



Sustainability at eQ Group in 2022



Continuous dialogue improves eQ's sustainability



Our values guide the work of every eQ employee and constitute the foundation for daily co-operation with key stakeholders.

We now publish our Sustainability Report for the sixth time as part of the Annual Report. For us as a Group, it is very important to report on the realisation of sustainability in our business operation transparently. We have also actively and for a long time encouraged our investees to report on corporate responsibility and to develop the contents and quality of their reports.

Our values "honest, open, competent and efficient" guide the work of every eQ employee and constitute the foundation for daily co-operation with clients, partners and other key stakeholders. Although the year 2022 was exceptional in many ways, satisfaction among our clients and employees has remained at an extremely high level.

From the perspective of business operation, we also find it very important that every eQ employee has good competence in sustainability matters and up-to-date information on them. Subjects on the training agenda in 2022 included an updating review of the EU Sustainable Finance Disclosure Regulation (SFDR) and the Taxonomy Regulation, the PRI results achieved by eQ Asset Management (the UN Principles for Responsible Investment), the success of eQ's real estate funds in the GRESB assessment, and reformed ESG reports on equity and fixed income investments.

Sustainability at eQ Group is at an excellent level. As a result of the successful sustainability performance at Group level, eQ Plc has been awarded the international ISS ESG Prime responsibility rating. eQ Plc is also included in the Nasdaq OMX Sustainability Finland index.

In the autumn of 2022 eQ Asset Management once again achieved excellent results in PRI's 2021 assessment. We succeeded much better than the median in all areas the company reported. The grade of eQ's private equity investments has been among the best (five stars) for several years now. Real estate investments climbed to the best category for the first time. As a new area in the PRI assessment we included corporate bonds that also scored good results.

The reform of eQ Asset Management's sustainability reporting on equity and fixed income investments was the most significant development project

in 2022. We also started reporting PAI indicators on equity and fixed income investments back in the summer of 2022, as one of the first asset managers. The results of real estate investments were excellent in GRESB sustainability reporting, and in addition, the number of Breeam In Use certifications (Very Good level) at our individual properties continued to grow. In the future, eQ's real estate funds classified according to Article 9 must also report the share of properties which meet the taxonomy criteria in the funds. Taxonomy compliance assessment was one of the key development projects in real estate investments last year, and this work still continues. The target funds at eQ's private equity funds are in full flow with consideration and development of sustainability. We describe this in detail in the paragraph on private equity funds in this Report.

We look at the year 2023 with great interest. Our own work on sustainability continues by, e.g., bringing changes arising from the EU's Sustainable Finance Disclosure Regulation and the Taxonomy Regulation to a concrete level in all our asset classes. In the spring of 2023, we will officially report adverse sustainability impacts ("PAI indicators") on all of our investments. For the first time, we will now collect emission data on target funds at eQ's private equity funds.

It is time to thank our clients. You challenge us to ponder topical new themes and trends in responsibility and sustainability, and to develop our approach on this basis. We will be happy to meet this challenge going forward.

We hope that you enjoy reading our 2022 Sustainability Report.

Sanna Pietiläinen
Director, Responsible Investment



Sustainability Report 2022

Sustainability and its reporting in eQ Group

eQ Group is a Finnish group of companies that concentrates on asset management and corporate finance business. The parent company eQ Plc's shares are listed on the main board of Nasdaq Helsinki.

Sustainability reporting describes eQ Group's role as a responsible actor in relation to its stakeholders and society at large. eQ wishes to ensure the transparency and openness of its operations by reporting on its sustainability work and its development regularly and extensively. Even though eQ Group, based on its size and operations, is not obliged to draw up a non-financial report required by the Finnish Accounting Act, since 2017 the Board of Directors of eQ Plc has decided to voluntarily report on its sustainability to shareholders, clients and other major stakeholders. eQ Group's 2022 Sustainability Report has been approved by the eQ Plc's Board of Directors, and it is published as part of the 2022 Annual Report.

This report follows Nasdaq's ESG global reporting guide for public and private companies published in May 2019 (ESG Reporting Guide 2.0 – A Support Resource for Companies) for the parts that are relevant to eQ's operations.



eQ Group's responsible operations

Responsible operations are a key part of eQ's entire business. We act in a responsible and sustainable manner as eQ Group and integrate this work systematically and in practice to eQ Asset Management's investment operations and Advium's corporate finance operations. eQ's values (below) are at the core of the Group's work culture. They guide the work of each eQ employee and constitute the foundation for daily co-operation with clients, partners and other key stakeholders.

eQ Group's values

HONEST

We are honest and reliable, true to our word. We act correctly and responsibly. We comply with the regulation of the financial industry and eQ's joint rules.

OPEN

We are easily approachable and discuss all matters openly. We do not cover up mistakes or problems, we learn from them. We rejoice successes together. We also respect dissimilarity.

COMPETENT

We want to understand our clients' needs. We constantly develop our professional skills and procedures. We dare to question matters. We share information, provide assistance and give feedback.

EFFICIENT

We do what we promise briskly and carefully. We do the work, we do not simply talk and plan. We work diligently and with an uncompromising attitude together with our clients, colleagues and partners.



eQ encourages the companies in which it invests to provide transparent stakeholder information and develop their sustainability reporting, regardless of the size of the company or the regulatory requirements. More information about sustainability, the related principles and other relevant documents can be found on eQ’s website (<https://www.eq.fi/en/about-eq-group/sijoittajat/vastuullisuus>).

Sustainability themes

eQ has in its own business four essential areas that create the framework for sustainability. The sustainability themes have been approved by eQ Plc’s Board of Directors. The section below describes in detail what these four themes mean in practice.

At Group level, the Management Team is responsible for sustainability, and the work is conducted in close co-operation with eQ’s Director for Responsible Investment. eQ Plc’s Board of Directors receives annual reports on how sustainability has been carried out within the company as well as on future development plans.

Training related to sustainability

eQ provides its employees with continuous training in sustainability matters. Subjects on the training agenda in 2022 included a review of the EU Sustainable Finance Disclosure Regulation (SFDR) and the Taxonomy Regulation from eQ’s perspective, the PRI results achieved by eQ Asset Management (the UN Principles for Responsible Investment), the success of the real estate funds in the GRESB assessment, and eQ Group’s updated guidelines for environmentally friendly operation.

In its induction programme, eQ commits new employees to comply with and implement eQ’s principles and procedures on responsible investing. In 2022 the company organised two induction trainings for new employees related to sustainability. New employees complete e-learning on the Code of Conduct as part of their induction.

Sustainability within the Group is at an excellent level

As a result of the successful sustainability performance at Group level, eQ Plc has been given the international ISS ESG Prime responsibility rating. ISS assesses how responsibility matters are carried out by a company with regard to environmental, social and governance aspects. The ISS ESG Prime rating is awarded to companies that reach or exceed the criteria for the best ESG practices defined by ISS ESG. eQ Plc was among the best tenth in its sector regarding responsible operations.

eQ Plc is included in the Nasdaq OMX Sustainability Finland index. The index consists of 40 companies ranked best on Nasdaq Helsinki in terms of sustainability criteria. In order to promote openness and transparency eQ has already for four years reported key ESG ratios describing operations based on sustainability reporting to the ESG database maintained by Nasdaq. In recognition of this, Nasdaq has awarded eQ Plc with the “Nasdaq ESG Transparency Partner” certificate.

