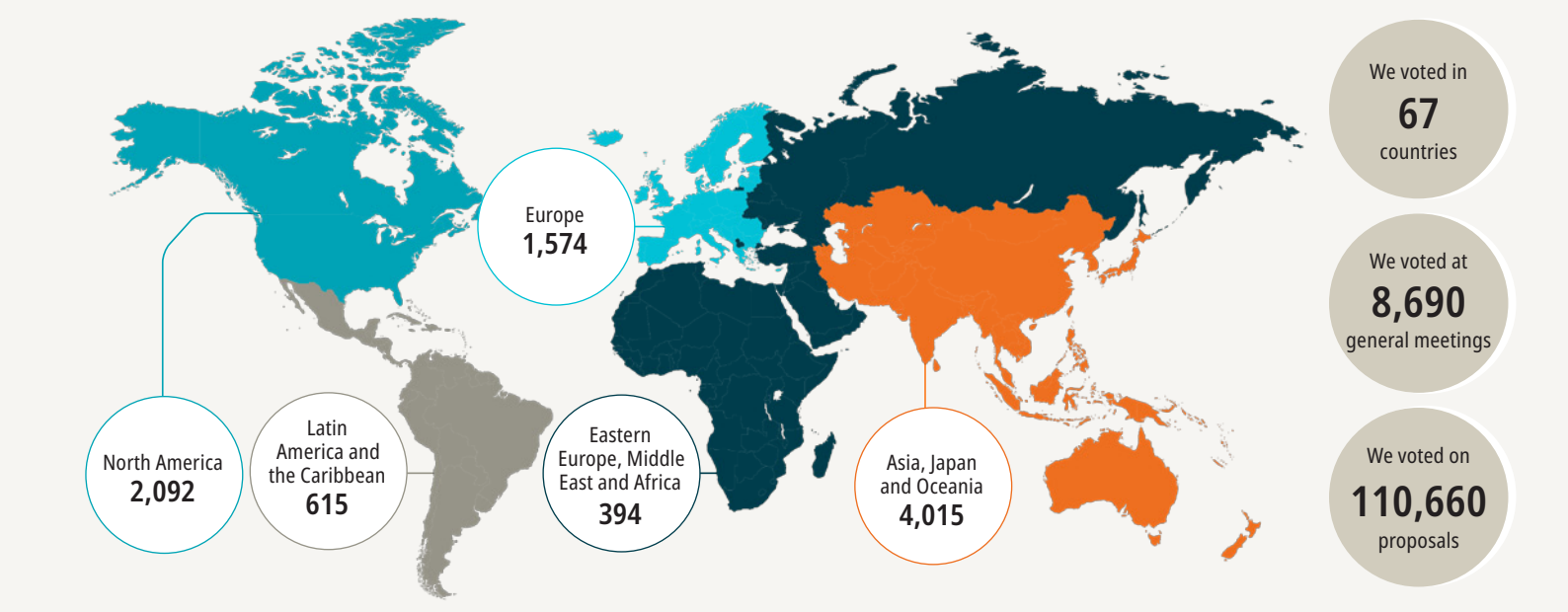
Direct equity investments

In 2025, voting activity in Keva's direct equity portfolio was also 99%. These figures are included in the voting figures for the entire equity portfolio. Keva uses an external proxy adviser to support voting decisions, but Keva always makes its decisions based on its own judgement and principles. In addition to exercising voting rights, Keva regularly meets with the companies in the portfolio.

In voting, we consistently seek to promote decision-making and governance in investee companies that, in line with Keva's basic mission, support the companies' sustainable long-term value creation.

Keva's voting guidelines are based on its Active ownership policy document and Keva's principles for responsible investment.

General meetings by geographical location



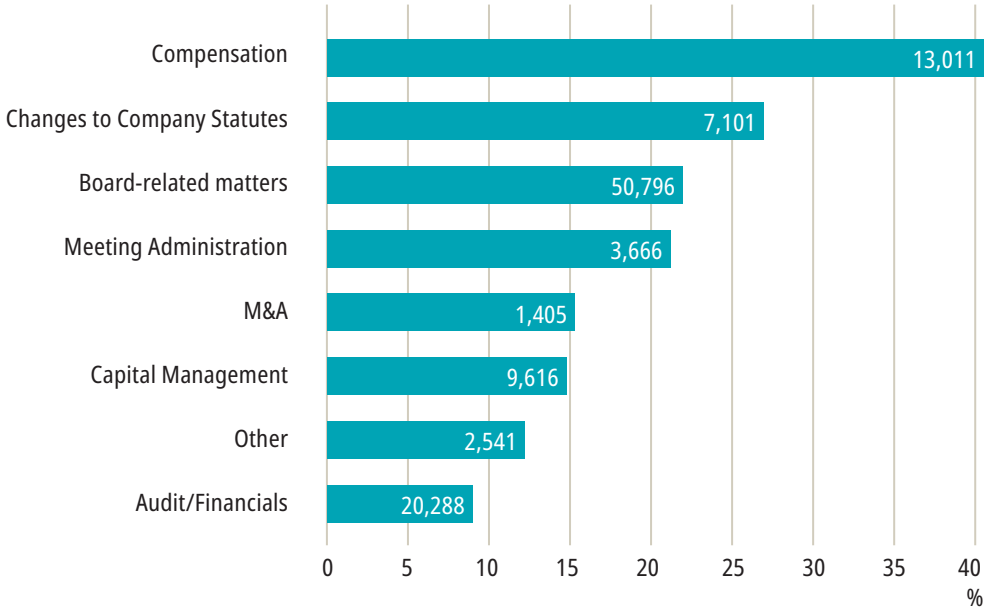
General meetings by region and distribution of votes given

Region	Number of general meetings	Number of general meetings attended	Attendance rate %	Number of proposals	For %	Against %	Other* %
Africa and Middle East	417	394	94	7,309	66	11	23
Europe	1,587	1,574	99	37,391	85	14	1
North America	2,095	2,092	100	24,756	61	28	11
Asia	4,032	4,015	100	33,863	81	18	1
Latin America and the Caribbean	635	615	97	7,341	75	23	2
All	**8,766**	**8,690**	**99**	**110,660**	**76**	**19**	**5**

* The category includes meeting proposals where voting was neither clearly in favour nor against.

The reported information on voting is based on information provided by voting service providers and custodians. The passage of votes in general meetings includes a certain level of uncertainty. We are cooperating with service providers to improve voting processes and to ensure that our votes are registered.

Votes cast against management proposals



Votes in which Keva voted against the management proposal, as a proportion of all votes cast on that general meeting topic.

In addition to voting, we engage with investees through discussions and other communication, in which our external asset managers play an important role.

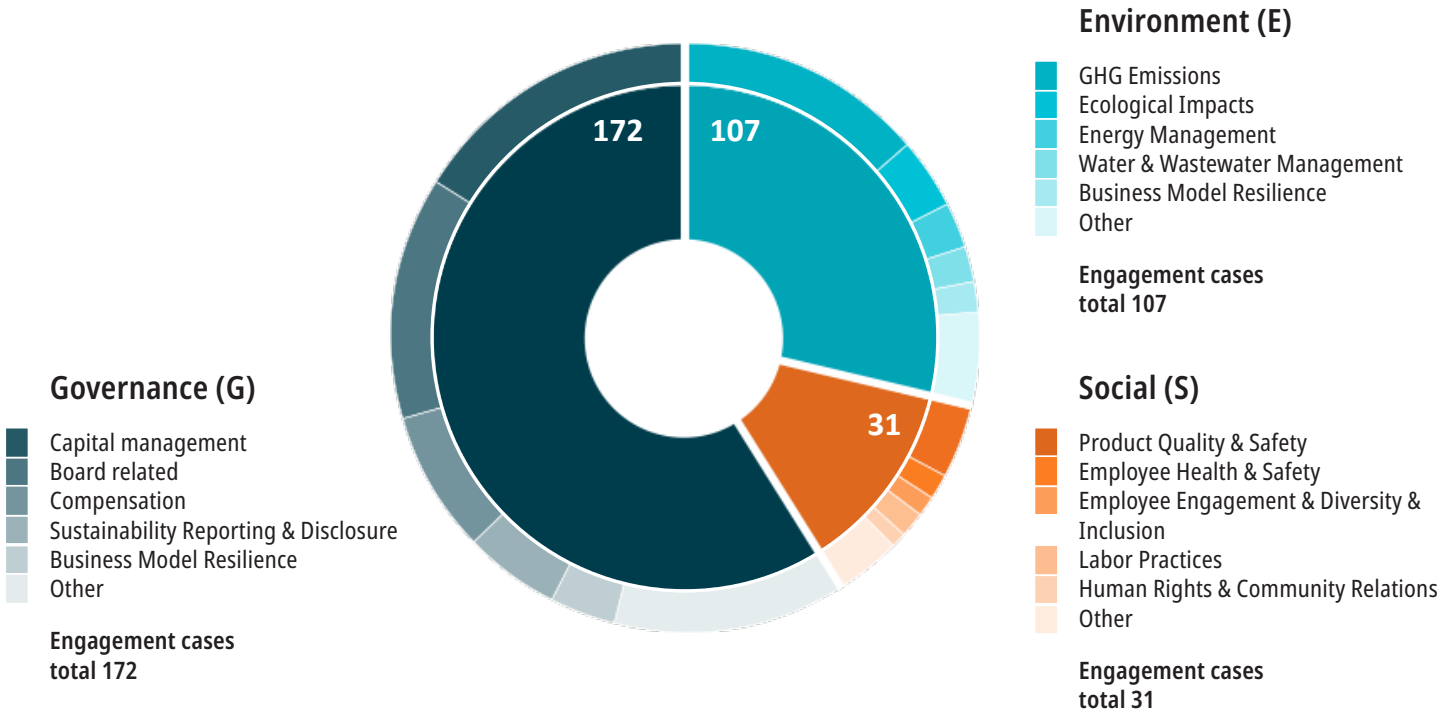
The results presented in this report are based on a survey conducted by Keva among internally and externally managed funds that were in Keva's portfolio at the end of 2025. The survey focuses particularly on engagement projects aimed at achieving change.

Achieving change is the core objective of engagement work.

Equity investments in our externally managed portfolio

In 2025, Keva's asset managers in equity investments had 228 ongoing engagement projects, targeting 205 companies. Of the engagement projects, 69 had environmental issues as their primary focus area. The highest number of environment-related engagement cases was in China, targeting a broad range of sectors and particularly greenhouse gas emissions.

Main engagement themes in equity investments in 2025



This information is based on a survey of Keva's asset managers.
The figures apply to those engagements reported by the asset managers.
Several themes may be present in a single engagement case.

As in previous years, the key engagement themes raised at the total portfolio level involved good governance (G): capital allocation, questions relating to a company's board of directors, and remuneration. In environmental issues (E), greenhouse gas emissions are clearly the largest engagement target. The share of engagement cases related to social matters (S) is the smallest, but product safety and quality emerged as an individual theme. Over the past four years, the most common engagement topics have been board-related issues, greenhouse gas emissions, capital allocation, sustainability reporting, and remuneration.

There are regional differences in the prevalence of engagement themes. In Europe, the key engagement targets were business model resilience and greenhouse gas emissions. In the United States, the focus was on remuneration, which was also reflected in the numbers of votes against management proposals at general meetings. In Japan, by contrast, capital allocation was emphasised, while in emerging markets, the key themes were emissions, board-related issues, and sustainability reporting.

Approximately one fifth of the engagement cases achieved their objective, while approximately one tenth did not. Engagement is long-term work: engagement cases most commonly lasted from three to five years. Direct discus-

sions with investee companies were by far the most popular engagement method.

More than half of the asset managers have a dedicated team for sustainable investment and/or stewardship, but engagement is often also the responsibility of investment teams.

We regularly discuss sustainability matters with our asset managers.

Cooperation with asset managers

We regularly discuss sustainability matters with asset managers. Asset managers report extensively each year on their responsible investment and ownership steering practices.

External asset managers are selected through a careful process, which also includes assessing the asset manager's responsible investment and active ownership practices. We make use of asset managers' local expertise both in portfolio management and in the implementation of responsible investment. Cooperation is based on long-term partnership, trust, and transparency.

The funds in Keva's outsourced equity portfolio represent different investment styles and invest in different markets, but what the funds seeking added value have in common is analysis based on their own research and a longtime horizon. We consider it important that the asset managers in the outsourced equity portfolio share Keva's principles on investing and responsible investment.

Almost all of Keva's equity asset managers (84%) have ownership steering principles, and these broadly cover environmental and social themes. The most common themes included in the ownership steering principles are climate change (77%), labour practices and human rights (69%), and biodiversity and natural capital (65%).

All of Keva's equity asset managers exercise their voting rights at the general meetings of investee companies, and the majority of them use a proxy adviser.

Engagement with investee companies is carried out in almost all equity funds and most commonly falls within the responsibilities of portfolio management, although centralised engagement or responsible investment teams are also increasingly involved. The most common engagement channels are goal-oriented discussions with company management and specialist teams. The majority (82%) of our asset managers also mention goal-oriented discussions with board members of investee companies as an engagement channel. Keva's asset managers have reported systematically on engagement since 2019.

If an engagement process has stalled or failed during the past year, the most commonly mentioned escalation measures have been voting against management, such as in the election of board members, or private dialogue with management or the board.

CASE: Sparring led to an improved ESG rating

Our China-focused asset manager's engagement targeted the strengthening of ESG practices at a healthcare company, particularly governance practices and operating models related to personnel. The engagement was carried out as an active and constructive dialogue with the company, with the aim of supporting the systematic development of ESG activities as part of the company's business.

As a result of the engagement, the company made progress in several key ESG areas, such as personnel practices, product safety, and governance-related topics, and this development was reflected in the company's MSCI ESG rating being upgraded from B to A. The case shows that active investor dialogue can support significant improvements in responsible business practices also in companies operating in emerging markets, and that the results of engagement can be clearly reflected in a company's ESG performance.

CASE: Change in dividend policy through public engagement

Our Japan-focused asset manager's engagement targeted the dividend policy of an electric utility company, which differed from market practice: the company was the only major electric utility to distribute dividends on a performance-based basis.

Our asset manager publicly raised concerns about the problems with the dividend policy when the company published its financial results, and following investor feedback, the company changed its dividend policy to a more stable and predictable model. The company itself also identified investor engagement as a key factor behind the change. The case shows that a clear peer comparison and a consistent message can lead to concrete changes.

CASE: Collaborative engagement to promote climate policy

Our index asset manager's engagement focused on the climate policy of a Japanese steel company and related lobbying. The background to this was assessments by external research providers, according to which the company lagged behind its peers in the transparency of its climate policy-related engagement. For example, in 2022, the company was named one of the most globally influential companies that had slowed progress on climate policy, which highlighted the need for engagement.

The engagement was carried out both through direct dialogue and through collaborative engagement with other investors. A joint shareholder proposal was also submitted to the company. The proposal received 28% support, an exceptionally high and record level of support for a climate-related proposal in Japan.

As a result of the engagement, the company published its first Industry Association Review report and committed to promoting a more transparent and positive climate policy.

The case is a strong example of how investor collaboration and the consistent use of voting rights can, when combined, lead to concrete changes in a company's activities and policies.

Private equity investments

Private equity investments are investments in unlisted companies. The returns on private equity investments are largely generated through active ownership. A private equity investor is often the majority shareholder in the investee company. This means that ownership steering is strong and constitutes the basis for value creation related to ownership.

The company can be developed by streamlining business operations, investing, recruiting key personnel, making acquisitions, and using financial measures. The development of ESG issues is a natural part of company development and value creation.

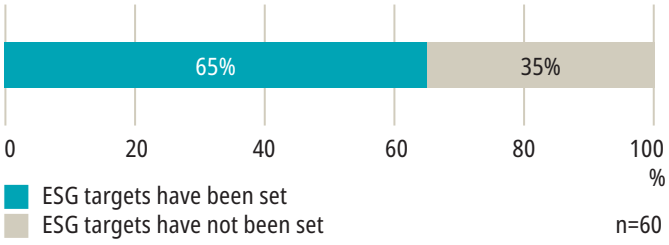
Limited Partners Advisory Committees (LPACs) are the most important means of engagement for investors. The advisory committees are typically composed of the biggest fund investors and meet between two and four times a year. An advisory committee engages with both the investee companies and the asset manager's own company, and promotes conversation around responsible investment.

In 2025, Keva held seats on the advisory committees of 93 funds and almost invariably holds a seat on the advisory committee in the largest fund investments. During the year, we attended 168 advisory committee meetings, in which asset managers presented ESG development projects and discussed how ESG issues have been integrated into the investment and value creation process. Asset managers also reported on ongoing or completed ESG projects in portfolio companies as well as the results of these projects.

Private equity funds are often significant owners, which gives them a strong role in the works of boards of directors, setting strategic objectives and steering sustainability practices. However, engagement opportunities vary by fund.

According to the survey conducted among asset managers, 65% of Keva's private equity funds have set ESG targets for their portfolio companies, and these targets generally cover a large share of the companies owned by the funds. Based on the responses, almost 600 targets have been set for more than 300 companies. More than half of the targets concern European companies, but a significant share have also been set for North American companies. The targets focus particularly on environmental themes and, above all, on reducing emissions.

ESG targets set by private equity funds for their investments



Share of funds (% of the number of funds that responded) where the asset manager has set ESG objectives for its portfolio companies. Does not include funds of funds. Data is based on a survey conducted by Keva among external asset managers.

CASE: Cross-cutting approach to climate, water, and nature risks

One of our private equity asset managers has expanded its climate and nature-related perspectives in recent years and made significant progress. The asset manager is an early adopter of the Taskforce on Nature-related Financial Disclosures (TNFD) framework. In addition, it has aligned its climate strategy with the Science Based Targets initiative to ensure that its actions are in line with the latest climate science. The latest initiative has been the development of a guide on water stewardship.

These themes are interconnected, as the asset manager supports portfolio companies in managing the risks and opportunities related to them. A concrete example is a food company in the portfolio that has recently carried out an assessment of physical climate risks. The assessment examined the impacts of climate change on particularly vulnerable ingredients, while also illustrating the close links between climate change, biodiversity, and water risks.

To manage these risks, the company diversifies its sourcing regions for ingredients and works with suppliers that meet high environmental standards. As key measures, the company supports suppliers in transitioning to more sustainable methods, such as agroforestry, no-till farming and crop rotation, and helps them adapt to climate change by, among other things, using more drought-resistant varieties and controlled water abstraction. By working closely with its suppliers, the company aims to manage potential risks effectively and promote a more sustainable food system.

CASE: More responsible use of artificial intelligence

Our private equity manager specialising in technology companies supports its portfolio companies in sustainability by providing them with tailored recommendations as well as access to key resources and expert knowledge.

One of the companies in the portfolio develops AI-based solutions for marketing professionals. At the time of investment, the company had basic tools for content moderation, but lacked formal controls to guide the responsible development of AI solutions. With the support of our asset manager, the company has since built a leading ethical AI program. An internal ethics committee reviews the accuracy, bias, and responsible use of the models. All new AI models must undergo this internal review and approval process before deployment.

In addition, the company has updated its terms of use, provides its users with materials that support AI literacy, and has established a channel through which users can report potential vulnerabilities or misuse. Through these measures, the company has strengthened responsible AI practices and demonstrated thought leadership in its field.

CASE: A sustainability-linked loan supporting sustainable healthcare services

Our private equity asset manager investing in Asia and the Pacific region has worked closely with a portfolio company specialising in diagnostic imaging to develop a comprehensive sustainability strategy and communicate this strategy to banks. The strategy provided a strong foundation for the ESG key performance indicators (KPIs) that were later formulated into the company's sustainability-linked loan. The indicators cover, among others, decarbonization plans, employee training programmes, and cybersecurity. The company's efforts to achieve these indicators demonstrate its commitment to sustainability, and once the targets are met, the loan margin is loweredwill decrease.

Following the sustainability-linked loan, our asset manager has maintained an active role and assisted the company in organising the work of its recently established ESG committee and building capabilities. The committee oversees the integration of the sustainability strategy and monitors progress against the defined KPIs.

Corporate bonds

A corporate bond investor's means of engagement differ from those of equity investors, as a debt investor does not own the company and does not vote at general meetings. A corporate bond investor's engagement opportunities focus on pre-investment questions, requirements and negotiations on loan terms, as well as dialogue during the investment. In addition, a company's refinancing situations provide potential opportunities for engagement. Although a debt investor does not have voting rights, the cost and availability of financing are significant means of influence.

Direct corporate bonds

We use industry-specific criteria to evaluate the ESG performance of companies. Our sources of information include analysis and research reports produced by ESG service providers and securities brokerage firms, as well as companies' own reports and other publications. ESG issues are part of any investor event and material, and when we meet, we almost invariably discuss ESG with company management. We mostly meet companies in conjunction with new bond issues. Companies also actively meet with investors outside of bond issues to keep them informed about the company about potential future bond issues. During the year, we met with around 65 companies.

Corporate bonds in our externally managed portfolio

According to a survey conducted among asset managers, 62% of Keva's corporate bond asset managers have ownership steering principles. In more than two thirds of Keva's corporate bond funds (73%), engagement is part of the activities, particularly in European funds. Engagement is mainly carried out in goal-oriented discussions with company experts and management, and cooperation with other investors is also common. Nearly half of the funds also communicate with board members. Responsibility for engagement practically always lies with portfolio management and analysts. Asset managers report that if engagement fails, the most common escalation measure is divestment.

During 2025, asset managers had ongoing engagement processes at 35 companies. In just under half of the cases, the engagement objectives were achieved during the year, while in some cases, the work continued. Around one in ten involve a process lasting 3–5 years. In four portfolio companies, the engagement objective was not achieved.

The portfolio also occasionally includes equity holdings as a result of debt restructuring. During the year, the portfolio's external asset managers voted on 84 proposals at a total of 7 general meetings, representing a participation rate of 88%.

The portfolio's asset managers belong to a wide range of different investor collaboration initiatives. More than 80% of the asset managers have signed the UN Principles for Responsible Investment.

CASE: Cooperation with local communities promotes acceptance of an expansion project in Canada

An asset manager investing in US corporate bonds engaged in active dialogue with a portfolio company operating on Baffin Island in Nunavut, Canada, regarding its strategically important expansion project. The portfolio company's iron ore deposits are among the largest and highest-quality in the world, and the high-grade ore supports the decarbonisation of the steel industry by reducing emissions in steelmaking.

Approval of the expansion project requires extensive cooperation with local communities – particularly Inuit communities – as well as with Canadian federal authorities. During 2025, the asset manager engaged in active dialogue with the company's board and management to emphasise the importance of stakeholder cooperation and the need for open interaction with local communities.

The company strengthened its community engagement by, among other things, mapping religious sites, hunting areas, and protected areas so that the impacts of the expansion project could be identified and minimised. The measures have increased local acceptance and supported the company's "we are listening" pledge.

As a result of the engagement, the company is now more confident about the project's progress, and the asset manager's dialogue has helped strengthen constructive stakeholder cooperation.

CASE: Corrective measures related to human rights allegations in portfolio company operations

An asset manager investing in emerging market corporate bonds engaged in dialogue with a portfolio company after an Amnesty International report raised concerns about working conditions in its retail operations. The purpose of the meetings was to obtain an update on the progress of the audits and to guide the company in strengthening its human rights practices.

Following the discussions, the company has made progress on several key corrective actions. The company appointed a new external auditor to increase the independence of the audits and expanded the monitoring of working conditions by introducing centralised working time tracking systems. At the same time, employees' living conditions were improved by relocating them from inadequate accommodation.

Employees' competence is being strengthened through training based on the UN Global Compact principles, and third-party workers are being transferred to become the company's own employees to improve labour law protection. In addition, the company has strengthened its supply chain due diligence practices and expanded the language options of its ethics reporting channel to make it easier to report concerns.

The measures have increased transparency and show that the company has begun to address the concerns raised. The asset manager will continue to monitor progress to ensure that the corrective actions proceed as planned.

Private credit funds

Setting ESG targets is still fairly uncommon among private credit asset managers. In two of Keva's private credit funds, ESG targets have been set for a total of 11 companies.

Direct real estate investments

In direct real estate investments, Keva is primarily the sole or majority owner and therefore has a direct opportunity to influence the investment assets.

Keva's premise in responsible real estate investment is to take into account not only financial criteria but also issues related to the environmental and social responsibility of real estate investments.

Minimising the climate impact of energy use in property investments is a key element in environmental responsibility. The energy consumption of Keva's direct real estate investments still equalled one two thousandth of Finland's total greenhouse gas emissions in 2018. Keva's aim was to halve the carbon dioxide emissions caused by the energy use of these properties by 2025 and to reach carbon neutrality by 2030. The carbon neutrality target is being implemented in accordance with the contents of the Green Building Council's (GBC) Net Zero Carbon Buildings Commitment signed in 2020.

The carbon neutrality target for energy use requires a large number of practical measures. The action programme has three key priorities:

- improving the energy efficiency of properties by 20% by 2030
- increasing own property-specific energy production to 10% of properties' total consumption by 2030
- active measures to promote the low-carbon nature of externally purchased energy.

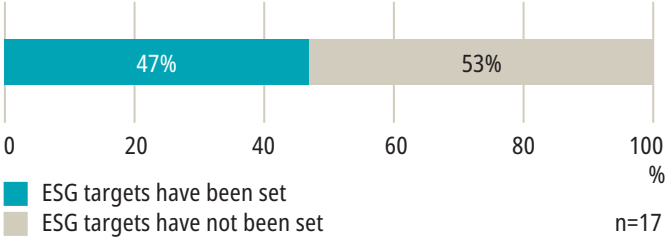
The results of these measures are reported in the TCFD section.

Investments in real estate funds

The real estate investment funds in Keva's portfolio almost invariably own the entire property, which means that asset managers can engage directly with the properties. In real estate funds, engagement is concrete and direct, because the assets in the portfolio are physical and can be modified operationally. ESG targets have been set for nearly half (47%) of Keva's real estate funds, and they practically always apply to the entire real estate portfolio. The most common engagement themes are environmental matters, such as emissions and energy management.

Last year, Keva had a seat on the advisory committee of 32 funds and attended around 65 advisory committee meetings. Other forms of engagement include regular meetings with asset managers at which responsibility themes are also discussed. Keva had 50 such meetings in 2025.

ESG targets set by real estate funds for their investments



Share of funds (% of the number of funds that responded) where the asset manager has set ESG objectives for its portfolio companies. Does not include funds of funds. Data is based on a survey conducted by Keva among external asset managers.

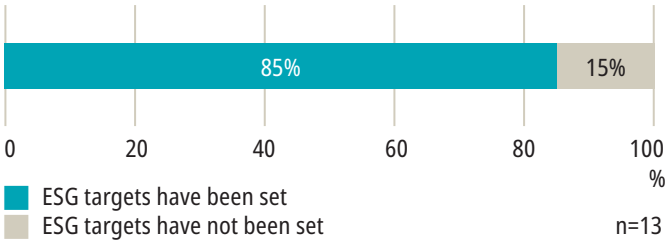
Infrastructure investments

Infrastructure funds have strong influence over their investment assets, as they usually act as significant owners and are closely involved in board work. Thanks to their long ownership horizon, they can guide strategy, development projects, and operational improvements, particularly in energy, environmental, and safety matters.

The majority (85%) of Keva's infrastructure funds have set ESG targets for their portfolio investments. A total of 89 targets have been set for 66 companies.

The most common theme is greenhouse gas emissions. Some funds systematically set the same targets for all their portfolio companies, while others set different targets on a company-specific basis.

ESG targets set by infrastructure funds for their investments



Share of funds (% of the number of funds that responded) where the asset manager has set ESG objectives for its portfolio companies. Does not include funds of funds. Data is based on a survey conducted by Keva among external asset managers.

In 2025, no Global Compact norm violations were identified in direct equity and corporate bond investments.

Last year, we had a seat on the advisory committee of 15 funds and attended 20 advisory committee meetings. Other forms of engagement include meeting with asset managers several times a year, where ESG aspects were also raised.

Monitoring of international norms

We monitor the implementation of international norms in our investment assets. In direct equity and corporate bond investments, we apply norms-based screening to both companies already in the portfolio and companies entering the portfolio. If violations are identified, the primary objective is to seek to remedy the situation through engagement. During 2025, no Global Compact norm violations were identified in direct equity and corporate bond investments.

Collaborative engagement

Keva works with other investors in selected projects to combat climate change.

CDP Non-Disclosure Campaign

In the CDP Non-Disclosure Campaign project, Keva asks companies to report on their environmental impacts in terms of climate, water usage, and the use of forest resources.

The 2025 campaign was supported by 223 investors representing USD 23 trillion in assets under management. The reporting request was directed at 1,314 companies, of which 132 began reporting on their environmental impacts following investor engagement.

When investors requested reporting through the CDP campaign, companies' likelihood of reporting increased: 2.4-fold for climate themes, 2.9-fold for forest themes, and 2.1-fold for water themes compared with the control group.

In Latin America, the CDP campaign delivered strong results: participating companies were almost four times more likely to report, and reporting increased significantly on both climate and water themes.

The impact of the campaign was particularly pronounced in sectors where environmental risks are material to the business. In the energy, materials, and transport sectors, reporting strengthened. In these sectors, companies were 4–5 times more likely to report in 2025 when they were targeted by CDP's NDC campaign.

In 2025, water emerged widely as a new or strengthening reporting theme across different sectors. At the same time, forest and nature-related themes also increasingly began to complement climate reporting.

Climate Action 100+

As a supporter of the Climate Action 100+ project, Keva encourages 169 major companies worldwide to reduce their emissions in line with the goals of the Paris Agreement.

In 2025, more than 600 investors participated in the project, and 164 focus companies were included in the annual assessment, of which:

- 80% have set a net-zero target for Scope 1 and 2 emissions by 2050 at the latest
- 91% have climate risks under the responsibility and oversight of the board
- 81% have publicly committed to reporting on climate impacts in accordance with international reporting standards (TCFD, ISSB)
- 67% of the focus companies have been able to reduce their emissions intensity over the past three years.

Reporting on strategies aimed at carbon neutrality has improved, but more information is needed on companies' capital allocation, in particular.

European companies are frontrunners in climate accounting and auditing, as well as in the transparency of climate lobbying, and they account for a significant share of progress related to the just transition. In Asia, several

companies have strengthened board-level responsibility for climate issues and reported increasingly concrete, time-bound measures as part of their emissions reduction strategies. In Latin America, all CA100+ companies have set medium-term emissions reduction targets.

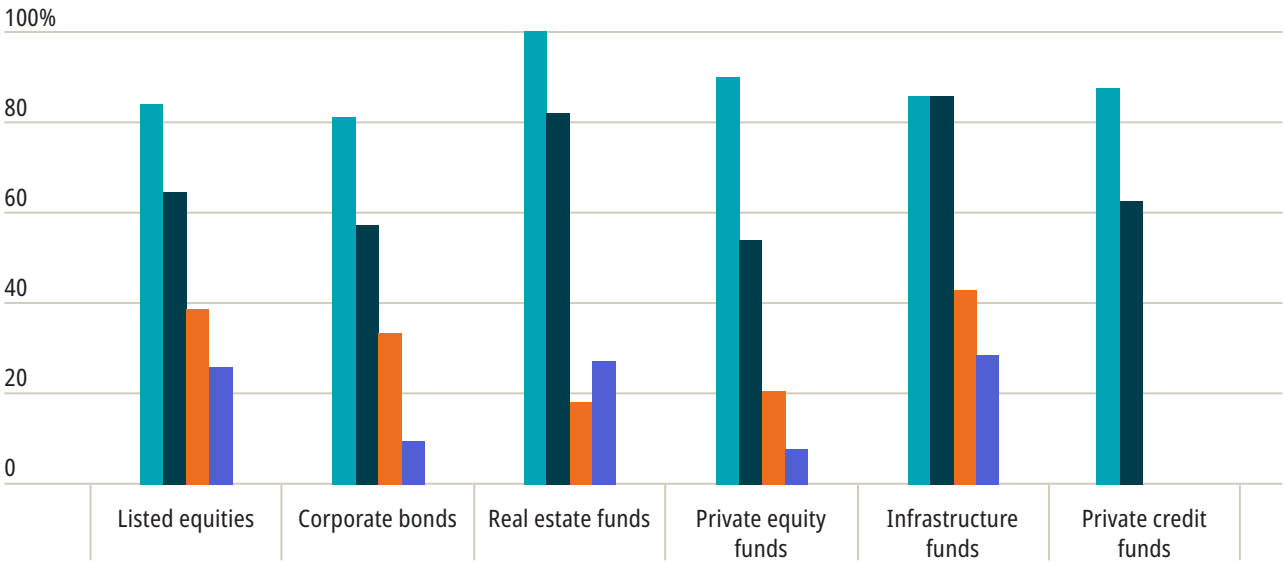
IIGCC

IIGCC is Europe's leading investor network focused on climate change. It has more than 400 members, primarily pension funds and asset managers, which collectively manage approximately EUR 65 trillion in assets. The organisation's objective is to direct capital towards a net-zero and climate-resilient economy.

Our asset managers also participate in various advocacy projects and initiatives.

The Net Zero Investment Framework is a widely used framework for net zero investing. Its principles are applied and advanced by hundreds of institutional investors, representing tens of trillions of US dollars in assets under management.