GOOD GOVERNANCE	CLIENTS	THE ENVIRONMENT	PERSONNEL
<ul style="list-style-type: none"> Adherence to the law and the company’s internal instructions, commitments, policies (such as the policy on conflicts of interest) and Code of Conduct in all operations eQ’s open and transparent reporting – the pricing of asset management products, for example, is presented openly and clearly, both ex-ante and ex-post Proactive activities against corruption, bribery and money laundering, as well as promoting these activities in the entire sector eQ Plc publishes a Sustainability Report 	<ul style="list-style-type: none"> An honest, open, competent and efficient partner to eQ’s clients In-depth understanding of customer needs and meeting these needs Monitoring customer satisfaction 	<ul style="list-style-type: none"> We use green electricity in our own property (hydropower) We have minimised the use of plastic materials, we recycle in our premises and prefer public transports and alternative ways of travelling (Guidelines for environmentally friendly operation to eQ’s employees since 2019, updated in the autumn of 2022) Training on environmental matters for our employees Support for the Baltic Sea Action Group (BSAG) since 2019. The support is channelled through the BSAG share of the eQ Blue Planet Fund, and in 2022 it amounted to more than EUR 170,000 	<ul style="list-style-type: none"> Equal and diverse work community Wellbeing at work and work ability – workplace ergonomics, fitness tests, monitoring the quality of indoor air Early support programme eQ – enabler of professional development Monitoring job satisfaction

Responsible and sustainable investment at eQ Asset Management

eQ Asset Management has for several years acted as an active forerunner for responsible investment. eQ signed the United Nations' Principles for Responsible Investment (PRI) in 2010 and has accordingly undertaken to incorporate ESG factors (the environment, social responsibility and governance) as part of the investment process, to be an active owner and to promote the development of responsible investing practices in the industry. eQ is also an active member of Finsif (Finland's Sustainable Investment Forum), and Finance Finland.

Furthermore, eQ promotes the implementation of sustainability in private equity funds at the Finnish Venture Capital Association (as the chairman of the ESG Committee) and Invest Europe and, correspondingly for real estate investments, at Finnish Property Owners Rakli and in the GRESB (Global Real Estate Sustainability Benchmark) assessment. In equity and fixed income investments eQ has signed CDP's Climate Change programme and encourages businesses to specify emission reduction targets for their own operation, based on science, through the Science Based Target Initiative (SBTi) organised by the CDP.

Responsibility and sustainability are a key part of eQ Asset Management's investment activities and processes. eQ Asset Management's principles for responsible investment form a framework for all of eQ's investment operations and their processes. These principles have been approved by eQ Asset Management's Board, and they are based on policies on responsible investing specified by the Board. The ownership policy of eQ Asset Management Ltd are available on eQ's website.

Sustainability risks and opportunities (ESG, sustainability factors associated with the environment, society and governance) are integrated systematically and practically in the selection, monitoring and reporting of investments in all

of eQ's investment areas. eQ's goal in responsible and sustainable investing is to identify investments that benefit from sustainable operation and their potential for return, and to reduce the risk in investments. For the past two years, the development of the ESG approach has been for its part steered by the EU Sustainable Finance Disclosure Regulation (SFDR) that took effect in March 2021 and its implementation in investment activities.

All those working on investment activity at eQ systematically take into account sustainability factors pertaining to investments in their own work. In addition to the sustainability analysis, monitoring investments regularly and ownership practices applied by companies as necessary are also an important part of a portfolio manager's job. Influence is exerted via direct engagement dialogue with businesses, by attending corporate meetings when needed and by impacting companies through engagement initiatives, either alone or jointly with other investors. The coordination of work on responsible investing, its development and training are the responsible of eQ's Director for Responsible Investment.

ESG training of eQ's investment teams in 2022

Implementation of the Sustainable Finance Disclosure Regulation, review of PRI results, and planning of the upcoming PAI indicator reporting were on the agenda for training of eQ's investment teams in 2022. eQ's equity and fixed income investment team also selected a new ESG data supplier and reformed the ESG report. The private equity investment team prepared the eQ PE ESG handbook that serves as a concrete tool for team members. During the autumn, the real estate investment team acquired more information and competence for evaluating the taxonomy compliance of buildings, carefully discussed the 2022 GRESB results concerning real estate funds, and heard how real estate

financiers take account of sustainability in their funding decisions. The sales team was trained on the amendment to the MiFID II Directive that entered into force in August 2022 and which adds integration of clients' sustainability preferences into investment advice.

Clients

Conversations with clients and training them when necessary are a material part of eQ's customer work. We listen to our clients and learn from them.

In 2022 eQ organised two ESG webinars for its clients, the first one on an update to the situation with the EU's regulation on sustainable financing, with general talk on whether asset managers have relevant responsibility data at their disposal. The second ESG webinar was a discussion of what ESG looks like from a Finnish institutional investor's perspective.

In accordance with the MiFID II amendment that took effect in August 2022, sustainability preferences have been enquired from clients (except for online customers) as part of their suitability assessment. Investment service providers must determine their clients' own sustainability preferences, which are used to specify the most suitable investments for the organisation from the sustainability perspective also.

During the past year eQ's ESG experts were also active in several Finnish and international forums and ESG surveys, promoting the distribution of information based on best practices.

Reporting on responsible investing

eQ Plc’s Board of Directors is reported once a year on implementation of responsibility and responsible investment and on future development activities in all of eQ’s areas of investing. eQ Fund Management Company’s Board regularly discusses engagement activities with investees. eQ also annually reports to PRI on the company’s practices in responsible investing and on concrete engagement activities in the investees.

eQ Asset Management once again achieved excellent results in the 2021 PRI (the UN Principles for Responsible Investment) assessment. The information that was evaluated pertains to the year 2020. PRI did not publish the results until September 2022, due to reforms in their reporting.

eQ succeeded much better than the median in all six areas the company reported. The grade of eQ’s private equity investments has been among the best (five stars) for several years now. Real estate investments climbed to the best category for the first time. As a new area in the PRI assessment eQ included corporate loans that also scored good results.

In the following chapters, eQ briefly presents the most important events concerning ESG matters in 2022 in the various asset classes. There is more detailed information about our responsible investment operations and the ESG matters that we monitor in our investees in the ESG reports per asset class.

Equity and fixed income investments

Significant reforms to sustainability reporting of equity and fixed income investments

The reform of eQ Asset Management’s sustainability reporting on equity and fixed income investments was a key development project in 2022. Besides reforming the report, eQ also carefully evaluated what kind of ESG information the company needs in support of investment decisions, influencing and reporting now and in the future.

eQ Asset Management has cooperated with ISS ESG and CDP for a long time. ISS ESG monitors eQ’s equity and fixed income funds for any violations of

eQ’s sustainable investment work can be seen as an excellent result in PRI reporting

Reported areas 2021	Score (max. 100%)	Star grade*	Median score %	Median grade
Investment & Stewardship Policy	85%	★★★★☆	60%	★★★★☆
Private Equity (fund of funds)	90%	★★★★★	63%	★★★★☆
Real Estate	93%	★★★★★	69%	★★★★☆
Listed Equity – ESG Incorporation	99%	★★★★★	71%	★★★★☆
Listed Equity – Voting	57%	★★★☆☆	54%	★★★☆☆
Fixed Income – Corporate	78%	★★★★☆	62%	★★★★☆

* PRI’s new rating scale is based on a star grade (1 star “poor” -> 5 stars “best”).

PRI signatory since 2010

eQ PRI results 2021 (data per 2020)

- eQ performs better than the median in all reported areas
- The ESG rating of private equity has remained among the best for several years
- Real estate has risen to the highest star grade
- eQ has included corporate bonds as a new area in the PRI assessment – good results too

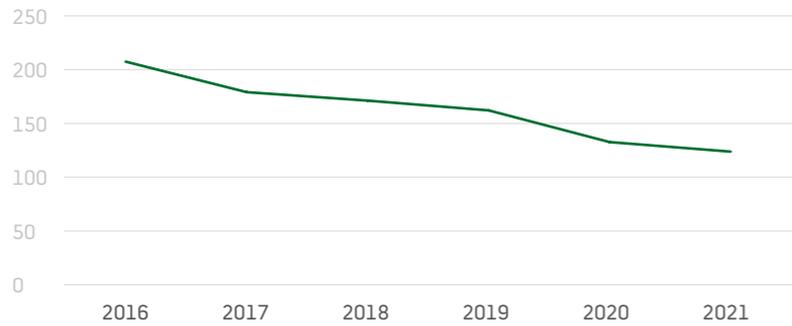
the UN’s Global Compact principles on a quarterly basis. In addition to eQ’s engagement concerning its own investees, ISS ESG also conducts frequent engagement conversations with the businesses it analyses. eQ also influences enterprises directly and by participating in engagement initiatives with other investors. eQ encourages businesses to specify emission reduction targets for their own operation, based on science, through the Science Based Target Initiative (SBTi) organised by the CDP. In summer 2022 eQ selected as its third partner MSCI, which assesses the sustainability of portfolio companies regarding environmental and social responsibility and provides ESG data on investees. Regulation associated with sustainability factors and the rapid development of disclosure requirements create pressure for the demand for diversified ESG data. In 2022, thirty per cent of the research budget of eQ’s equity and fixed income funds was spent on ESG research. One should, however, understand that it is still difficult to obtain ESG information or that the data received is incomplete regarding small businesses and emerging markets, in particular.

What the new report says of the level of sustainability in investments

MSCI specifies for all of eQ’s equity and fixed income funds an ESG Quality Score that is published on each fund’s ESG report. The ESG quality score takes note of the weighted average of ESG scores of the companies in the fund, their industry and the trend in the scores. The MSCI ESG score a fund receives is a “second opinion” for the portfolio manager’s own ESG assessment of investees. The current sustainability score of eQ’s actively managed equity and fixed income funds is very good, “AA”.

Portfolio managers of eQ funds monitor the realisation of environmental and social characteristics by means of, e.g., the volume of emissions by target companies, the trend in carbon intensity, commitment to emission reduction targets (the Science Based Target Initiative, SBTi), assessment of adverse sustainability impacts (PAI indicators), and businesses’ capabilities for managing risks and opportunities in the transition to low carbon. Portfolio managers also study the number of violations of norms at target companies and continue to

**CARBON INTENSITY: LEVEL 1+2,
(tCO₂e/COMPANY'S TURNOVER MEUR)**



The fund's carbon intensity is the weighted average of the carbon intensity of its current target companies. The carbon intensity takes into account the companies Scope 1 and Scope 2 emissions (tCO₂e) in proportion to the company's turnover (MEUR) (source: MSCI).

monitor the implementation of corporate responsibility reporting at businesses. Sources of ESG information include MSCI, ISS ESG and sustainability data published by investees.

A company's commitment to the Science Based Target Initiative (SBTi) contributes to how its climate measures support the goal of the Paris Agreement on climate change to keep the rise in mean global temperature to well below 2 °C by 2050. For a fund's portfolio manager, this is a concrete indicator for understanding and measuring the development of a company's climate action in its business operation. Of the investees in eQ's equity funds, on average 20% already have a science-based emission reduction target and around 4% of the businesses are committed to the initiative (there is no target yet). In fixed income funds the figures are slightly lower (an average of 9%). The figures are high in the Article 9 classified eQ Blue Planet Fund: An SBTi emission reduction target has already been specified by 57% of the investees, and 12% are committed to the SBTi initiative. In summary, we can state that

Examples of monitored ESG indicators in eQ's equity and fixed income funds per 31 December 2022

	Equities	Fixed income
MSCI ESG Quality Score (avg.)*	AA	AA
The share of EU taxonomy eligibility activities	60%	64%
The share of EU taxonomy alignment activities	8%	7%
Science-based emission reduction target (SBTi) set	19%	9%
SBTi commitment	4%	9%
No science-based emission reduction target (SBTi)	76%	82%
Readiness to manage the risks and opportunities associated with the transition to low-carbon: Neutral	46%	49%
Readiness to manage the risks and opportunities associated with the transition to low-carbon: Solutions	9%	4%
Readiness to manage the risks and opportunities associated with the transition to low-carbon: Operational Transition	4%	6%
Readiness to manage the risks and opportunities associated with the transition to low-carbon: Product Transition	5%	6%
Readiness to manage the risks and opportunities associated with the transition to low-carbon: Asset Stranding	0%	0%
Readiness to manage the risks and opportunities associated with the transition to low-carbon: No information	36%	35%
Total number of norm based violations in funds pcs (exc. Index funds)	0	0
Implied Temperature Rise (°C)	1.96	2.60

* MSCI ESG Rating Scale: "AAA" (Excellent), "AA" (Very Good), "A" (Good), "BBB" (Average), "BB" (Satisfactory). Source: MSCI.

Source: MSCI, ISS ESG and eQ per 31.12.2022.

large corporations have set more SBTi emission reduction targets than small companies. These figures are higher in the developed markets than in emerging markets. European businesses are forerunners in setting these targets compared with the United States.

eQ has monitored the trends in setting SBTi emission reduction targets for a few years now, and also through the joint engagement initiative organised by the CDP. It is estimated that at the end of 2022, more than 4,000 enterprises had either undertaken to set a target or had already accepted a target. These companies account for more than a third of the value of the global equity markets. When eQ joined the campaign in 2019, the number of businesses was 495. Since then that figure has grown by more than 100% per year. According to CDP's 2021 report, more than 80% of the corporate targets are below the warming curve of 1.5 °C. Today almost all business have also set their target for the Scope 3 emission level. The Scope 3 category includes emissions generated by purchased goods and services, i.e., all indirect emissions.