Asset managers' memberships in initiatives by theme



Share of asset managers (% of the number of asset managers who responded to the survey) who are members of a cooperation initiative or network within a specific theme. The data is based on a survey conducted by Keva among external asset managers.

In 2025, the use of NZIF 2.0 became further established as part of investors' practical investment activities and ownership steering.

At the end of 2025, IIGCC completed its four-year deforestation action (FSDA), as a result of which all investor members of the initiative developed and published their own deforestation policies. The work will continue in 2026.

In addition, in 2025, investors began measuring the resilience of their portfolios to extreme weather events. The Climate Resilience Investment Framework (CRIF) was widely adopted, enabling, for the first time, the financial modelling of physical damage caused by climate change in investment portfolios.

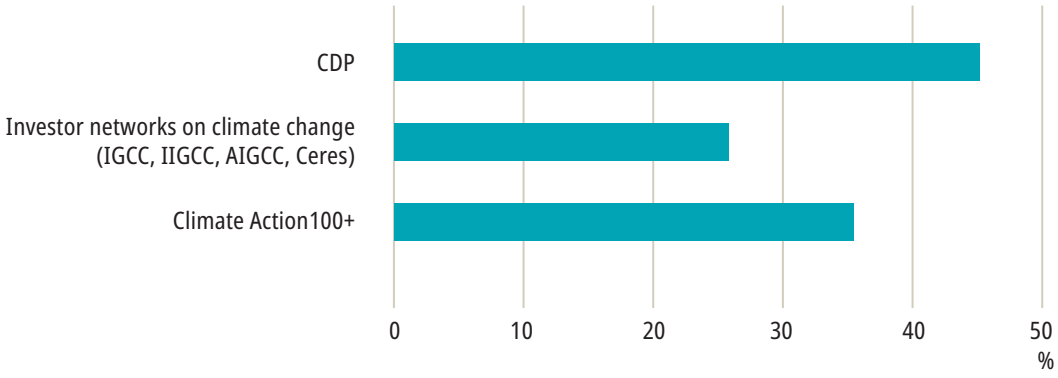
Global investor statement to governments

Since 2017, Keva has engaged with governments to mitigate climate change through the Global Investor Statement to Governments on the Climate Crisis. The campaign has been organised almost annually, and Keva has participated in it systematically. The campaign was not carried out in 2025.

Stewardship activities of external asset managers

Our external asset managers also participate in various networks and initiatives related to responsible investment themes. Based on the results of the annual survey, these most commonly include responsible investment and finance networks, as well as initiatives related to climate change, biodiversity and human rights.

Listed equity asset managers' memberships in climate initiatives selected by Keva



Share of listed equity asset managers (% of the number of asset managers responding to the survey) that are members of climate initiatives selected by Keva. The data is based on a survey conducted by Keva among its external asset managers.

Climate change risks and opportunities in accordance with TCFD

Strategy

As an internationally diversified investor, Keva is always part of the global economy and therefore bears risks and opportunities related to its exposure to climate change. Scientific analysis shows that uncontrolled climate change poses significant risks to long-term global economic growth and, consequently, to the success of Keva's investment operations. Keva strongly supports the Paris Agreement's goal of limiting the rise in the global average temperature to well below 2 °C compared to pre-industrial levels and to pursue efforts to limit the temperature increase to below 1.5 °C.

Keva is of the opinion that the impacts of climate change will bring both investment opportunities and investment risks related to the business conditions of companies and sectors in the long term. Keva's investments are geographically diversified across different asset classes and industries.

The economic impact of climate change can affect investee companies in in many ways, and the company or industry can also be affected by both positive and negative impacts at the same time. In addition to changes in costs, revenue and balance sheet valuation, a company's price and availability of loan financing may be affected. Regulation has a particularly significant impact on companies' business conditions.

Climate scenario modelling

We use a forward-looking climate scenario analysis to assess climate risks for our entire investment portfolio over the long term. The climate scenario model used by Keva is a technical extension of the ALM simulation model used in the modelling of reference portfolios. The starting point is forward-looking macroeconomic baseline modelling for a given point in time, without a climate scenario component.

Climate scenario modelling seeks to determine how the baseline scenario (in terms of economic growth, inflation and returns on investment classes) would change when specific assumptions are made about measures to combat climate change and their economic impacts are modelled more accurately.

Based on the modelling, the likely range of global warming in the long term is 2–3 °C compared to pre-industrial levels. Investors should factor this into their assessments. The basic macroeconomic modelling underlying the climate modelling used by Keva has therefore been examined from this perspective. A review has shown that the interpretation of the base line modelling could be modified to be "Climate Aware", including the most likely development trajectory.

Going forward, the content of baseline modelling may be further modified from this perspective in conjunction with the annual update. This also contributes to the important and thorny question of what is already priced into

the financial markets in terms of climate risks.[1] (At present, the impacts include, among other things, an increase in inflation.) Changes in the baseline model and its positioning in relation to climate scenarios change the interpretation of the results, because the results are of the type "changes to baseline modelling".

There are five scenarios in the 2025 version of the climate scenario model, like in 2024. In other words, the modelling now reviews five alternative futures:

- **Net Zero** (NZ), where enough measures are taken to limit warming to 1.6°C, and the world will be carbon-neutral by 2055 and beyond.[2]
- **Net Zero Financial Crisis** (NZFC), which is otherwise the same as Net Zero, but the impacts on the financial markets do not arise gradually, but suddenly and thus more strongly than the impact of economic growth alone would require.
- **Delayed Net Zero** (DNZ) is the most recent scenario and falls between the NZ and Limited Action scenarios. In this scenario, warming ends up at just under 2 °C.
- **Limited Action** (LA) most closely resembles the current real-world situation. In this scenario, emissions will not increase without limit, but nor will they decrease at anything like the pace required by NZ. As a result, warming will not remain anywhere near 1.5 °C, but will end up close to 3 °C. The physical effects are therefore already very significant in this scenario.
- **High Warming** (HW), which continues without specific measures to combat climate change and the climate warms by almost 4 °C.

In climate modelling, the baseline model has been extended with two external models. The first extension is an empirical macroeconomic model that describes, among other things, the functioning of economies, energy production and consumption, and international trade. This model is used to assess the productivity impacts of climate change (chronic physical risk) and the effects of different policy choices and technological development, such as the impact of emission allowance prices on energy production methods and transition risks.

The second extension is an actuarial model that models the economic impacts of extreme weather events (acute physical risk). The accompanying figure positions the climate scenarios in relation to the different dimensions of climate risk. When the information produced by these two models is combined with the sensitivity information contained in the baseline modelling, such as how equity returns in

[1] After studies, it has been possible to interpret baseline modelling as comprising trajectories at a general level that are in line with the most likely warming range, taking into account estimates of what kind of trajectories are the estimated consensus of market participants. However, the results of actual climate scenarios may differ significantly from baseline modelling even within the 2–3 °C degree warming range. This is because of significantly more detailed modelling and, in addition, a more conservative treatment of physical risk, especially in terms of physical risk, than, for example, in the NGFS scenarios (The Network of Central Banks and Supervisors for Greening the Financial System), which are used for central bank-led banks. A more accurate interpretation is that baseline modelling is Climate Aware so that the transition risks are in line with the Limited Action scenario and the physical risks with the NGFS scenarios are also within the 2–3 °C warming range.

[2] This means it has had to be acknowledged that the previous pathway – net zero by 2050 and, consequently, limiting warming to 1.5 °C – no longer appears possible even in the most favourable scenario.

Basic characteristics of climate scenarios and their placement in the coordinate system of transition and physical risks

NET-ZERO

WHY?
Assess the risks and opportunities under a highly ambitious- but orderly transition with climate adaptation.

WHAT?
• **Hihgly ambitious** low-carbon policy and rapid technology transition

• **Adaptation** and low physical risks of climate change

• Financial markets **do not price-in** future risks

1.6 °C

NET-ZERO FINANCIAL CRISIS

WHY?
Shows the resilience of portfolios to sudden repricing, triggering market dislocation centered on high-emitting stocks.

WHAT?
• **Highly ambitious** low-carbon policy and rapid technology transition

• **Adaptation** and low physical risks of climate change

• Sudden divestments in 2025 to align with the Paris Agreement goals have **disruptive effects on financial markets** with sudden repricing followed by stranded assests and a sentiment shock

1.6 °C

DELAYED NET-ZERO

WHY?
Reflects a future where technological break-throughs and a step-up in policy action limits exposure to severe physical risks.

WHAT?
• **Ambitious policy commitments** combined with consid-erable improvements in the reasibility and competitiveness of low-carbon tehnology

• **Physical risks are limited** over the short to medium term

• Financial markets **price-in transition and physical risk** during the **late 2020s**

2.0 °C

LIMITED ACTION

WHY?
Highlights how falling short of meeting emissions targets and pledges would drive high exposure to physical risks.

WHAT?
• **Emissions targets** and commitments are **not fully met**

• **High** chronic and acute physical risks

• Financial markets **price-in physical risks gradually over the 2020s and 2030s**

2.6 °C

HIGH WARMING

WHY?
Considers a future withous any further action to limit climate change, triggering multiple climate tipping points and very severe physical risks.

WHAT?
• **No new climate policies** are enacted

• **Very severe** chronic and acute physical risks

• Financial markets **price-in physical risks gradually over the 2020s and the 2030s**

3.7 °C

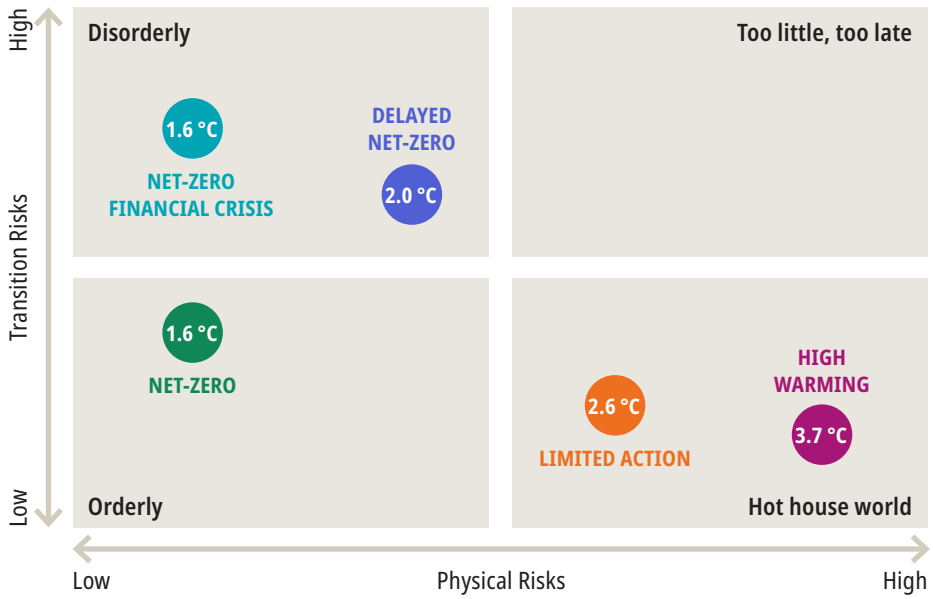
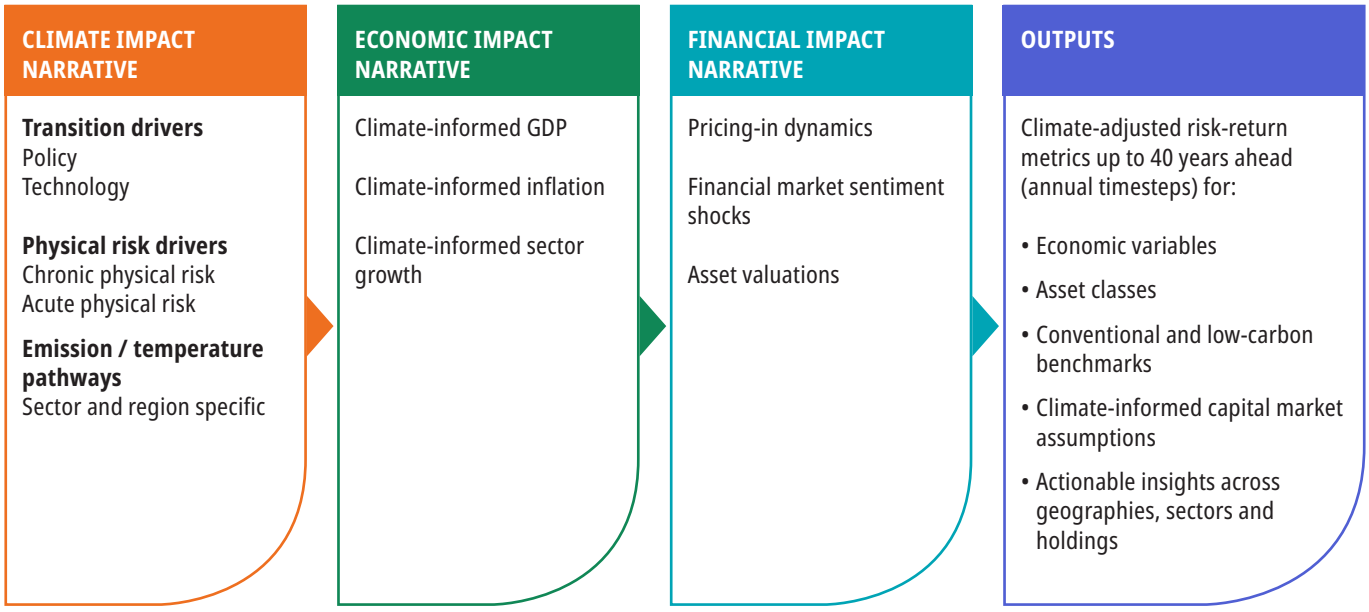


Diagram of the climate modelling used by Keva



a given country depend on changes in its GDP development, the result is the return impacts of the climate scenario.

Risk management

Procedures for risk assessment and management

Keva uses several different procedures to assess and manage climate risk:

- We monitor the development of climate metrics available on the financial markets and assess their ability to identify climate change-related risks in our investments. Read more on these in the section “Metrics and targets”.
- We limit transition risk in direct real estate investments by aiming for carbon-neutral energy use by 2030. Read more on this in the section “Metrics and targets”.
- We contribute to reducing emissions and take responsibility for our portfolio holdings using different methods in different asset classes. The document Keva’s investment beliefs on climate change describes these principles and practices.
- We monitor the operations of our asset managers with annual surveys on their responsible investment practices (e.g. climate indicators, targets and reporting) as well as their voting behaviour and engagement activities. As around 80% of Keva’s investments are managed by external asset managers, it is particularly important to carefully monitor their activities.
- We cooperate with other investors on selected projects to combat climate change. These are described in more detail in the “Collaborative engagement” section of the repor.

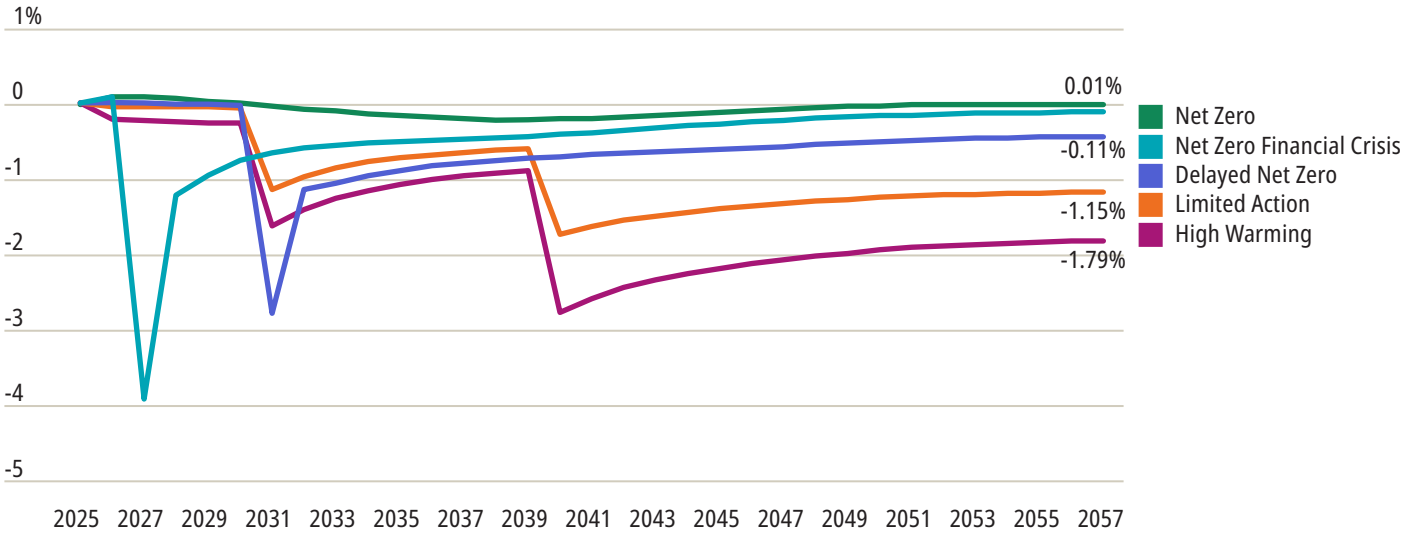
Risk identification and assessment

Modelling results

At the end of 2025, we obtained results based on the latest modelling, including Keva-specific results, in which the content of the scenarios has been combined with information on Keva's investments. The results are, in principle, highly intuitive in format: GDP and return deviations by asset class from the baseline path under different climate scenarios. Behind the seemingly accessible results, however, lies the multi-stage modelling process described above. The key results are reviewed below.