The figure on the left shows the carbon intensity trend of the eQ Global Fund, which is the weighted average of carbon intensity at its current target companies. Carbon intensity takes account of the companies' Scope 1 and Scope 2 emissions (tCO₂e) proportioned to the company's net turnover (MEUR). Carbon intensity at the fund's current investments has decreased in the long term. (Source: MSCI).

eQ's fixed income funds also actively invest in ESG loans (incl. green loans and loans linked to sustainability). Thus eQ aims to promote the financing of sustainable development and the green transition in fixed income funds. The share of ESG loans in funds has increased in the past three years. In the eQ Euro Investment Grade and eQ Emerging Markets Corporate Bond funds, the share of ESG loans at the end of 2022 was approximately 30% and in the eQ High Yield Fund over 15%.

For eQ's equity and fixed income funds: SFDR classifications, reporting of PAI indicators, and the MSCI ESG rating 31 Dec. 2022

Funds	Article 6	Article 8	Article 9	Reporting of PAI indicators	MSCI ESG rating*
FIXED INCOME FUNDS					
Money Markets					
eQ Euro Short Term		x		x	AA
Government Bonds					
eQ Government Bond		x		x	BBB
Investment Grade Credit					
eQ Euro Floating Rate		x		x	AA
eQ Euro Investment Grade		x		x	AAA
eQ Euro Investment Grade Bond Index (Vanguard)	x			x	AA
High Yield Credit					
eQ High Yield		x		x	A
Emerging Markets Credit					
eQ Emerging Markets Corporate Bond HC		x		x	A
eQ Emerging Markets Corporate Bond Local Currency		x		x	A
EQUITY FUNDS					
Finland					
eQ Finland		x		x	AAA
Europe					
eQ Europe Dividend		x		x	AA
eQ Nordic Small Cap		x		x	A
eQ Europe Active (Fidelity)		x		x	AAA
eQ Europe Stock Index (Vanguard)	x			x	AAA
North America					
eQ US Stock Index (Vanguard)	x			x	AA
Emerging Markets					
eQ Emerging Dividend		x		x	BB
eQ Emerging Markets Small Cap		x		x	BBB
eQ Frontier Markets		x		x	A
eQ Euro Investment Grade Bond Index Fund	x	x		x	BBB
Japan					
eQ Japani Stock Index (Vanguard)	x			x	AAA
Global					
eQ Blue Planet			x	x	AAA

* MSCI ESG Rating Scale: "AAA" (Excellent), "AA" (Very Good), "A" (Good), "BBB" (Average), "BB" (Satisfactory). Source: MSCI.

In summary, we can state that investments provide quantitative data in support of investment decisions, engagement and reporting. The availability and quality of ESG data remain inadequate but improvements occur all the time. eQ was one of the first asset managers to start reporting PAI indicators on equity and fixed income investments in the summer of 2022. Reported PAI indicators are available in fund-specific ESG reports on eQ's website (<https://www.eq.fi/en/funds/fund-values>).

Real estate investments

eQ's real estate funds according to Article 9 have a broader impact on the development of ESG within the whole industry

All of eQ's real estate funds are sustainable financial products according to Article 9. eQ is a responsible property owner who wants sustainability measures to lead to concrete and positive development in the energy efficiency of the properties owned and in questions of environmental and social responsibility. eQ has set a tough but realistic carbon neutrality target for in-use energy consumption by 2030.

Consideration of ESG is also evaluated by means of outside ESG assessments. Real estate investments climbed to the best category (five stars) in the PRI 2021 assessment for the first time.

GRESB is a global sustainability comparison used for measuring and comparing the sustainability of real estate investment companies and funds in the management of their real estate portfolios. The annual assessment provides diversified coverage of sustainability in real estate management in terms of environmental matters, sustainable management and practices. Results obtained from the sustainability assessment are used as a tool for monitoring and developing sustainability in eQ's real estate investments. This year 1,820 businesses and funds from 74 countries took part in the assessment.

eQ's real estate funds participated in the Global Real Estate Sustainability Benchmark (GRESB) assessment in the real estate sector for the fourth consecutive year. In the 2022 assessment, where the data came from the year 2021, both eQ Community Properties and eQ Commercial Properties achieved

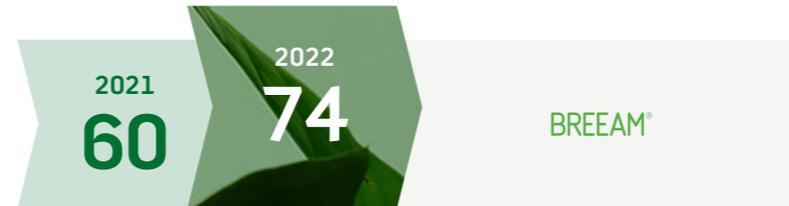
three stars out of five and a Green Star recognition for their sustainable work. Although the GRESB assessment was made more strict, both funds' results were better than the whole group of respondents and eQ's comparison group. eQ's real estate funds scored full points for setting of carbon neutrality and certification targets, cooperation with tenants and for management of sustainability (incl. policies, practical measures and reporting on sustainability). According to the assessment, eQ's real estate funds still have room for improvement in the coverage of consumption data on properties, for example.

The Building Research Establishment's Environmental Assessment Method (BREEAM) In Use certification is used to assess the operability of an individual property and related maintenance functions, identify any shortcomings and select areas of development. eQ's real estate funds intend to obtain a Breeam In Use certificate for all sites, with the Very Good level as their goal.

In the future, eQ's real estate funds classified according to Article 9 must also report the share of properties which meet the taxonomy criteria in the funds. Taxonomy compliance assessment was one of the key development projects last year, and this work still continues. Specific taxonomy criteria have been defined for properties built before 31 December 2020 and after that date. Last year eQ focused on reviewing properties built prior to 2020. By a rough estimate, the eQ Community Properties fund has 19 taxonomy compliant properties that meet the basic criteria (high energy category A or even B, depending on the type of property) and the eQ Commercial Properties fund has five of them. These properties need to undergo a review of climate risks which means evaluating, for instance, what kinds of physical climate risks the properties may face in the future relating to temperature (temperature variation), wind (changes in wind conditions), water (changes to rain conditions, such as precipitation and snow, rising sea levels, floods, etc.) or soil (deterioration of the soil, landslide, rising sea levels, etc.). The guidelines such properties have for managing potential risks are also assessed. In the next stage eQ will go through properties built since 31 December 2020. One should note that the taxonomy criteria leave plenty of room for interpretation, and the interpretations made now can still change and become more precise, so eQ wants to carry out a taxonomy compliance assessment on properties carefully and by taking its time.



eQ Commercial Properties BREEAM -certificate target*



eQ Community Properties BREEAM -certificate target*



* % of the value of fund's assets at the end of year. The target is to have assets certified with a level of "Very Good".

eQ has set carbon neutrality target for in-use energy consumption by 2030.

Responsibility and sustainable energy solutions are systematically implemented in the eQ Residential and eQ Residential II funds as well. All investees are certified with "Very Good" as the targeted level for BREEAM In Use. The first certifications will be made in early 2023. A GRESB assessment is conducted for the first time after the sites in the fund have been completed. All sites have solar power plants. The eQ Residential fund has one site using geothermal energy already finished and two under construction. One site is also being built with heating that utilises an air/water heat pump. All other sites use green district heating. Green electricity is used at all sites in addition to solar power. The buildings are new and have a good energy classification (energy category B at least). All sites in the eQ Residential II fund boast the best energy category A.