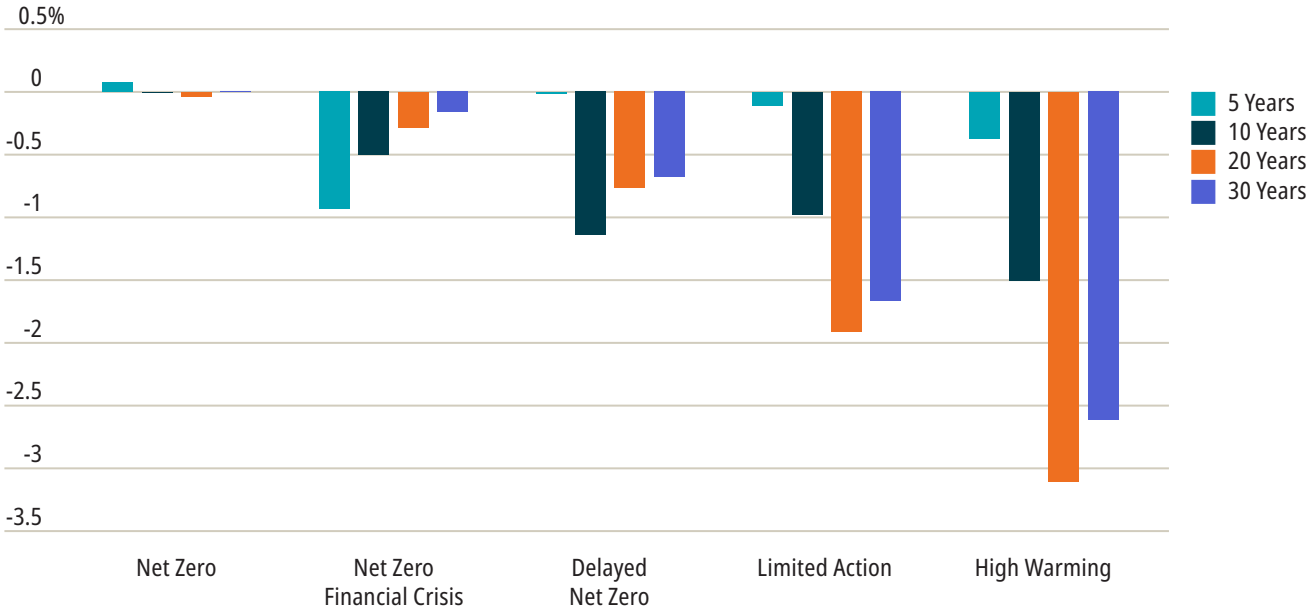
When the content of each scenario is combined with the composition of Keva's investment assets, described at a broad level,[3] results can be obtained even for the climate risks of the entire investment portfolio in terms of cumulative investment return. Viewed in this way, the impacts are moderately negative in the most likely scenarios and very strongly negative in the High Warming scenario. The investment-asset-level results are presented in the figure above. When interpreting the results, it should be noted, among other things, that the current allocation is assumed to be maintained through annual rebalancing and that the analysis has had to be simplified, for example with regard to derivatives.

Impact of climate scenarios on the cumulative return of investment assets, p.a.



[3] In the analysis, Keva's investment assets have been described in broad terms, as in the ALM simulations more generally, with certain extensions and limitations. For example, the ALM simulations do not cover individual equity or fixed income instruments, but rather broader components similar to index components. The most important extension is the use of a regional/sectoral breakdown for equity and credit risk investments, instead of a regional breakdown only, as well as the use of more detailed geolocation data, with distributions produced in two ways: based on companies' physical locations at site level and, alternatively, based on the business significance of those sites. The most important limitation is the exclusion of currency risk, particularly currency derivatives and hedge funds, from the analysis.

Return impact of climate scenarios on equities p.a. over different horizons



Impact on returns

As equity-type risk constitutes most of the risks of Keva's investment assets, it is important to examine them in more detail. The results in the figure above show that climate change appears to have a clearly systemic component that has a negative impact on economic growth and returns.

The scenarios are in a hierarchical relationship with each other – more warming, greater impact – but for Net Zero, the financial crisis scenario stands out from the others. When interpreting the results for the net zero financial crisis scenario, it should be noted that the significant negative outcome is based only on the narrative (i.e. not the actual climate modelling), in which the Net Zero Path is reached through a disruptive process that involves a very negative sentiment shock affecting the markets. Even though this is, of course, possible, the specific form and timing of the shock are entirely based on assumptions.[4] The scenario mainly describes that, at the moment, the Net Zero Path seems unlikely, and something dramatic must happen for the policy measures required by that scenario to be implemented.

There are great differences between regions and sectors. Many emerging countries, such as India, appear to be very vulnerable to climate

[4] In the calibration, reference has, however, been made to research literature on the tendency of markets to overreact to changes in fundamentals, including Breuss (2010), Financial Market Crisis as a Phenomenon of Stock Market Overshooting: A Theoretical Analysis. Australian Economic Quarterly, 1/2010 and Angeletos, G-M., Huo, Z. & Sastry K. (2020, June) Imperfect Macroeconomic Expectations: Evidence and Theory. NBER Working Paper 27308.

risks, especially in terms of GDP growth. On the other hand, at the level of impacts on returns, developed and emerging countries look quite similar at an overall level. This is partly because China accounts for major part of the emerging country universe and is a relative winner in terms of transition risks in modelling. In addition, due to the high valuation level, US equities are vulnerable to the slowdown in growth implied by climate scenarios.

In addition, drawing direct conclusions about investment assets is complicated by the fact that in many places, there is still uncertainty about whether the realisation of physical or transition risk projected for a particular region is correctly allocated to our portfolio.

More detailed site-level geolocation data on companies in Keva's portfolio was introduced in the 2025 modelling. The modelling has therefore effectively been carried out twice:

1) based on information on the physical location of companies' sites and the significance of each site, for example for production (the so-called asset share), and

2) on information assessing the significance of the site for the business, the so-called output share. At the overall portfolio level, however, these two approaches produce very similar results.

The climate scenario results are underpinned by a multi-stage modelling process.

When examining sector-specific results, it can be observed that, for example, in the Delayed Net Zero scenario, around 4% of Keva's equity portfolio is invested in the most vulnerable sector-region subsegments. Here too, the different versions of the geolocation data do not produce significant differences in the results. In the Limited Action scenario, this share increases to around 30%, and in the High Warming scenario, to more than 40%, due to the increasing negative general productivity impacts in the high-warming scenarios. The output share proportions are slightly lower than under the asset share classification.

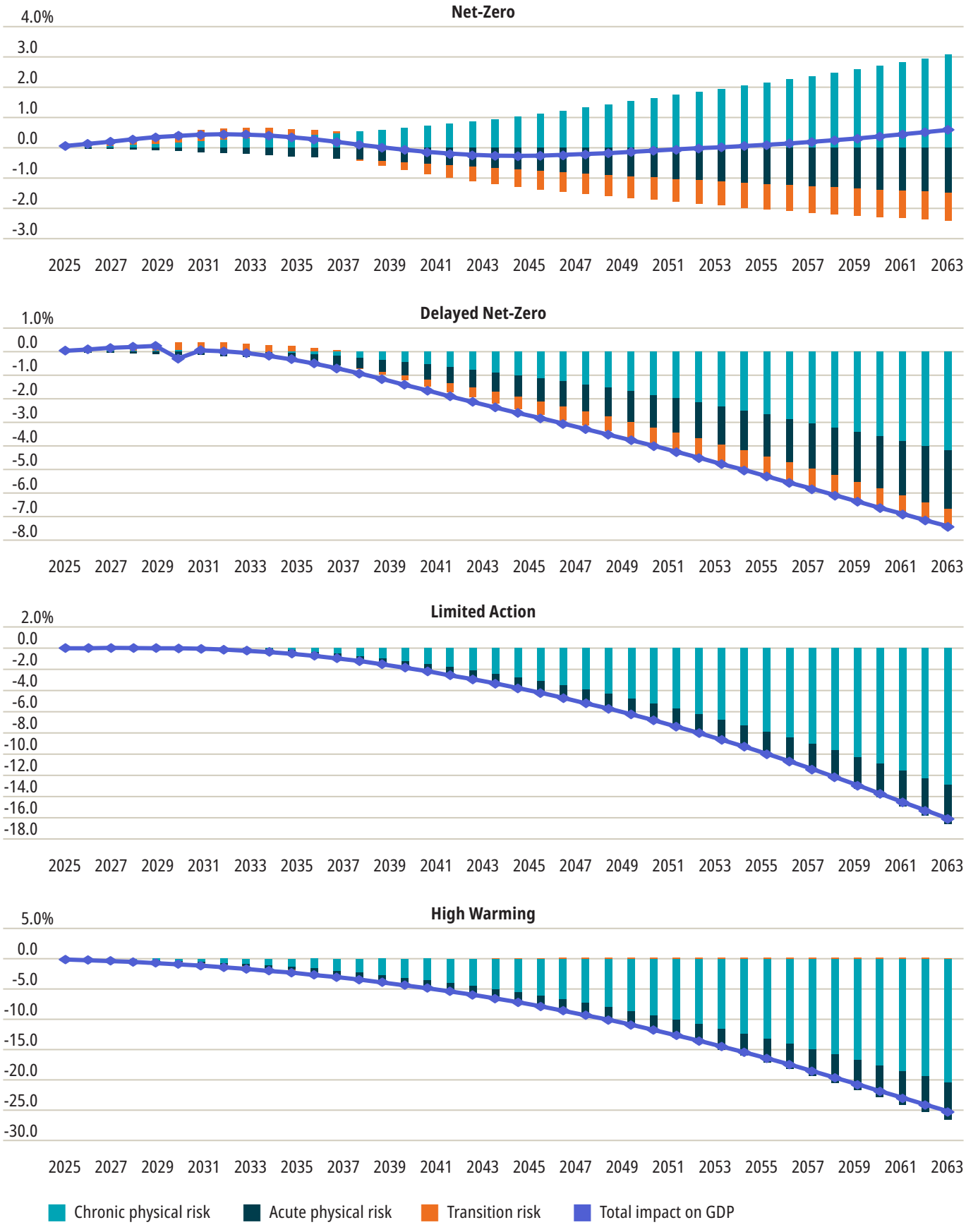
Return-based results are, of course, the most interesting from an investor's point of view, but producing them, it is necessary to take into account in addition to macroeconomic effects,

1) how much of the scenarios is already priced in and

2) when the market starts pricing in the development of each scenario.

As noted above, in the approach we use, question 1 has been partly answered by assuming that the baseline modelling is consistent with 2–3 °C warming under certain assumptions. This means that the differences between the scenarios and the baseline need to be interpreted in relation to this. Question 2 is even more difficult and is, in practice, entirely assumption-based in the climate scenarios.

Global cumulative GDP growth impact broken down into different sources of climate risk per scenario

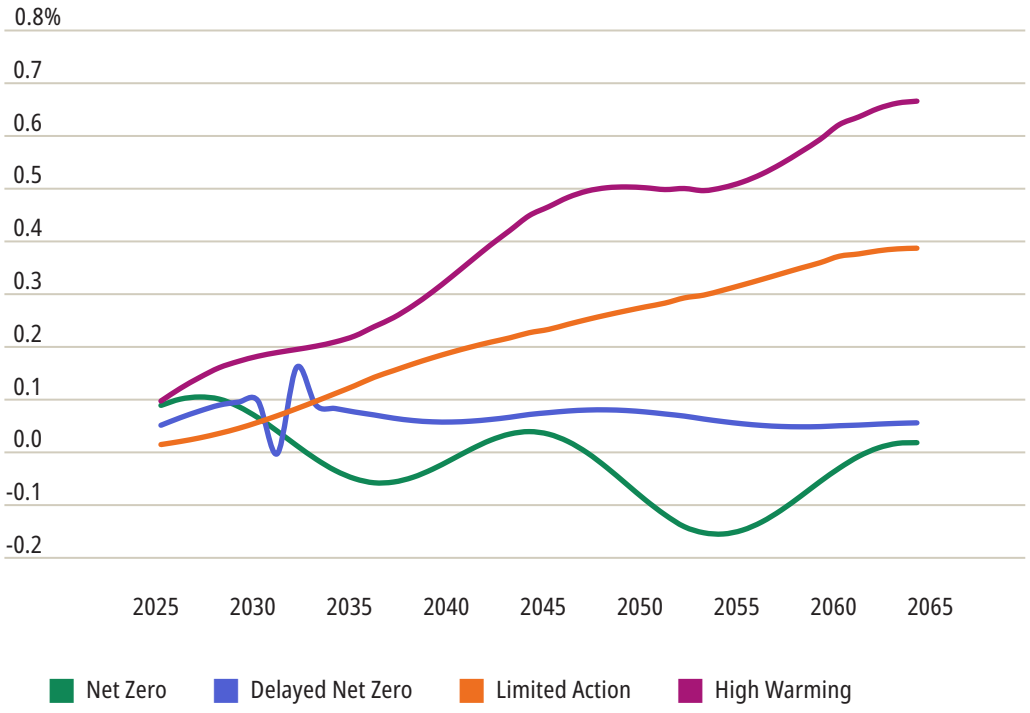


Impacts on gross domestic product

An examination of macroeconomic results, especially GDP growth, can provide a slightly clearer picture of the effects of the scenarios than return-based results. The effects of GDP growth are transmitted especially to equity returns, but at this level there is no need to take a position on the difficult question above of market pricing in terms of climate risks. The figures above show the effects of climate scenarios on global GDP growth relative to the baseline model as a cumulative level change. The results are also broken down into different sources of climate risk. The results show that in higher-warming scenarios, physical risk begins to dominate. Within the physical risk, the majority of the impact comes from chronic physical risk, i.e. the general productivity effects of warming, rather than natural disasters (acute physical risk).

In addition to GDP impacts, a clear outcome is accelerating inflation due to adaptation needs and, for example, declining agricultural productivity. As noted above, this already has some impact on the baseline modelling itself. In the climate scenarios themselves, this is even more clearly visible. The figure below shows the inflation impacts in the euro area relative to the baseline modelling. A significant share of the scenarios' impact on real returns therefore comes from accelerating inflation.

Impact of climate scenarios on the euro area inflation rate



In the latest model version, the sensitivity analysis has been further expanded with regard to how different parameter choices affect the modelling results. Of these, the most significant at the highest, climate-science level are climate sensitivity, which describes the relationship between global warming and carbon dioxide emissions – the so-called Equilibrium Climate Sensitivity (ECS) – and the shape of the damage function used in modelling chronic physical risk.

The damage function describes how productivity and economic growth behave in the face of global warming. Scientists have suggested that climate sensitivity could be up to 50% higher than the IPCC's baseline assumption (3 °C per doubling of CO_2).[5] The modelling results are sensitive to this, and a higher climate sensitivity would significantly change the results for the worse. On the other hand, the damage function used in the model leads to quite large effects, at least compared to the central bank-led NGFS climate scenarios.[6] This choice highlights the importance of chronic physical risk in higher warming scenarios. The damage function used is justified by the fact that the modelling does not directly take into account tipping points, such as the melting of glaciers, which can accelerate global warming. These tipping points are, to a limited extent, included in the HW scenario. Full consideration of tipping points could require an even more conservative damage function.[7] In addition, the assumptions underlying the model do not yet reflect the likely changes in total energy consumption driven by AI data centres. On the other hand, the modelling also does not include significant changes in consumption patterns, which could alter the results in the opposite direction.

In summary, climate scenario modelling paints a picture of a systemic challenge that may have a significant impact on Keva's investments. The systemic nature means that the primary measure is to try to prevent the progression of the phenomenon through engagement; It is difficult to avoid this phenomenon by diversification, at least not completely. Incomplete data makes it challenging to apply the results exactly, for example, at the level of individual companies.