In terms of real estate investing, eQ deems it important that the real estate team has an excellent level of ESG expertise and practical competence. This is supported by sustainability trainings started in 2022 concerning the real estate team and its partners. The themes of the training were focused on comprehending the taxonomy and how financiers of properties consider sustainability in their funding decisions.

In the latter part of the year eQ's real estate funds were accepted as a member of the Green Building Council Finland (FIGBC). Membership enables eQ's real estate funds to contribute to the development of the real estate and construction sector and to network among the actors in the industry. The biggest value of the membership for eQ is that the company can engage in regular discussions with other operators in the sector, seek best practices and develop ESG-related matters. Constantly learning new lessons and sharing information does not benefit eQ alone, instead the company can genuinely have a broader impact on the development of the entire real estate sector.



Private equity, private credit and venture capital investments

Private equity funds are in full flow with consideration and development of sustainability

eQ has monitored the development of sustainability at private equity funds since 2017 by means of an annual ESG survey sent to target funds, for instance.

The response rate to the 2021 ESG survey was 100% (comprising 111 managers/funds with more than 1,000 target companies in their portfolios). Results analysed in spring 2022 show that ESG practices among European managers are beginning to be at a good level. North American managers still lag behind their European counterparts in attitudes toward ESG (no sustainability-related regulation as in Europe), and there is considerable polarization between managers. A major improvement regarding ESG practices was witnessed regarding some North American managers in 2021, while many others were only taking their first steps in terms of ESG perspectives. In spring 2022 eQ initiated a comprehensive ESG cooperation project with its partner RCP. In the course of the year, RCP among other things organised seminars on ESG topics for eQ's fund managers and proactively contacted them on the coaching perspective relating to ESG. We can already see that this work has contributed to how managers are starting to look more positively at ESG. eQ believes that in the next few years North American managers will take significant leaps forward as far as ESG is concerned.

eQ is committed to considering adverse sustainability impacts ("PAI indicators") in its own investment activities and to report on them starting in 2022. These mandatory PAI indicators are reported annually to the extent appropriate information is available. In early autumn 2022 eQ proactively enquired its managers' capability to report sustainability indicator data to eQ as early as spring 2023. It was delightful to notice that pacesetter managers already work in Europe who develop investees' capacity for reporting by including these indicators in corporate business operations. eQ acknowledges that the coverage of PAI indicators regarding private equity investments will probably be low in the first few years, as small and medium-sized businesses tend to have inadequate reporting resources and some managers (such as in North America and the UK) are outside of regulation.

The EU Sustainable Finance Disclosure Regulation, which entered into force in March 2021, has certainly served as a key driver in sharpening the ESG approach among European private equity funds, in particular. In 2022 many private equity funds that accumulated assets were Article 8 funds, and among them were funds that had invested in very small enterprises (a company with 10 employees that was only beginning to develop its financial reporting capability). Managers who decided to classify their fund according to Article 6 in 2022 often justified their decision with the desire to ascertain that they would be able to fulfil the reporting obligation required by regulation and avoid "greenwashing".

In principle, every one of these managers believes that the next fund will be compliant with Article 8 (promoting environmental or social characteristics).

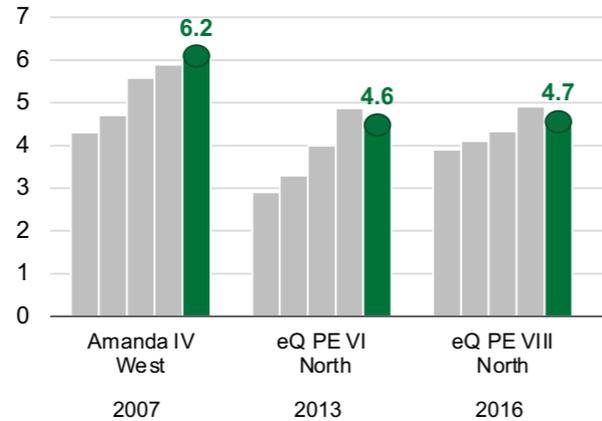
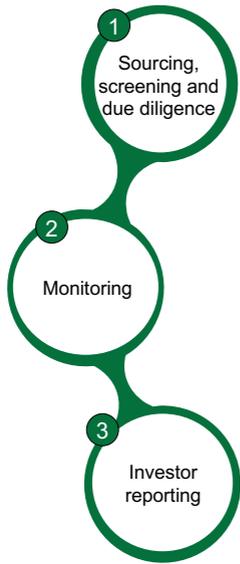
In June 2022 the company organised the eQ GP Day on ESG that was attended by 30 European private equity fund managers. At the event, the representative of Invest Europe reported the latest news on regulation of sustainable financing, and eQ presented the key observations on its annual ESG survey. Case presentations by two managers were also found to be very interesting and concrete. Feedback received from the event inspired eQ to continue this systematic work every year. eQ's role at the core of the manager field enables wide sharing of best practices.

In late 2022 the company prepared the eQ PE ESG handbook that serves as a concrete tool for whole private equity team. This ensures that eQ's private equity team is a forerunner that wants to further improve its operation.

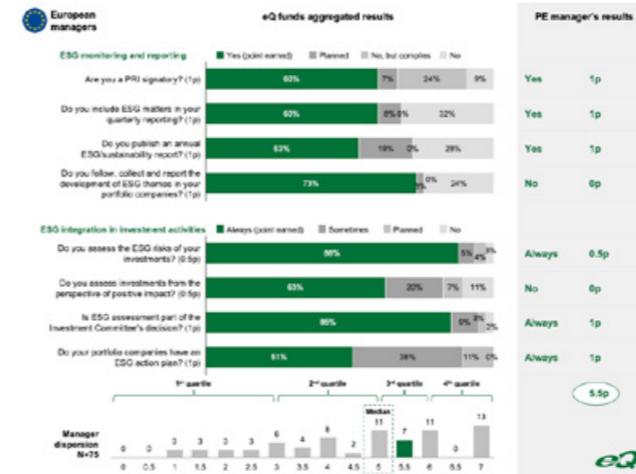
All in all, 2022 was an active year from the perspective of ESG activities and a great deal of concrete development work was completed. Still, it is clear that the standards are rising constantly and that the bar for eQ's own work has already been raised to the next height.

Sustainability in eQ’s private equity investment activity

2017–2021 / ESG INTEGRATED INTO INVESTMENT PROCESS AND MONITORING



2022– / TARGETING BROAD APPLICATION OF ART. 8 IN EUROPEAN LOWER MIDDLE AND MIDDLE MARKET



Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions			
		Scope 2 GHG emissions			
		Scope 3 GHG emissions			
		Total GHG emissions			
		Carbon footprint	Carbon footprint		
	2. GHG intensity of investee companies	GHG intensity of investee companies			
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector			
	5. Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources			

ESG due diligence and manager communication

Annual ESG Survey

- ESG report once a year
- ESG development of tar
- Trends from several years
- Current themes

Enhanced dialogue and cooperation with managers & eQ GP Event

Continuous development

- "...improvement challenge accepted
- " the feedback is encouraging
- "... refreshing and a helpful guidance
- " we highly appreciate the ESG rating by eQ

- ESG action plan for North American managers with RCP
- ESG coaching with European "support students"
- Coaching and supporting PAI reporting readiness
- Chairman of FVCA's ESG Committee and other networking

SME sector has inherently less resources available, but there is an even greater opportunity to influence and every step counts.

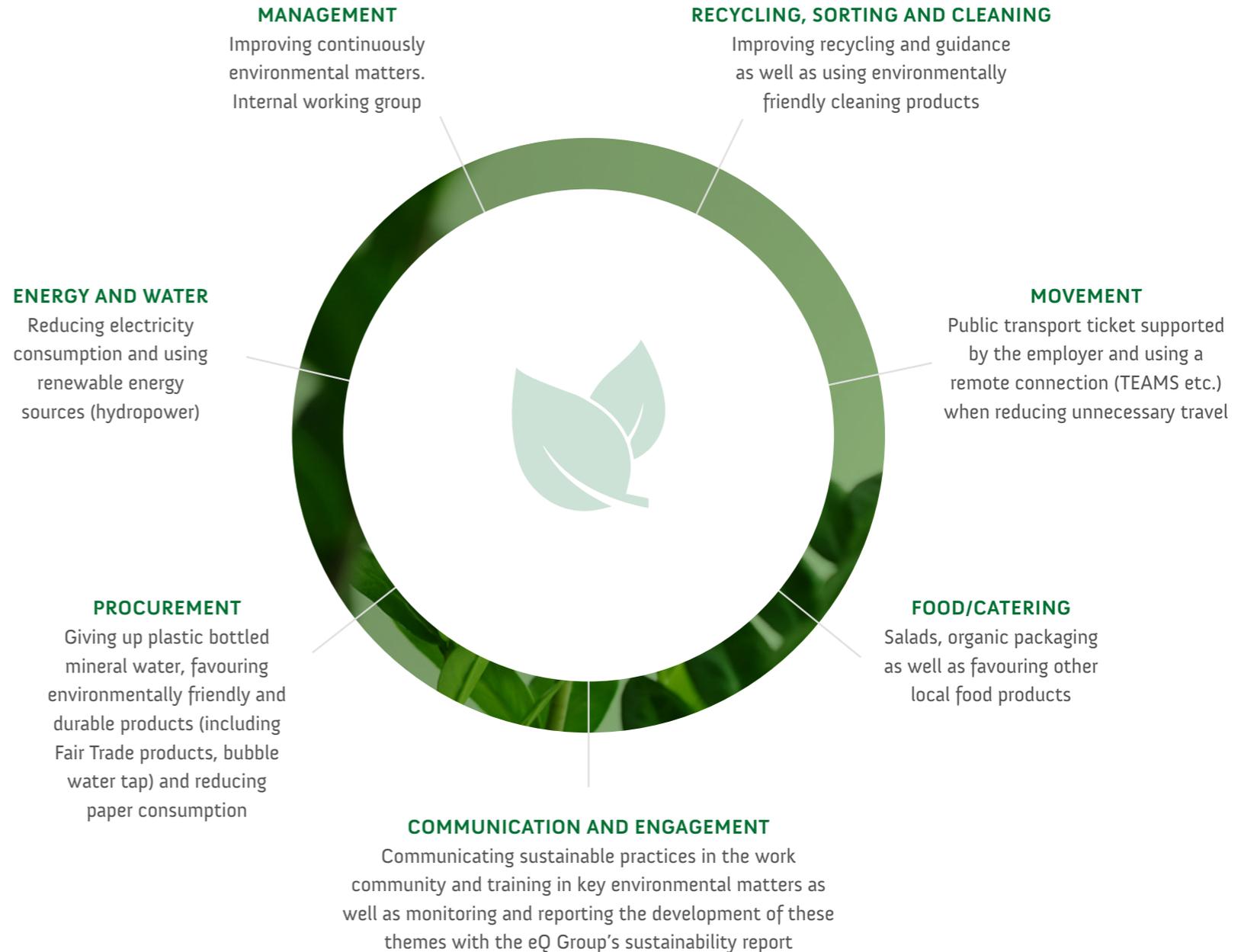
Realisation of environmental responsibility at eQ Group

Mitigation of climate change is an important theme both at eQ Group and in eQ Asset Management’s investment operation. eQ Group’s own business places a relatively minor direct burden on the environment. Energy use is primarily related to the consumption of energy on the premises. On the other hand, eQ has an opportunity to promote sustainable development through eQ Asset Management’s investment activities.

Although eQ does not operate in an “emitting industry”, the company pays more and more attention to the environmental impacts of its own operation and develops its procedures in an increasingly sustainable direction. In 2021, on the basis of earlier operating principles, eQ outlined and prepared an environmental policy concerning eQ Group that consists of five themes: 1. recycling, sorting and cleaning, 2. movement, 3. food/refreshments, 4. procurement, and 5. energy and water. In 2022 the company discussed indicators of themes on environmental responsibility and the need to update eQ Group’s guidelines for environmentally friendly operation.

Companies in eQ Group have used fully renewable energy in their own electricity consumption since 2018. The premises have been rented. Consequently, the heat and water consumption as well as the air conditioning (district cooling) is included in the rent, and consumption data regarding them are not available from the lessor. The quality of indoor air is also an important consideration with regard to the health and wellbeing of our employees. For this end, eQ purchased in the spring of 2019 a system that monitors the quality of indoor air (temperature, humidity, CO₂, fine particles) to the offices.

eQ encourages its employees to use public transport and other alternative ways of travelling. Employees are offered a travel ticket as employee benefit and part of the overall salary, and they also have access to eQ’s joint public



transport travel cards when travelling in the near-by area during the working day. The company prefers direct flights, and when possible, negotiations are conducted with remote negotiation technologies. eQ also reports the total CO₂ emissions for work-connected flights of our employees and, as a new key ratio, the amount of emissions per person. As the COVID-19 pandemic began to dissipate in early 2022, CO₂ emissions from the Group's air travel have returned to the 2019 levels. The reason for rising air travel emissions is the normalization of business operations regarding face-to-face meetings and events with potential and current investees and partners.

eQ takes care of the sorting and recycling of the office waste produced on its premises. The lessor of the premises used by eQ is responsible for waste management. In 2022, special attention was paid to reducing the amount

of waste and increasing recycling, as in previous years. During the previous year the company updated eQ Group's guidelines for environmentally friendly operation and communicated them to all eQ employees. eQ also continued the implementation of measures on the sorting and recycling of office waste introduced in 2019. These measures included:

- drawing up guidelines for environmentally friendly operation to eQ's employees and arranging training on them,
- removing individual waste bins for mixed waste and the reassessment of the present sorting containers,
- giving up plastic bottles, and
- the use of recyclable and permanent tableware.

eQ Group's guidelines for environmentally friendly operation are always presented when new employees are being trained. eQ also reports on the consumption of paper at its premises. Switching to double-sided printing a couple of years ago is manifested as a positive trend in the consumption data. The general reduction in the use of paper printouts is another positive trend in the figures. Paper consumption by eQ continued to decrease in 2022. eQ has not been engaged in legal proceedings or claims concerning environmental accidents.