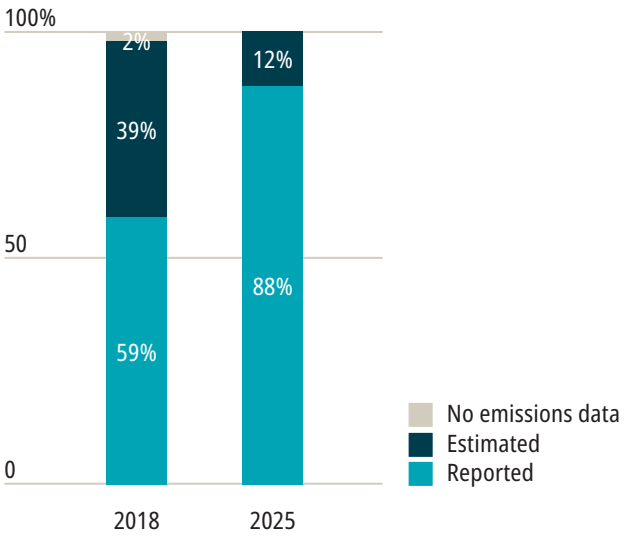
The systemic nature of the modelling highlights the importance of engagement.

[5] For example, Hansen et al. Global Warming in the Pipeline, Oxford Open Climate Change, 2023; and, of course, the IPCC's baseline estimate also has a wide confidence interval around it.

[6] Burke, M., & Tanutama, V. (2019, April). Climatic Constraints on Aggregate Economic Output. NBER Working Paper 25779.

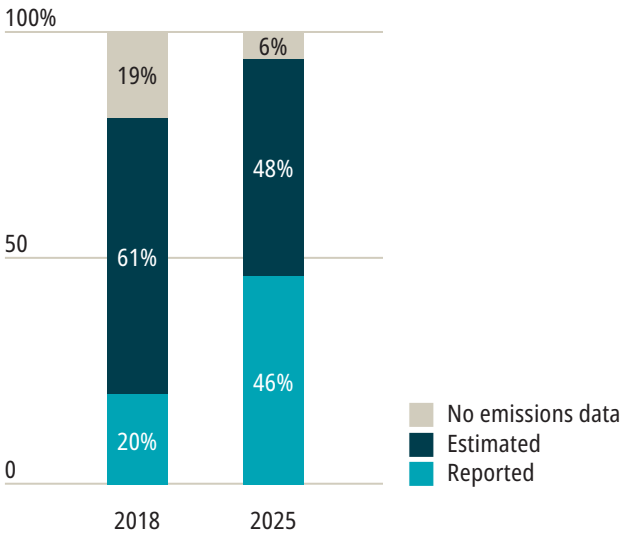
[7] Trust, S., Joshi, S., Lenton, T. & Oliver, J. (2023) The Emperor's New Climate Scenarios. The article from the Institute and Faculty of Actuaries article provides an extensive review of climate scenario modelling and states that it typically leads to unintuitively minor impacts. In particular, the lack of tipping points is in the background.

Development of data coverage and quality of funded emissions, listed equity investments



Investment assets EUR 32.2bn. Data source: MSCI ESG Research, Keva.

Development of data coverage and quality of funded emissions, corporate bonds



Investment assets EUR 9.4bn. Data source: MSCI ESG Research, Keva.

Coverage of emissions data

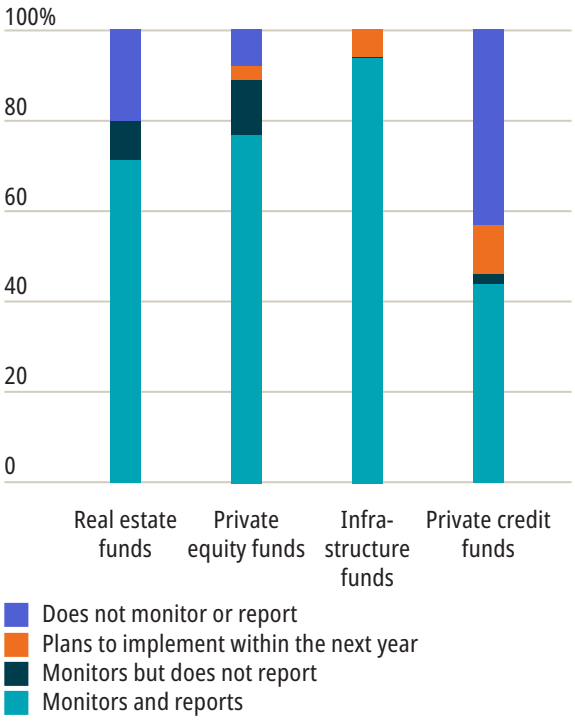
The accompanying graph shows that the coverage of emissions data in Keva's listed equity investments is excellent: 100% of the equity portfolio is covered by emissions data. Data quality has also improved significantly, and currently, 88% of the portfolio value is based on companies' own reporting.

The situation is worse for corporate bonds: less than half of the companies reported emissions data measured by the value of the portfolio, but nevertheless development has been positive. Supplemented with the service provider's estimates, emissions data is available for 94% of the value of the portfolio for corporate bonds.

In corporate bond investments, emissions data is more readily available on exchange traded companies and corporate bonds that are included in commonly used bond indices. Outside of these, data is scarce and often based on estimates made by the service provider.

The coverage and quality of emissions data for listed equity investments have improved significantly.

Emissions monitoring by asset managers, unlisted investments



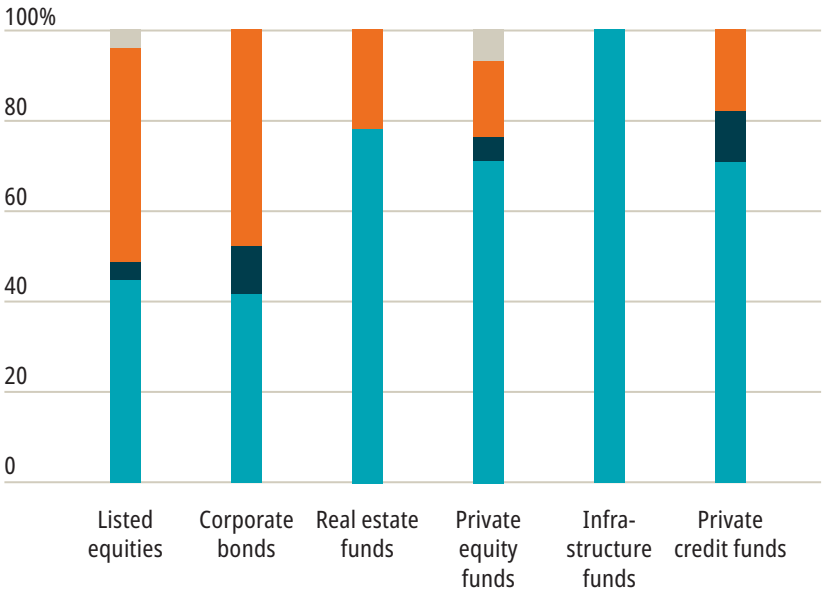
Share of asset managers (% of investment assets of funds responding to the survey, total EUR 12.8 billion) that monitor and report the emissions of their investments in Keva's real estate, equity, infrastructure and private credit funds. Includes funds of funds. Data is based on a survey conducted by Keva among external asset managers.

Metrics and targets

Our asset managers in infrastructure, private equity, and real estate funds already monitor and report emissions from investments fairly broadly. We are currently assessing how the emissions data received from asset managers could be combined into a coherent whole. For the time being, however, we are not able to compile the data for these funds with sufficient reliability, and therefore we do not yet report emissions for these asset classes.

Consideration of physical climate risks has generally increased as climate change has progressed. Our asset managers assess physical climate risks especially in unlisted investments, and most prominently in infra-structure funds.

Assessing physical climate risks as part of asset managers' investment strategy



Share of asset managers (% of the investment assets of the funds that responded to the survey, totaling EUR 51.6 billion) that have implemented a physical climate risk assessment for their portfolio and integrated it into their investment strategy. Includes funds of funds. Data is based on a survey conducted by Keva among external asset managers.

Listed equity investments

For equity investment asset managers, taking climate change into account is already established practice. The majority (81%) of asset managers' responsible investment principles take climate change into account, and climate change is also generally included in asset managers' ownership steering principles. Two thirds of asset managers are involved in a climate change-related initiatives. The majority (85%) of equity funds monitor climate metrics, and one third have set climate-related targets.

Climate actions currently focus, above all, on risk management and risk monitoring. The majority of funds assess risks related to the climate transition, and most also consider physical climate risks as part of the investment process. Our asset managers investing in emerging markets take physical climate risks into account more commonly than those investing in other geographical regions.

Emerging market asset managers carry out climate engagement and other climate-related measures much more commonly than asset managers operating in other geographical regions.

Climate reporting is widely used among asset managers, and reporting is most often based on the TCFD framework. More than half of asset managers report on climate change-related risks and opportunities in accordance with the TCFD. In funds whose asset managers have company-level climate policies or measures, climate-related work is carried out significantly more actively than in funds without such policies.

Private equity funds

Almost all private equity funds (around 90%) monitor climate metrics, and the monitoring generally covers several different types of metrics. Approximately half of the funds have set a separate climate target. A comparison of strategies shows that climate targets are set particularly in buyout funds, where asset managers usually have significant influence over the ownership steering of portfolio companies.

For funds that have not set a climate target, the most common reasons relate to limited influence, or to targets being set only for individual portfolio companies, or to portfolio companies defining their targets themselves.

Funds that have set a climate target assess physical climate risks much more often than funds without such a target (95% vs. 55%). In these funds, a larger share of investments is also committed to a net-zero pathway, and all funds that have set targets report on their emissions. In funds without targets, emissions reporting is somewhat less common.

For funds of funds, climate-related practices vary: almost all monitor climate metrics, but only half of the funds assess physical climate risks. Most funds of funds monitor their portfolio emissions, although external reporting is carried out only to a limited extent.

Corporate bond investments

The responsible investment principles of most asset managers (72%) take climate change into account. Climate themes are also generally included in ownership steering principles, where such principles have been established.

In addition, more than half of asset managers participate in climate change-related collaborative projects and initiatives.

In corporate bond investments, climate-related work focuses mainly on risk management and risk assessment. Engagement and target-setting are less common. The majority of funds (82%) assess climate transition risks, and more than half also assess physical climate risks. One fifth of the funds have set separate climate-related targets. These measures are most common in European funds, particularly with regard to more concrete engagement activities. Asset manager-level climate policies and commitments are often reflected at fund level, meaning that climate-related work is carried out more systematically in these funds.

Climate reporting is widely used among corporate bond asset managers, and reporting typically relies on the TCFD framework. Slightly more than half of the portfolio's asset managers are committed to reporting in accordance with the TCFD.

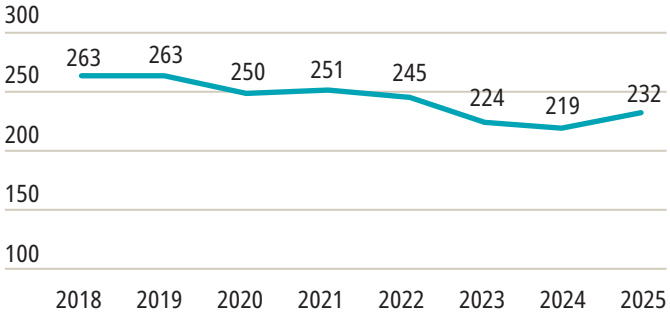
Direct real estate investments

The strategic objectives and related indicators for direct real estate are:

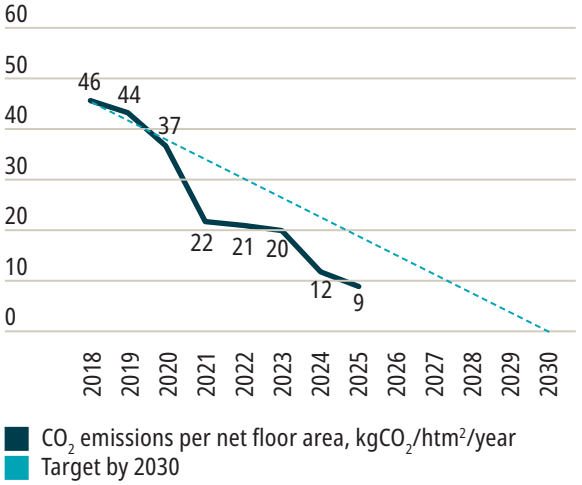
- energy use
- CO_2 emissions
- deployment of own renewable energy.

Monitoring of CO_2 emissions from real estate investments is always based on measured, not weather-corrected, energy consumption, in accordance with international reporting guidelines. Comparable carbon dioxide emissions from the energy use of investment properties decreased by 26% year on year.

Development of energy use and CO_2e emissions of direct real estate investments 2018–2025. The indicators are shown as characteristics relative to the floor area of investment properties



The statistics for the housing sector changed in Keva at the beginning of 2025 to include only rentable square meters. This will cause an increase in specific energy figures between 2024 and 2025. Energy use decreased by more than 7% between the years.



The monitored specific emissions continued on a downward trajectory in line with the targets. Specific emissions ($kgCO_2/m^2$) decreased across the entire portfolio.

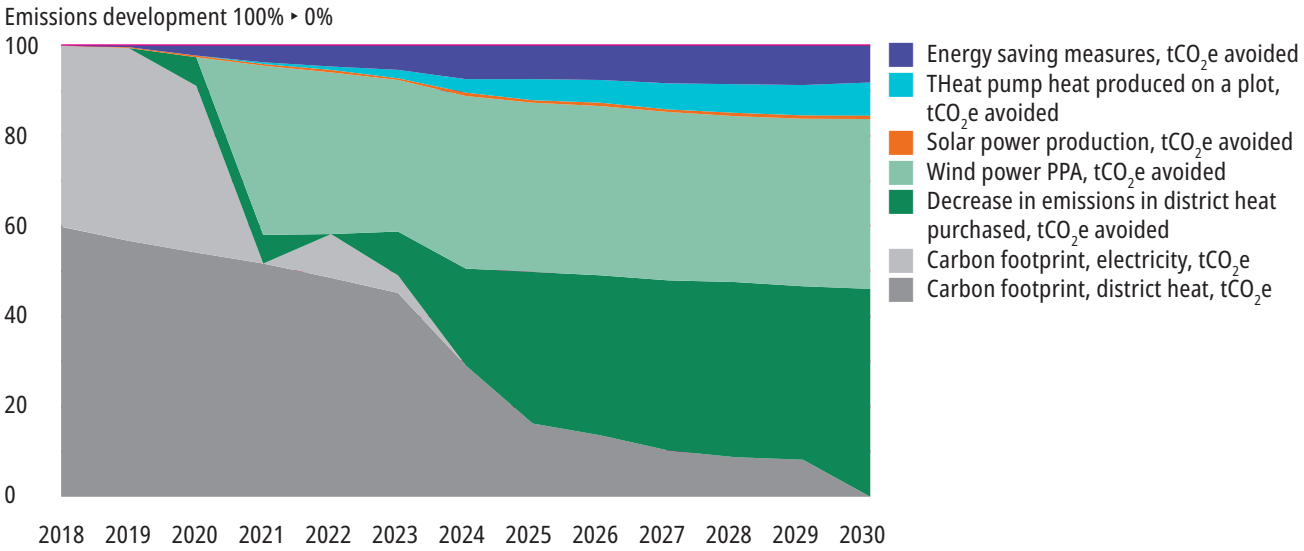
Carbon dioxide emissions have already decreased by more than 77% compared with 2018, the start of our environmental programme. In addition to energy-saving and property specific energy production measures, the significant reduction in carbon dioxide emissions is due to the procurement of renewable electrical energy, in particular, and the sharp decrease in the emission intensity of district heat after 2022.

The specific emission factors for district heating in Helsinki, Espoo, Turku, and Tampere have nearly halved in just two years. We will continue to reduce the amount of district heating we purchase through heat pump investments, making use of our 100% renewable electricity.

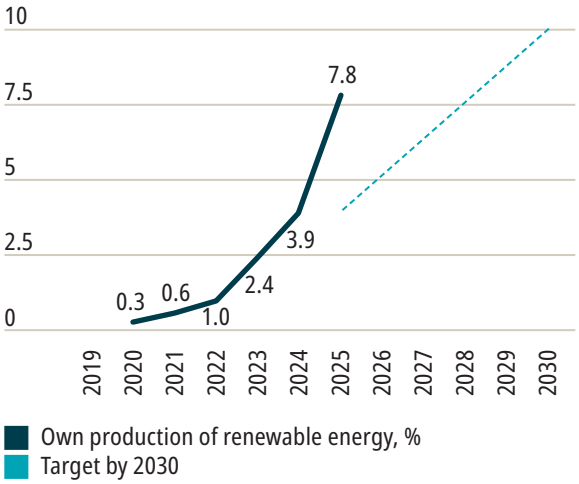
The reduction of carbon dioxide emissions is the result of many measures.

In 2025, approximately 80 individual measures to improve energy efficiency or produce renewable energy were implemented, achieving calculated energy savings of 4.7% (8,890 MWh/year). Approximately half of the energy savings achieved in 2025 came from systems that produce and recycle renewable energy. Four heat pump systems were completed. The other half of the energy savings achieved came from traditional building services energy-saving measures (around 75 in total).

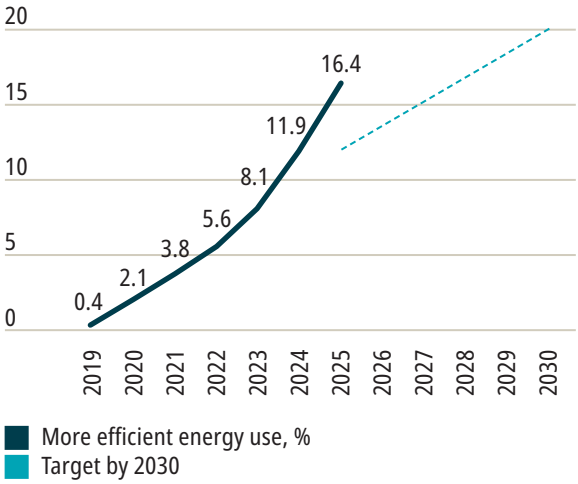
Development of emissions from energy use and the share of savings measures in emission cuts



Share of renewable energy production of energy consumption at properties in 2019–2025



Active cumulative energy saving measures in direct real estate investments 2019–2025



Between 2019 and 2025, the energy efficiency of properties has improved by more than 33,000 MWh/year, i.e. by over 16%, through active measures. The share of own property-specific energy production in final consumption already rose to 7.8%. The interim targets for 2025 (12% energy savings and 4% renewable self-production) have been clearly exceeded. However, there is still work to be done to reach the 2030 targets: 20% energy savings and a 10% share of own production.

Real estate funds

All real estate funds monitor climate metrics, typically several different ones. The majority of funds (14 funds, 67%) also monitor and report their emissions.

In real estate investments, scenario analyses and indicators describing physical climate risks are particularly prominent compared with other asset classes. In addition, data quality is monitored exceptionally systematically in these funds. Assessment of physical climate risks is common (90%, 19 funds), and risk assessments often include detailed location-level modelling of portfolio properties. The assessments are also comprehensive: in several funds, they cover the majority of investment assets and are based on several climate pathways.

Approximately one third of real estate funds have set a climate target. In these funds, physical climate risks are assessed consistently, and almost half of their investments are committed to a net-zero pathway. Funds that have set climate targets report on their emissions more commonly than funds without such targets.

Infrastructure funds

Infrastructure projects play a key role in achieving global climate targets, and this is also reflected in Keva's infrastructure investments. Infrastructure funds set climate targets much more commonly than other asset classes, and a significant share of infrastructure investments are committed to a net-zero pathway. Setting climate targets also has a clear link with funds beginning to align their activities towards net zero.

All infrastructure funds monitor a wide range of climate metrics. Energy consumption and metrics related to direct and indirect emissions are the most commonly used, and every fund monitors these. According to the survey responses, all funds measure the CO_2 emissions of their investments. At least eight different climate metrics are monitored in all funds.

The majority of infrastructure funds have set separate climate targets, which are often ambitious. The most commonly used target is net zero by 2050 or earlier. The SBTi framework is often used in setting the targets. In funds that have set climate targets, a significant share of investments is committed to a net-zero pathway.

All infrastructure funds measure CO_2 emissions.

However, setting climate targets does not appear to have a clear link with emissions reporting: funds that have set targets report comprehensively on their emissions, but a large proportion of funds operating without targets also report their emissions. The emissions reporting capability of infrastructure funds is therefore generally good. All funds assess physical climate risks, and the assessments are typically based on modelling carried out at the location level of the portfolio assets.

Climate-related work is also broad-based in funds of funds. They monitor climate metrics and assess physical climate risks systematically. Most also monitor their portfolio emissions, although external reporting is more limited in these funds.

Private credit

Approximately half of private credit funds monitor climate metrics, and the monitoring covers several different metrics on average. Scope 1, 2, and 3 emissions are the metrics most commonly examined. Roughly the same share of funds report on their emissions, and several others are considering starting reporting if the availability of data from portfolio companies improves.

Setting climate targets at the fund level is rare in private credit funds. By contrast, assessment of physical climate risks is significantly more common, and the majority of funds consider these risks as part of their own investment process.

Portfolio carbon footprint indicators

The carbon footprint of an investment portfolio measures the greenhouse gas emissions associated with investments at a certain point in time. When calculating the carbon footprint of our investments, we use methods that are in line with the TCFD and PCAF recommendations. We calculate and report the portfolio's financed emissions, which measure our share of the investments' emissions in relation to their enterprise value. In addition, we monitor the portfolio's weighted average carbon intensity, which measures the emissions of each investee in relation to its revenue and weights them according to the portfolio's allocations.

We have reported the weighted average carbon intensity of the equity portfolio and the benchmark index since 2020, based on reported and estimated data on Scope 1 and 2 emissions. These are emissions that arise from the direct operations of the investee companies and emissions related to energy consumption. We monitor the development of the quality and coverage of Scope 3 emissions data related to the value chain of the companies, but it is not yet at the level required for reporting.

For direct real estate investments, we collect and report Scope 1 and 2 emissions data from properties under direct control or those that we maintain ourselves. We are unable to measure emission data for all triple net rented properties, as the tenant is not obliged to report the volume of energy consumption for which they are responsible (direct agreement between the energy company and the tenant) to the landlord. For some tenants, energy information is a business secret.

Financed emissions

Financed emissions are a PCAF indicator that seeks to describe the emissions attributable to investors by weighting the investor-financed share of total emissions of the investee companies and allocating all of the company's emissions to its financiers according to its capital structure. Financed emissions are calculated by dividing the value of the investment by the value of the investee company and multiplying this by the Scope 1 and 2 emissions of the company. The calculation is limited to 2022 because the data required for the calculation of the financed emissions is only available from the service provider from that year onwards.

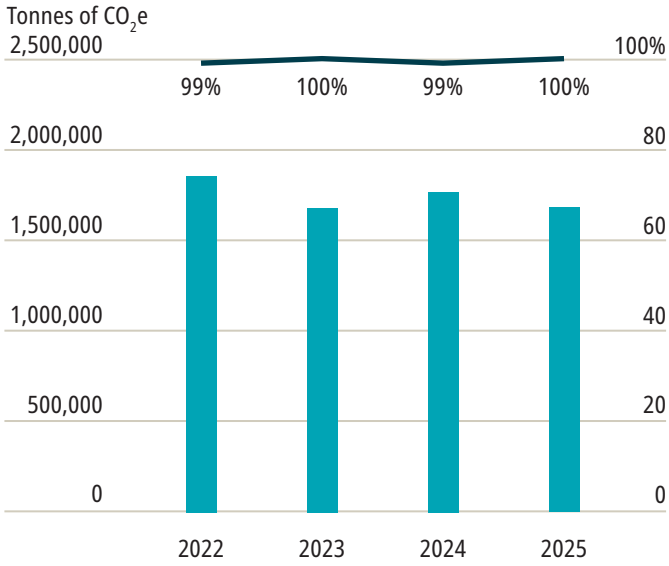
In 2025, Keva's financed emissions from listed equity investments amounted to 1,678,735 tCO_2e (tonnes of CO_2 equivalent), and they have decreased by 9% since 2022. In the actively managed portfolio, emissions have decreased by more than one tenth, while the passively managed portfolio has remained at the 2022 level. Keva's financed emissions from corporate bond investments are 805,440 tCO_2e, and they have decreased by 12% since 2022.

The materials sector stands out in the distribution of emissions: almost half of the financed emissions from equity investments and 20% of those from corporate bond investments come from companies in this sector, even though they account for only 5% of investment assets. Other significant sources of emissions are the energy sector (12% of financed emissions), industry (11%), and utilities (11%). Emissions from the materials sector in equity investments have decreased by 9% compared to 2022.

By region, in equity investments, the highest emissions relative to invested capital are generated by companies in Asia (excluding Japan), which account for more than 30% of financed emissions.

Emissions financed through corporate debt investments are particularly concentrated in North American companies, whose emissions intensity is clearly higher in relation to invested capital than that of European companies.

Development of financed emissions, listed equity investments



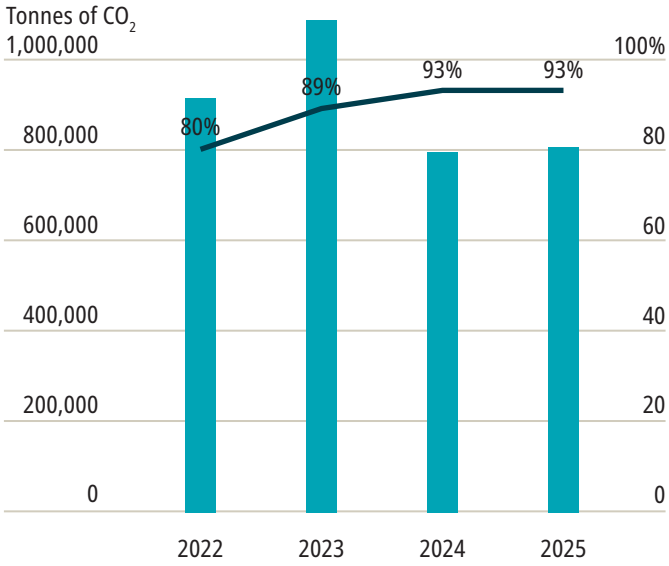
Data coverage, % of investment assets
Emissions, tonnes of CO_2e

The amount of financed emissions (tonnes of CO_2e, Scope 1 and 2) and the coverage of emissions data in listed equity investments (investment assets EUR 32.2 billion). According to the service provider's methodology, the intensities of the company's equity and debt investment instruments are always calculated according to the latest published enterprise value. These intensities will be used later in the calculation of emissions. This solution aims to solve the challenge of allocating emissions due to fluctuations in a company's market values. Data quality: 88% of the data is reported by companies and 12% is rated by the service provider, on a PCAF scale of 2.2. The calculation does not include investments for which the determination of market values and emission data is not currently reliable. Data source: MSCI ESG Research, Keva.

$$\text{Financed emissions } (tCO_2e) = \sum_{i}^{n} \frac{\text{investment value}_i}{\text{enterprise value}_i} * \text{company's emission}_i$$

Enterprise value = EVIC Value of equity + value of liabilities taking into account cash

Development of financed emissions, corporate bonds



Data coverage, % of investment assets
Emissions, tonnes of CO_2e

Emissions, tonnes of CO_2e, Scope 1 and 2) and the coverage of emissions data in corporate bond investments (investment assets EUR 9.4 billion). According to the service provider's methodology, the intensities of the company's equity and debt investment instruments are always calculated according to the latest published enterprise value. These intensities will be used later in the calculation of emissions. This solution aims to solve the challenge of allocating emissions due to fluctuations in the company's market values. Data quality: 49% of emissions data is reported by companies and 51% is estimated by the service provider, on a PCAF scale of 3.3. The calculation does not include investments for which the determination of market values and emission data is not reliable at the moment. Data source: MSCI ESG Research, Keva.

$$\text{Financed emissions } (tCO_2e) = \sum_{i}^{n} \frac{\text{investment value}_i}{\text{enterprise value}_i} * \text{company's emission}_i$$

Enterprise value = EVIC Value of equity + value of liabilities taking into account cash

It is important to understand that the calculated financed emissions of the portfolio increase as the size of the portfolio and the coverage of the emissions data increases, if other factors remain unchanged. This should be taken into account when interpreting the figures, especially in the case of corporate bonds, where data coverage has improved. Financed emissions may change due to changes in portfolio size, portfolio country and sector weightings, positions bought and sold, emissions data coverage, and changes in capital structure.

We have also calculated the financed emissions of direct real estate investments in accordance with PCAF. Financed emissions are calculated by multiplying the emissions related to each property's energy consumption by our ownership share in the property.

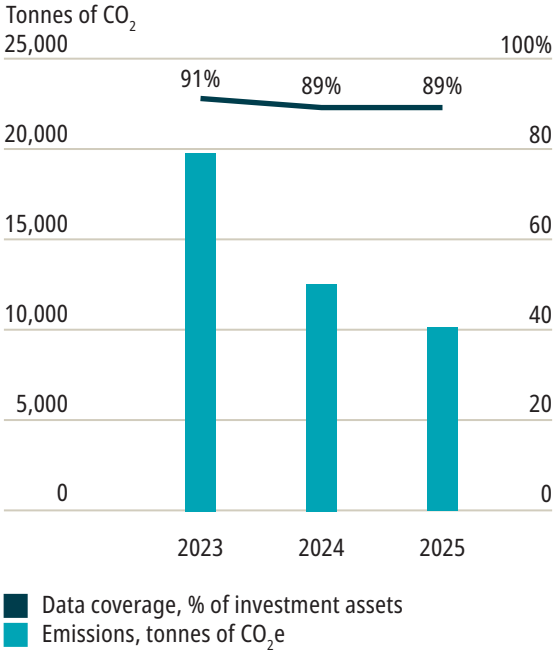
The financed emissions of the direct real estate portfolio in 2025 were 10,133 tonnes. The calculation covers approximately 89% of the value of the direct real estate portfolio at year-end. Financed emissions have decreased by 49% over the three-year review period.

Weighted average carbon intensity (WACI) of the portfolio

The portfolio's weighted average carbon intensity seeks to describe the portfolio's exposure to carbon-intensive investments. The figure provides a rough measure of the portfolio's exposure, at a given point in time, to risks arising from emissions trading and other regulation. When examining the development of the portfolio weighted average carbon intensity over time, it is important to note that changes in country and sector weights, market prices of securities, and company revenue result in variation between measurement periods. Computationally, the indicator is also affected by changes in the coverage of companies' emissions reporting.

The weighted average carbon intensity of the equity and corporate bond portfolio is calculated by dividing each company's Scope 1 and

Development of financed emissions, direct real estate investments



The amount of financed emissions (tonnes of CO_2e, Scope 1 and 2) and the coverage of emissions data in direct real estate investments (EUR 3.3 billion). The financed emissions are calculated by multiplying the emissions related to the energy consumption of each property by our share of ownership in the property. Emissions have been calculated using measured consumption and emission factors. Properties for which emission data is not available (e.g. unbuilt plots, parking lots) and sites where Keva does not receive emission data from the tenant are excluded from the calculation.

Financed emissions (tCO_2e) =

$$\sum_{i}^{n} \frac{\text{number of shares owned by Keva}_i}{\text{number of all shares in the real estate}_i} * \text{real estate emissions}_i$$

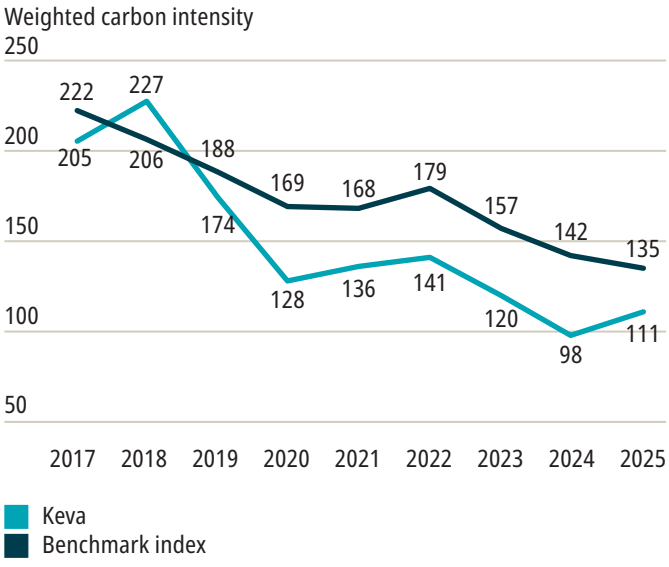
2 emissions by the company's revenue and weighting the resulting carbon intensities by each company's share of the portfolio value.

The weighted average carbon intensity of Keva's equity investments was 111 tonnes of CO_2 equivalent per USD million in 2025, which was 18% lower than the benchmark index and 46% lower than in 2017. Over the same period, the portfolio-weighted average carbon intensity of Keva's corporate bonds decreased by 44% to at 110 tonnes CO_2e/USD million at the end of 2025, which is 25% below the benchmark index.

The difference between the portfolio's weighted average carbon intensity of the portfolio relative to the benchmark index may be due to differences in weighting towards carbon-intensive sectors and company choices within the sectors. Keva's equity portfolio is weighted towards lower-emission sectors. Our choice of companies within the sectors has also led to lower figures, particularly in high-emission sectors, compared with the benchmark index. Keva's corporate bond portfolio's lower level compared with the benchmark index has also been due to the selection of lower-emission companies in high-emission sectors.