Own energy consumption of the organisation

	2022	2021	2020	2019	2018
Electricity consumption, kWh	103,960	106,369	89,893	100,396	107,235
Origin of electricity:					
Share of renewable energy, %	100%	100%	100%	100%	100%
Share of nuclear power, %	0%	0%	0%	0%	0%
Share of fossil fuels, %	0%	0%	0%	0%	0%
Specific carbon dioxide emissions of electricity, g/kWh	0	0	0	0	0
Nuclear fuel used in electricity, mg/kWh	0.0	0.0	0.0	0.0	0.0
Carbon dioxide emissions of electricity, total, kg	0	0	0	0	0
Carbon dioxide emissions of electricity per net revenue, g/EUR	0.00	0.00	0.00	0.00	0.00
Electricity consumption per rented office square metre, kWh	55	64	54	60	64
Electricity consumption per person, kWh	1,106	1,108	956	1,128	1,254

Other environmental responsibilities*

	2022	2021	2020	2019	2018
Other indirect greenhouse gas emissions					
Travelling by air, CO ₂ emissions, kg	51,879	4,669	3,961	42,455	70,396
Travelling by air, CO ₂ emissions, kg per person	552	49	42	477	823
Use of material					
Paper consumption, total, kg	631	715	1,710	1,985	1,950
Paper consumption, kg per person	7	7	18	22	23

* The table shows an estimate of carbon dioxide emissions of air travel and paper consumption. Paper consumption is reported based on paper purchased.



Realisation of social responsibility at eQ Group

eQ as employer

The aim of eQ Group is to act as a responsible employer. The personnel is eQ's most important resource.

The year 2022 that just ended was exceptional in many ways. As the coronavirus pandemic was letting up early in the year, the general market situation started to look quite positive. The Russian invasion of Ukraine in February 2022 and rising energy prices, accelerating inflation and rate increases by central banks, among other factors, have influenced market sentiment. The continuing uncertainty has definitely caused challenges for every employee's coping at work. Despite the current challenges and atmosphere in the operating environment, the commitment and job satisfaction of the Group's employees have remained at an extremely high level. The results are excellent when reviewed by the five-year trend also.

The results of the biannual survey on well-being at work were excellent in 2022 as well. The survey deals with the personnel's commitment, well-being at work, satisfaction with the work community and the work of the superior. On a scale from 1 to 5, job satisfaction and well-being at work received the score 4.3 (2021: 4.3). In the summer of 2022 eQ extended its premises and added conference rooms and silent workspaces, which garnered praise in the survey. Employees also regarded the tools, a clear division of work and a caring atmosphere at work as positive aspects. According to the survey,

employees are happy to recommend eQ Group as an employer. The eNPS value that describes this was very high at 48 (on a scale from -100 to +100, where 0 to +20 is good, over 20 excellent and over 40 a top result). The response rate to the 2022 survey of well-being at work was also high, averaging at 89.3% (2021: 89.3%). The personnel survey is one of eQ's most important tools for developing internal working methods and the quality of managerial work. At team-specific meetings, the results are discussed in detail, and potential development measures and goals are agreed for monitoring them.

eQ invests in the well-being of its personnel by offering extensive occupational health care, exercise benefit vouchers and other welfare services, for instance.

Development discussions are conducted with the entire personnel in all Group companies. The discussions are conducted at least once a year and they assess the performance of the previous period and set targets for the following one as well as assess, e.g. the need to develop the employee, managerial work and the work community.

eQ's employees may participate in training offered by the employer and partners, in other external training, or study independently. The Group is favourably disposed to studies at the employees' own initiative.

Calculated as full-time resources, eQ Group had 94 employees at the end of 2022 (2021: 96). When calculating full-time resources, part-time employees and

Personel

	2022	2021	2020	2019	2018
Personnel as full-time resources	94	96	94	89	86
Permanent employment relationship	94	91	94	88	85
Temporary employment relationship	4	11	9	4	6
Employment relationship, total	98	102	103	92	91
Share of temporary employees, %	4,1%	10,8%	8,7%	4,3%	6,6%
Full-time, total	94	93	95	89	86
Part-time, total	4	9	8	3	5
Age and gender distribution, no.					
18–30 years total, (F/M)	22 (8/14)	25 (10/15)	23 (9/14)	15 (4/11)	17 (6/11)
31–40 years total, (F/M)	22 (8/14)	28 (13/15)	31 (13/18)	34 (14/20)	31 (10/21)
41–50 years total, (F/M)	26 (10/16)	22 (8/14)	20 (7/13)	17 (7/10)	19 (8/11)
51–60 years total, (F/M)	26 (9/17)	26 (8/18)	27 (11/16)	25 (14/11)	22 (11/11)
61– years total, (F/M)	2 (2/0)	1 (1/0)	2 (1/1)	1 (-/1)	2 (-/2)
Total	98 (37/61)	102 (40/62)	103 (41/62)	92 (39/53)	91 (35/56)
Average age of employees, years	42.4	41.2	41.3	41.3	40.9
Employment relationships based on gender, no. and %					
Female	37 (38%)	40 (39%)	41 (40%)	39 (36%)	35 (38%)
Male	61 (62%)	62 (61%)	62 (60%)	53 (64%)	56 (62%)
Employee turnover (%)	11.7%	8.7%	4.2%	9.3%	8.8%
Sick leaves during the year, day per person	4.6	1.7	2.7	2.8	1.9
Work accidents*	4	0	0	1	2
Work well-being					
Job satisfaction and well-being at work**	4.3	4.3	4.3	4.4	4.3
eNPS value***	48	44	49	59	-

* An occupational accident is an accident that occurs at the workplace, on the way from home to work or vice versa, or during a business or other trip ordered by the employer.

** Rating scale: "poor" (1–2.4), "adequate" (2.5–2.9), "satisfactory" (3–3.4), "good" (3.5–3.9) and "excellent" (4–5).

*** Scale from -100 to +100: "Good" (0 - +20), "Excellent" (over 20) and "Top score" (over 40). eQ has monitored and reported the eNPS score since 2019.

SATISFACTION AND WELL-BEING AT WORK

4.3

(SCALE 1–5)

NUMBER OF PERSONNEL

94

those on parental and study leave have been included. Altogether 98 persons had an employment relationship with eQ (2021: 102), and 4 of them worked part-time (2021: 11). Part-time employees are used in seasonal tasks or projects.

Of the personnel, 38% were women (2021: 39%) and 62% men (2021: 61%). The average age of the personnel was 42.4 years (2021: 41.2), and the employee turnover in 2022 was 11.7% (2021: 8.7%). In 2022, the average sick leave of the personnel was 4.6 days per person (2021: 1.7) and there were 5 occupational accidents in 2022 (2021: 0).

Equal pay between genders

eQ Group pays the same salary to employees for the same or similar work regardless of gender. Similar in this respect means that the central requirements, expertise, responsibility, workload and working conditions are on the same level. The job title is not decisive. Instead, the remuneration system is based on how demanding the work is.