Over the course of the eight-year monitoring period, the most significant change in sector-specific weighted average carbon intensity has been the downward trend in the energy sector and, in particular, the utilities sector, which is reflected in both Keva's equity and corporate bond investments. In equity investments, the carbon intensity of the materials industry has also decreased. The weighted average carbon intensities of equity investments have decreased in all geographical regions except Africa and the Middle East. The carbon intensity of the equity portfolio has decreased the most in absolute terms in Asia (excluding Japan), while the largest relative decrease has been in North America (using 2017–2025 as the comparison period). The portfolio's weighted average carbon intensity has decreased by almost the same amount in absolute terms in both active and passive portfolios.

Development of weighted average carbon intensity (WACI), listed equity investments



Development of the portfolio's weighted average carbon intensity (tonnes of Scope 1 and 2 CO_2e emissions/USD million/revenue, Scope 1 and 2) and the difference in equity investments listed in the benchmark index (investment assets EUR 32.2 billion). During the monitoring period (2017–2025), the weighted average carbon intensity of Keva's listed equity investments has decreased by 46% and was 18% below the benchmark index at the end of 2025. Benchmark index: The benchmark index comprises the following indices: MSCI Europe IMI, MSCI USA IMI, MSCI Emerging Markets IMI, MSCI Japan IMI ja MSCI ACWI IMI. Data source: MSCI ESG Research, Keva.

The formula for weighted average carbon intensity is:

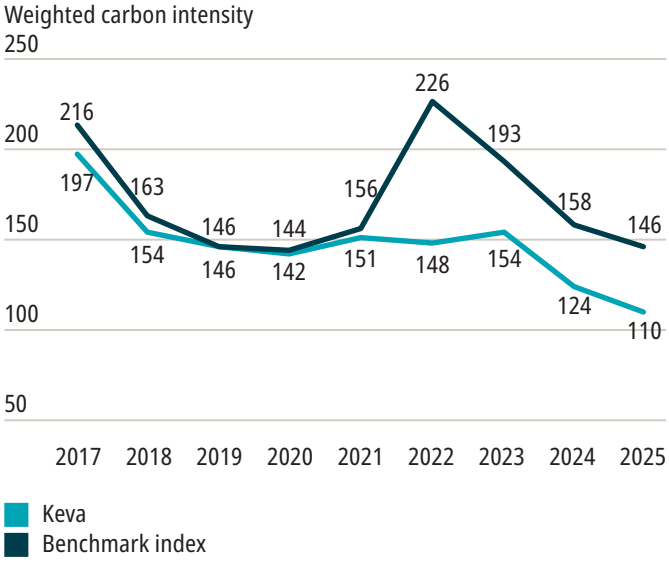
$$\sum_{n}^{i} \text{portfolio weight of company}_i * \frac{\text{total emissions of company}_i}{\text{revenue of company}_i}$$

In corporate bonds, the decrease in carbon intensity has been significant in the high-yield portfolio in both Europe and North America, while the carbon intensity of the investment-grade portfolio has remained low throughout the review period. The carbon intensity of corporate bonds has decreased in all geographical regions except Asia (excluding Japan).

The weighted average carbon intensity of the real estate portfolio is calculated by dividing the emissions related to the energy consumption of each property by its floor area and weighting the resulting carbon intensities by each property's share of the portfolio value.

The weighted average carbon intensity of Keva's direct real estate portfolio was 11.2 kg CO_2 per square metre in 2025. In 2025, the calculation covered 89% of the value of the portfolio. Carbon intensity has decreased by 48% over the three-year comparison period.

Development of weighted average carbon intensity (WACI), listed equity investments

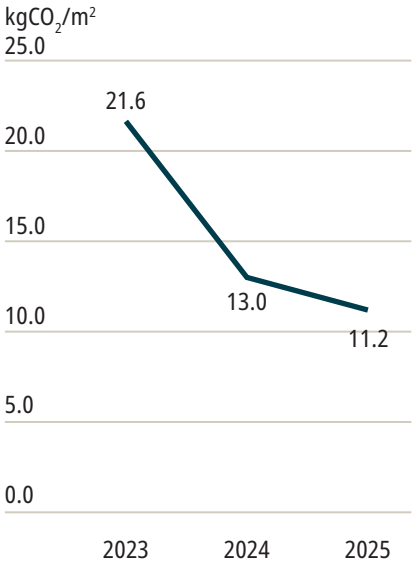


Development of the portfolio's weighted average carbon intensity (tonnes of Scope 1 and 2 CO_2eemissions/USD million/revenue, Scope 1 and 2) and the difference in equity investments listed in the benchmark index (investment assets EUR 9.9 billion). During the monitoring period (2017–2025), the weighted average carbon intensity of Keva's listed equity investments has decreased by 44% and was 25% below the benchmark index at the end of 2025. The benchmark index comprises the following indices: MSCI Europe IMI, MSCI USA IMI, MSCI Emerging Markets IMI, MSCI Japan IMI ja MSCI ACWI IMI. Data source: MSCI ESG Research, Keva.

The formula for weighted average carbon intensity is:

$$\sum_{n}^{i} \text{portfolio weight of company}_i * \frac{\text{total emissions of company}_i}{\text{revenue of company}_i}$$

Development of weighted average carbon intensity (WACI), direct real estate investments



Development of the portfolio weighted average carbon intensity (kg CO_2e/m2, Scope1 and 2) in corporate bond investments (investment assets EUR 3.2 billion). The weighted carbon intensity of Keva's direct real estate investments decreased by 48% during monitoring period (2023–2025). The weighted average carbon intensity is calculated by dividing the emissions of the properties by their apartment areas and weighting these site-specific figures with their fair values. Properties for which emission data is not available (e.g. unbuilt plots, parking lots) and sites where Keva does not receive emission data from the tenant are excluded from the calculation.

WACI =

$$\sum_{i}^{n} \text{portfolio weight of real estate}_i * \frac{\text{emissions from real estate}_i}{\text{net floor area of the real estate}_i}$$

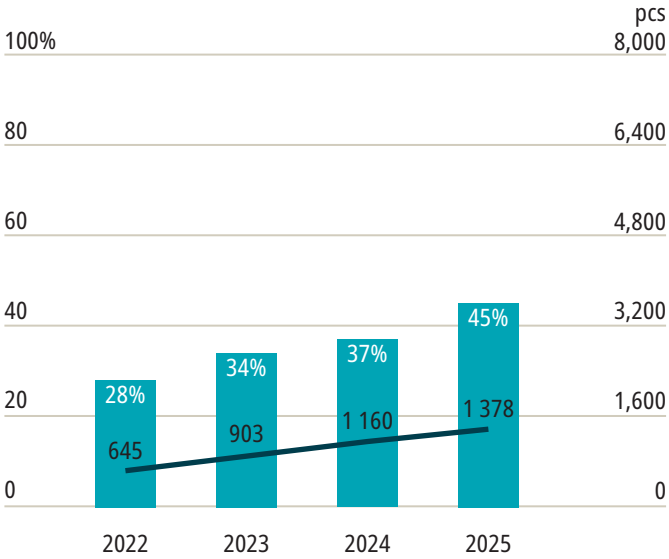
Forward-looking indicators

The emissions indicators for the investment portfolio are based on historical data and do not indicate future developments. However, it is important for investors to try to understand the development directions of companies, and the emissions targets set by the investee companies themselves can be used for this purpose. At Keva, we monitor in particular Science Based Targets (SBTs) and other net-zero targets extending to 2050 at the latest.

Companies' net-zero targets indicate that they have a strategy for reducing their emissions. We monitor the number of companies in our portfolio that have net-zero targets for Scope 1 and 2 emissions, and calculate the share of Keva's financed emissions covered by net-zero targets.

At the end of 2025, 45% of the financed Scope 1 and 2 emissions of Keva's equity investments were covered by net-zero targets for 2050 or

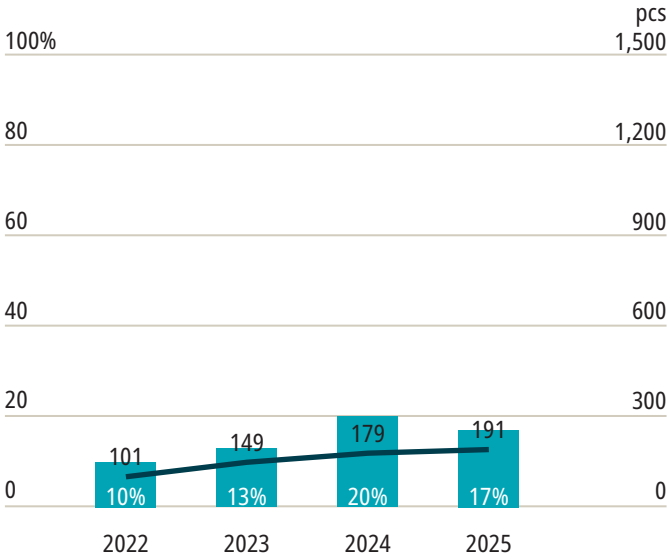
Coverage of net zero targets of Keva's financed emissions, listed equity investments



Number of companies in the portfolio that have set a net-zero target
Percentage of companies that have set a net-zero target in financed emissions

The figure shows the number of equity investment companies in Keva's portfolio whose declared climate targets are either approved by the Science Based Targets Initiative or such that they will achieve nearly net zero emissions (-95% Scope 1 and 2 and -67% Scope 3) by 2050 at the latest. The bars depicting the percentages have been calculated as the percentage of companies that have set such climate targets in Keva's financed emissions (Scope 1 and 2). Data on climate targets and financed emissions comes from the service provider. The data covers 98% of Keva's listed equity investments (EUR 32.2 billion). Data source: MSCI ESG Research, Keva.

Coverage of net zero targets of Keva's financed emissions, corporate bond investments



Number of companies in the portfolio that have set a net-zero target
Percentage of companies that have set a net-zero target in financed emissions

The figure shows the number of corporate bond investment companies in Keva's portfolio whose declared climate targets are either approved by the Science Based Targets Initiative or such that they will achieve nearly net zero emissions (-95% Scope 1 and 2 and -67% Scope 3) by 2050 at the latest. The bars depicting the percentages have been calculated as the percentage of companies that have set such climate targets in Keva's financed emissions (Scope 1 and 2). Data on climate targets and financed emissions comes from the service provider. The data covers 68% of Keva's corporate bond investments (EUR 9.4 billion). Data source: MSCI ESG Research, Keva.

Coverage of net-zero targets varies by region.

earlier, and the trend has been upward since 2022. Of the financed emissions of corporate bonds, 17% were covered by net-zero targets, which is 7 percentage points more than in 2022. There are major differences between geographical areas and investee companies in the corporate bond portfolio: in the European investment grade portfolio with lower credit risk, 86% of financed emissions are covered by net-zero targets, whereas in the North American high-yield portfolio with a higher credit risk, the figure is 19%. In equity investments, the coverage of net-zero targets in terms of financed emissions is highest in Europe (76%) and lowest in Africa and the Middle East (11%).

A total of 1,378 companies in Keva's equity investments and 191 companies in its corporate bond investments had set net-zero targets. In 2022, only 645 and 101 companies, respectively, in these asset classes had set such targets.

Investment governance and oversight

Under the Keva Act, decisions on the investment of Keva's assets are made by the Board of Directors.

Keva's strategy defines the key principles related to the financing of the pension scheme for Keva's member organisations. The strategic objectives set for investment activities are derived from these principles.

Keva's Board of Directors decides on the principles of responsible investment and ownership steering, as well as the annual investment plan, which includes responsible investment. The Board of Directors also decides on Keva's risk assessment, which includes a dedicated section on factoring in climate change, including the utilisation of climate scenarios.

Keva's Board of Directors has approved Keva's principles for addressing climate change in investment activities.

The Board of Directors receives reports on the development of the responsible investment strategy and processes twice a year. In addition, the Board of Directors is informed of the minutes of the Steering Group for Responsible Investment, key voting figures, and observations made in the monitoring of international norms.

The Board of Directors' Audit and Risk Management Committee comprises at least three Board members. The number of members has consistently been five. The Chair and Vice-Chairs of the Board have been included in the composition.

The Committee oversees and reviews the following matters:

- plans and reports concerning internal control, i.e. risk management, compliance, and internal audit
- financial statements, other financial reporting, and investment reporting
- risk management – strategic and operational risks
- investment risk control reporting
- compliance matters
- investment activity reviews.

The investment operations management team decides on the operating principles to be complied with in investment activities and grants the Chief Investment Officer the authority to implement them. Keva's CEO acts as chair of the investment operations management team. The team is responsible for organising operations in accordance with the principles of responsible investment, including climate issues.

The Chief Investment Officer has overall responsibility for the matters and proposals prepared for the investment operations management team and, through it, for the Board of Directors. The Chief Investment Officer decides on responsible investment memberships, commitments, and collaborative engagement initiatives, including climate-related ones, as well as on the use of climate scenario work.

The responsible investment steering group guides the practical development of responsible investment at Keva. The group makes development proposals to the units and the Chief Investment Officer, and presents issues related to responsible investment to the Chief Investment Officer for decision-making. The steering group includes a representative from each unit of Keva's investment function. Keva's Head of Responsible Investment acts as the convener of the steering group.

Biodiversity

Biodiversity is a key prerequisite for economic activity, and its decline – biodiversity loss – poses a long-term risk to companies, investors, and the entire financial system[8]. Biodiversity loss and climate change are interconnected.[9]

In business operations, biodiversity-related risks can be divided into physical, transition, and systemic risks, which may materialise in operations, value chains, and the wider economic system. Investors are exposed to these risks through their portfolios. Biodiversity dependencies and impacts vary by sector and by company, and natural resource-intensive sectors in particular are highly dependent on ecosystem services.[10]

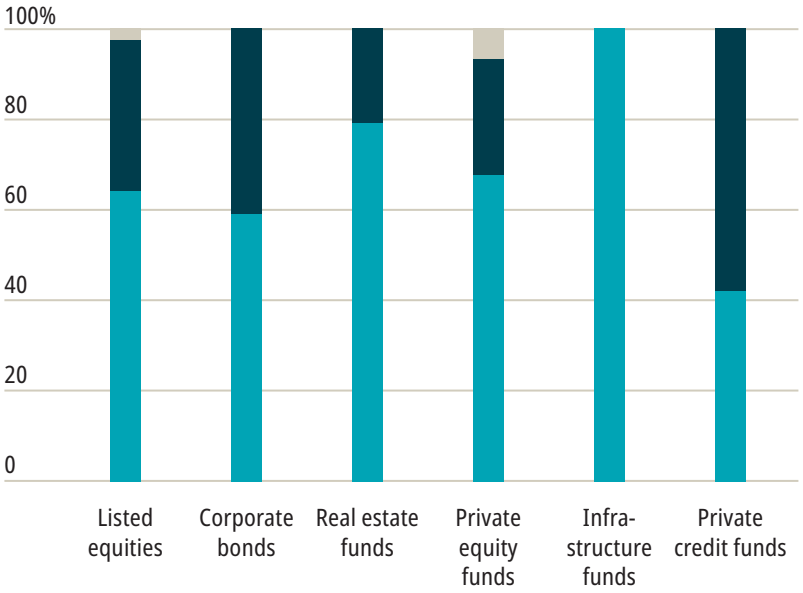
Assessing impacts on nature requires not only sector-level analysis, but also company- and location-specific analysis, as the state and significance of biodiversity are highly location-

[8] Dasgupta, P. (2021). The Economics of Biodiversity: The Dasgupta Review. London: HM Treasury.

[9] IPBES. (2019). Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. IPBES secretariat, Bonn, Germany.

[10] TNFD. (2023). Recommendations of the Taskforce on Nature-related Financial Disclosures.

Actions to reduce risks to biodiversity and natural capital



Share of funds (% of the number of funds responding to the survey) that have taken actions to reduce risks related to biodiversity and natural capital.
Includes funds of funds. Data is based on a survey conducted by Keva among external asset managers.

specific. A key challenge for investors is the availability of sufficiently comprehensive and comparable nature-related data, as well as linking the location data of holdings with data describing the state of nature.

Biodiversity-related reporting and risk management are evolving areas. Several international frameworks and initiatives support investors and companies in identifying and reporting nature-related risks, dependencies, and impacts. In addition, the EU Corporate Sustainability Reporting Directive (CSRD) requires companies to report on biodiversity-related measures when the topic has been assessed as material.

Biodiversity-related issues are part of Keva's annual questionnaire to asset managers across different asset classes.

Listed equity investments

Biodiversity and natural capital have been taken into account in around two-thirds of asset managers' principles for responsible investment and ownership steering. The treatment of biodiversity themes is more common, particularly in the principles of emerging-market and European asset managers. In addition, a significant proportion of asset managers participate in initiatives related to biodiversity and natural capital.

The majority of equity funds assess biodiversity risks and take action to manage them. Measures focus on risk assessment and risk management, and biodiversity risks are often assessed using proprietary research methods, internal guidelines, and external service providers. However, setting concrete biodiversity targets for funds remains rare.

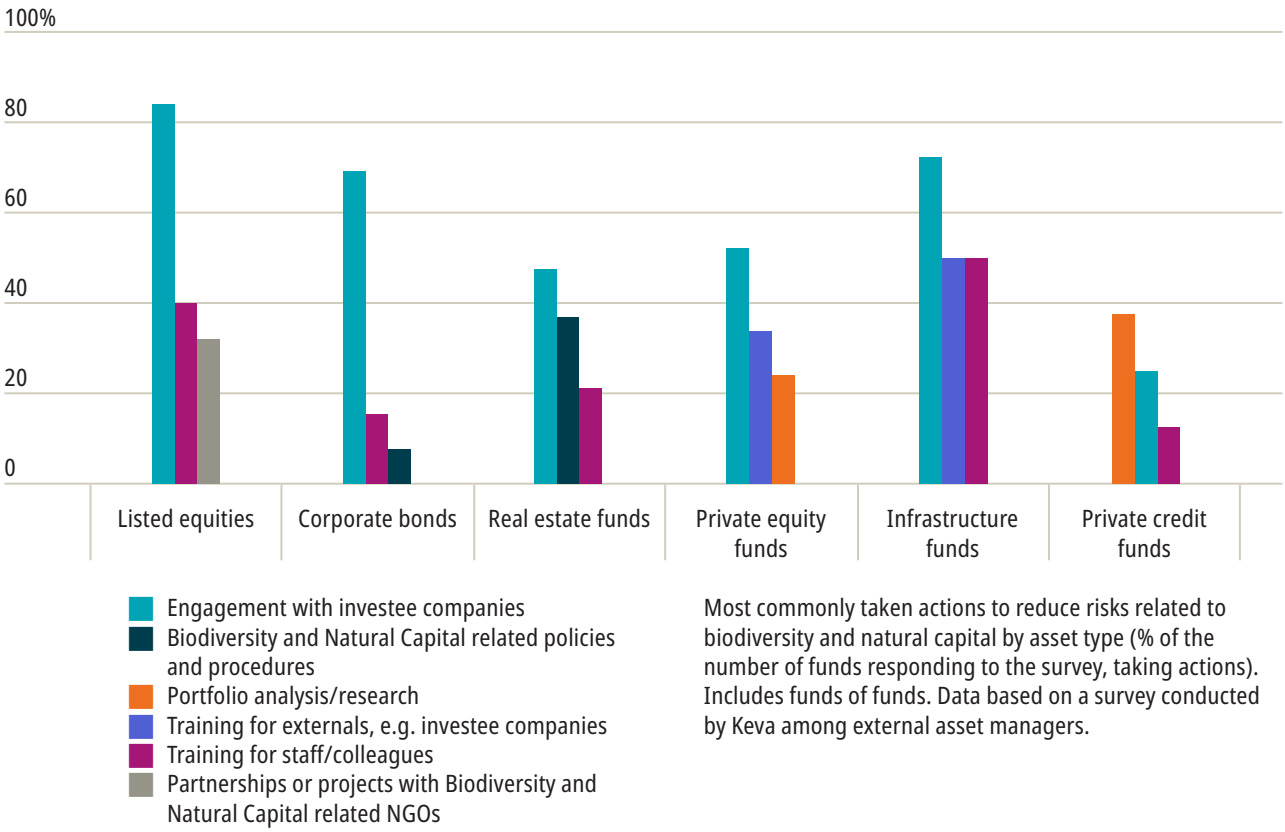
Biodiversity risks are managed primarily through engagement with investees, but staff training and cooperation with non-governmental organisations are also used as means of managing these risks.

There are clear differences from a geographical perspective. The theme is particularly prominent in emerging-market funds, all of which take measures to manage biodiversity risks, and most of which also monitor biodiversity metrics. In addition, a large proportion of these strategies carried out biodiversity-related engagement during the previous year. In European funds, biodiversity-related measures are implemented more often than in the United States, while fewer measures are taken in Japan.

Asset managers' biodiversity policies are clearly reflected at the fund level: when biodiversity is taken into account in an asset manager's responsible investment principles, the funds also take biodiversity-related action considerably more often.

Around half of asset managers report publicly on environmental impacts, with reporting generally focusing on examples of company-level engagement. Fund-specific biodiversity reporting is less common.

Most commonly taken actions related to biodiversity (% of funds taking action)



Most commonly taken actions to reduce risks related to biodiversity and natural capital by asset type (% of the number of funds responding to the survey, taking actions). Includes funds of funds. Data based on a survey conducted by Keva among external asset managers.

Private equity funds

The majority of private equity funds (69%) have taken measures to manage biodiversity-related risks. The most common measures relate to engaging with investees and training investee staff or management on biodiversity themes.

Biodiversity-related measures are clearly more common in funds that assess physical climate risks. In these funds, measures related to biodiversity risks are taken considerably more often than in funds that do not assess physical risks.

Corporate bonds

Biodiversity and natural capital have been taken into account in around one-third of asset managers' principles for responsible investment and ownership steering. Similarly, around one-third of asset managers participate in initiatives related to biodiversity and natural capital.

In corporate bond funds, practices related to the biodiversity perspective have clearly become more common. The majority of funds assess biodiversity risks in their investment decisions, and risk assessment has increased significantly year on year. Biodiversity metrics are also being used more widely than before.

In corporate bond investments, the biodiversity perspective has clearly become more common.

Typical risk assessment methods include third-party data and frameworks, but the use of proprietary research methods and internal guidelines is also common.

Just under one-third of asset managers report publicly on environmental impacts, and reporting based on the TNFD framework remains rare. Setting biodiversity targets is considered challenging, and only a few strategies have defined separate biodiversity targets.

Direct real estate investments

Water use and waste streams are a key part of the real estate portfolio's nature-related dependencies and local environmental impacts. Water consumption has been monitored systematically in the properties for around ten years, and the reliability of metering was significantly improved in 2025. The coverage of reliable water consumption data currently represents approximately 95% of the real estate portfolio's floor area. Based on the available data, the real estate portfolio's water consumption was approximately 450,000 m^3 per year, and in properties with reliable metering, specific water consumption was approximately 590 l/m^2 per year. No significant changes in specific consumption were observed compared with the previous year.

Monitoring waste and recycling rates also supports the sustainable use of natural resources and improvements in resource efficiency. The recycling rate of the entire real estate portfolio was 44% in 2025. In the commercial property portfolio, the recycling rate was slightly above 50%, and in the residential portfolio, it was around 35%. The aim of monitoring recycling rates is to identify the most effective property-

The majority of real estate funds have taken measures to manage biodiversity-related risks.

specific measures for increasing the portfolio-level recycling rate. To support this work, efforts are also being made to further expand the coverage of waste data.

Recycling rates are now being reported for the second year with sufficient coverage and reliability. The coverage of waste and recycling rate data exceeds 70% of the number of properties.

Real estate funds

In the majority of funds (90%), measures have been taken to manage biodiversity-related risks. The most common measure is engagement with investees, an approach used by almost half of the funds that have taken biodiversity-related measures.

Infrastructure funds

All infrastructure funds take measures to manage biodiversity-related risks. Measures focus on engagement with investees, and most funds also train both their own employees and investees on biodiversity themes.

All funds of funds also implement measures to manage biodiversity risks.

Private credit funds

In less than half of the funds, measures are taken to manage biodiversity-related risks, and the most common approach is the use of portfolio analyses and research. In addition, many funds report that they take biodiversity into account at a general level as part of their investment analyses, even if no actual separate measures have been defined.

Human rights

Human rights refer to the freedoms and rights that belong to every person. They are universal, indivisible, fundamental, and inalienable, and are defined in the UN Universal Declaration of Human Rights (UDHR) and international human rights treaties.[11]

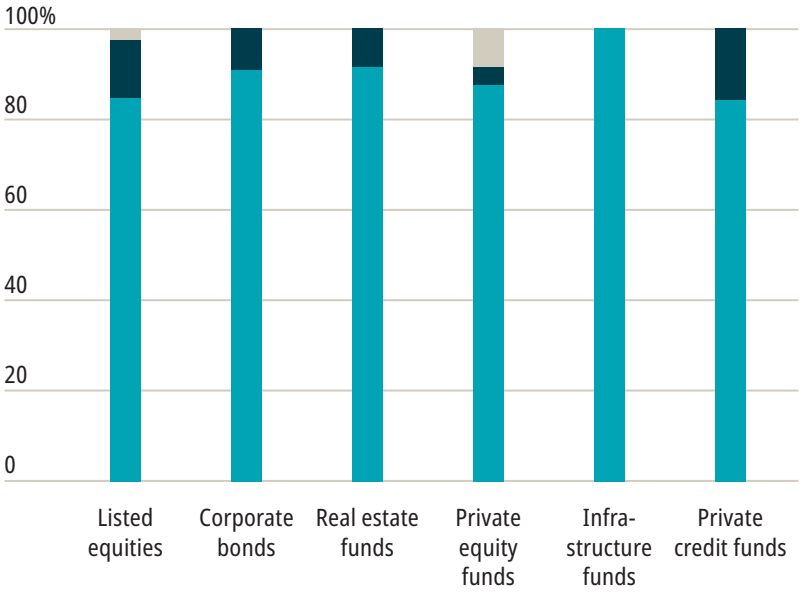
An institutional investor may be connected to adverse human rights impacts by causing them, contributing to them, or being directly linked to them through the activities of its investees. The distinction between them is not clear-cut; rather, the assessment is based on the investor's ability to exercise influence, awareness of the risks, and the preventive and mitigating measures taken.[12]

From an investor's perspective, respect for human rights is crucial for several reasons. Compliance with international standards and evolving regulation, management of reputational and responsibility risks, beneficiaries'

[11] Based on the UN Guiding Principles on Business and Human Rights (UNGPs) and OHCHR materials.

[12] Based on the UN Guiding Principles on Business and Human Rights (UNGPs) and OHCHR materials.

Measures to reduce human rights risks



Share of funds (% of the number of funds responding to the survey) that have taken steps to reduce human rights risks. Includes funds of funds. Data is based on a survey conducted by Keva among external asset managers.

Human rights-related measures are taken particularly in emerging markets.

expectations, and the impact of human rights factors on long-term returns all underline the importance of systematic human rights work in investment activities.[13] HHowever, the challenge is the limited availability of high-quality and comparable human rights data, which makes it difficult to identify and monitor risks.

Human rights-related questions are included in Keva's annual questionnaire to asset managers.

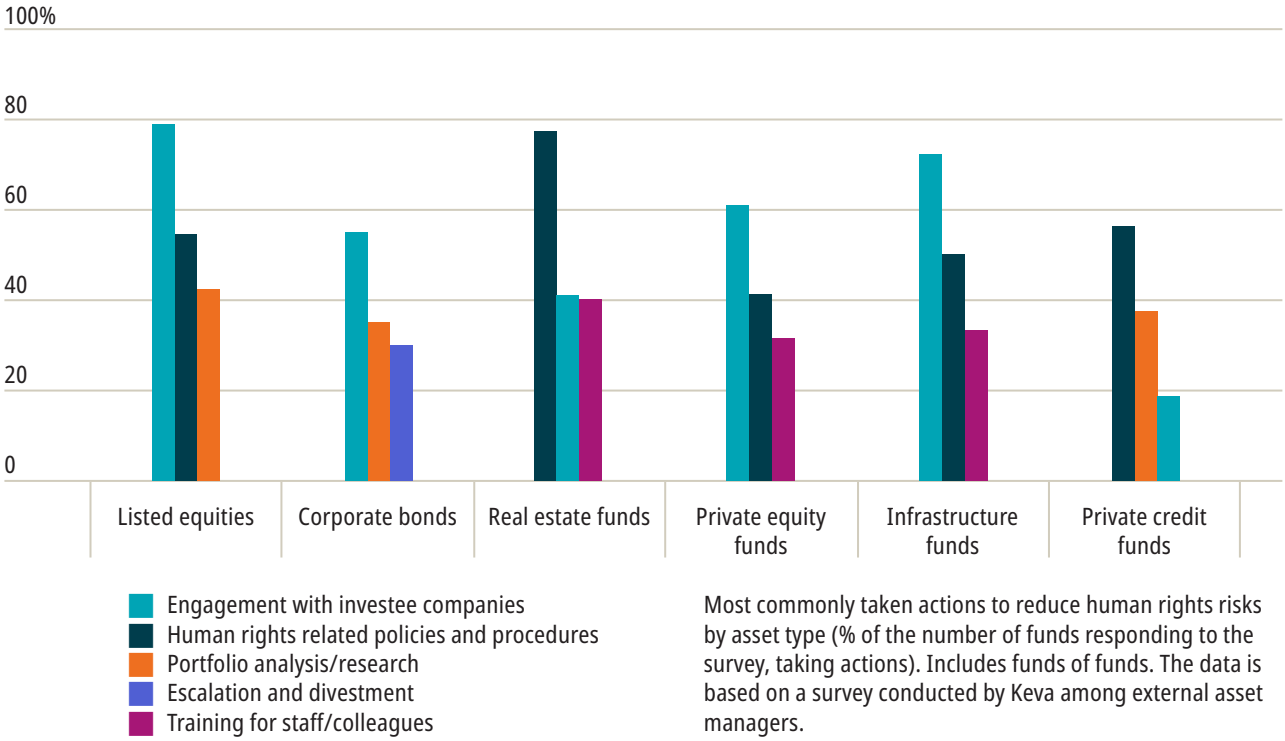
[13] Based on PRI materials (Principles for Responsible Investment).

Listed equity investments

The majority (77%) of the responsible investment principles of asset managers take into account labour practices and human rights, and the theme is also quite commonly included in ownership steering principles (69%). In addition, one-quarter of asset managers participate in initiatives related to working conditions and human rights.

Most equity funds (85%) take a range of measures to manage human rights risks, and the theme features prominently across all market regions. Human rights-related measures are implemented particularly prominently in emerging markets, where all funds have both human rights measures in place and procedures for remediating potential human rights violations. In emerging markets, investees' exposure to conflict-affected and high-risk areas is also assessed more often than in other regions. In Japan, too, comprehensive measures are taken on human rights themes.

Most commonly taken actions related to human rights (% of funds undertaking actions)



Most commonly taken actions to reduce human rights risks by asset type (% of the number of funds responding to the survey, taking actions). Includes funds of funds. The data is based on a survey conducted by Keva among external asset managers.

There has been progress in human rights-related ownership steering, and in recent years, votes have been cast against company management more frequently than before due to human rights themes.

Asset managers' human rights policies are clearly reflected at the fund level: when an asset manager's responsible investment principles cover human rights, funds include human rights-related measures considerably more often, particularly in terms of risk assessment and management.

Most asset managers report on human rights. Reporting typically focuses on presenting case examples, while separate, broad-based human rights reports are published less frequently.

Corporate bonds

The majority (67%) of asset managers' responsible investment principles take labour practices and human rights into account. The theme is also reflected in ownership steering principles, although human rights are addressed less frequently in these principles. Participation in initiatives related to working conditions and human rights is relatively limited among corporate bond asset managers.

However, human rights-related measures are taken widely at fund level, indicating that the theme has become well established in corporate bond investing. Almost all funds (91%) implement measures to manage human rights risks, engagement with investees being the

most common approach. In addition, a significant proportion (64%) assess the exposure of investments to conflict-affected and high-risk areas.

From a geographical perspective, measures are more common in European strategies than in US strategies. Nearly half of European funds have carried out human rights-related engagement over the past year, whereas this has been clearly less common in the United States.

Asset managers' company-level policies are clearly reflected in strategy-level activities. When an asset manager's responsible investment principles cover human rights, funds implement human rights-related measures considerably more often than in cases where no such policies are in place.

Private equity funds

The majority of private equity funds (88%) have implemented measures to manage human rights risks. The most common measures relate to engagement with investees, integrating human rights themes into funds' policies and processes, and training staff on human rights issues.

Real estate funds

All real estate funds have implemented measures to address human rights risks, and their practices are at the same level as those of infrastructure funds. The most common approach relates to the implementation of human rights policies and processes, which are used by the majority (77%) of funds.

Infrastructure funds

All infrastructure funds have implemented measures to prevent human rights risks. Engagement with investees is the key and most widely used approach in these funds, and is applied across all funds.

Private credit funds

Measures to manage human rights risks have been implemented in the majority (84%) of private credit funds. Most commonly, the measures relate to the implementation of human rights-related policies and processes. In European funds, several different types of measures are implemented more often than in other regions.

PUBLIC SECTOR PENSIONS

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