Equality

Equality, justice, and non-discrimination are important principles for eQ Group. eQ has drawn up an equality plan, which comprises the measures for promoting equality and the agreed follow-up measures. The plan is assessed and updated on a regular basis and covers all Group companies. The plan is available to all employees of eQ Group on the Group's internal website.

Health and Safety Policy

eQ Group has drawn up a policy for promoting health and safety at work and for maintaining the working capacity of the employees. It covers the needs to develop working conditions as well as the impacts and development needs of factors related to the work environment. The policy is available to all employees of eQ Group on the Group's internal website. eQ Group also uses the early support method.

Principles related to human rights violations and child labour

eQ Group has not drawn up separate principles related to human rights violations or child labour. All operations of the Group are located in Finland, at one single office. Therefore the Group can monitor operating practices related to the employees in a reliable manner.

Board diversity

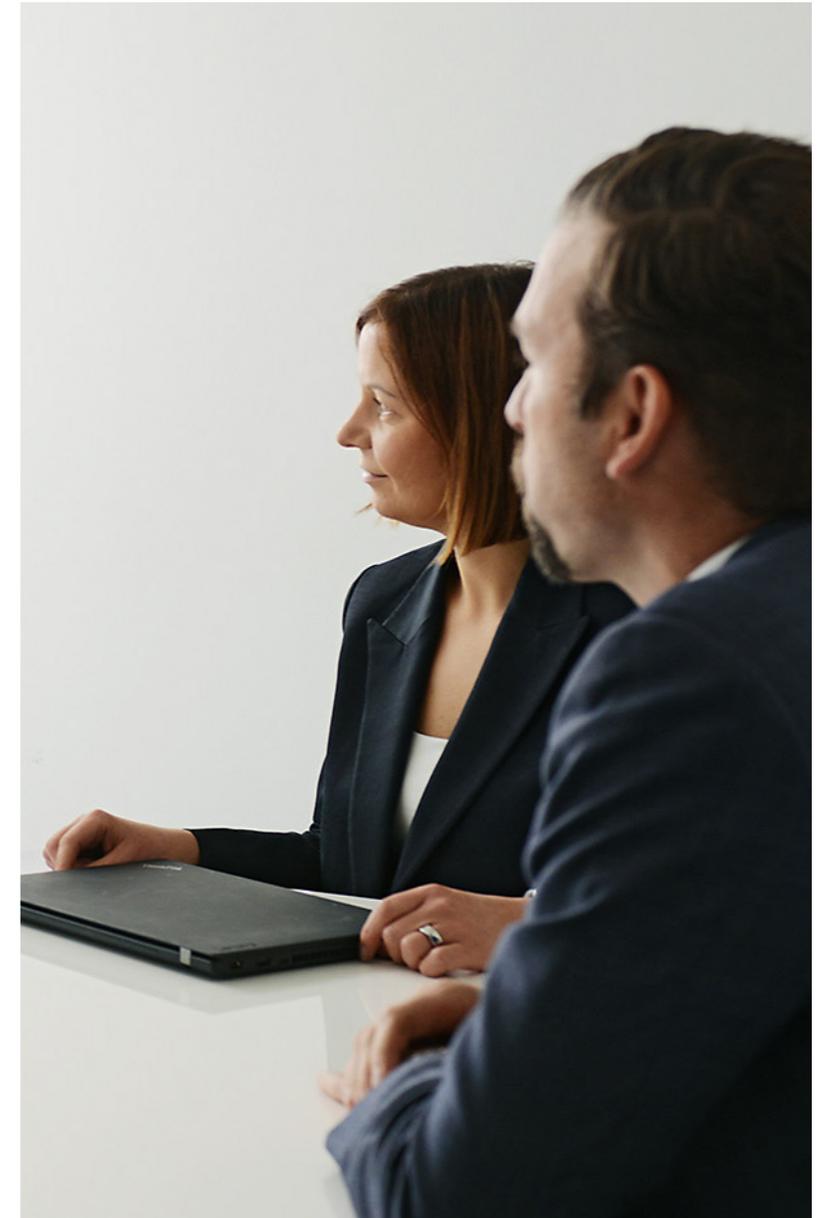
eQ Plc’s Board of Directors aims to promote the diversity of the Board’s composition for its part. When assessing diversity, the Board takes into consideration, for instance, the age and gender of the directors, their education and professional experience, individual characteristics and experience that is essential with regard to the task and the company operations. eQ Plc has defined as goal regarding the equal representation of genders on the Board that there should always be representatives of both genders on eQ Plc’s Board of Directors. The Board aims at reaching this goal and maintaining it primarily by informing eQ Plc’s owners actively about it.

During the 2022 financial period, eQ Plc’s Board met the preconditions set for the company diversity, including the goal of having representatives of both genders on the Board. The following persons were on eQ Plc’s Board of Directors during the 2022 financial period from the Annual General Meeting: Janne Larma (Chair) Georg Ehrnrooth (Vice Chair), Nicholas Berner, Timo Kokkila, Lotta Kopra and Tomas von Rettig. The directors have versatile experience from sectors that are of importance to the company, such as the investment and finance sector and the real estate sector. In addition, the diverse work experience and education of the directors as well as their international experience complement each other. eQ Plc’s Annual General Meeting elects the directors.

The company’s Board of Directors monitored diversity issues during the 2022 financial period.

Diversity of the Board of Directors on 31 December 2022

Directors, total	6	100%
Female	1	17%
Male	5	83%
Board members who are independent of the company	4	67%
Board members who are independent of the major shareholders	3	50%





Good governance at eQ Group

Board – separation of powers and transparent practices

In addition to acts and regulations applicable to listed companies, eQ Plc complies with the Finnish Corporate Governance Code published by the Securities Market Association on 1 January 2020. The entire Code is publicly available on the website of the Securities Market Association at (www.cgfinland.fi/en). eQ Plc draws up annually a Corporate Governance Statement required by the Corporate Governance Code separately from the report by the Board of Directors. The Corporate Governance Statement, the Remuneration Report for Governing Bodies, and other information that shall be disclosed in accordance with the Corporate Governance Code as well as the company's financial statements, report by the Board of Directors and auditors' report are available on eQ Plc's website (<https://www.eq.fi/en/about-eq-group>).

eQ's largest shareholders, who as a rule represent at least one-half of the number of shares in the company and the votes these represent, submit a proposal to the Annual General Meeting (AGM) on the number of Board members, the members of the Board of Directors and their remuneration. eQ Plc's Annual General Meeting is ultimately responsible for the election of Board members and preparations for the election. The company's Articles of Association do not include a provision on appointment of Board members in any specific order.

Each person elected as a member of the Board must have the competence required by the task and enough time to handle it. The company contributes to the work of the Board by providing Board members with sufficient information about the company's operation. Five to seven members can be elected to eQ Plc's Board of Directors, and the members of the Board select a chair from among their number. Board members are elected for one year at a time. eQ Plc's Board has a full-time Chair whose duties, besides serving as Chair, include developing eQ's strategy together with the CEO. In the Corporate Governance Report, the company states the number of Board meetings held during the financial period and the members' average attendance at Board meetings.

The company discloses the following personal and ownership information on Board members: name, gender, year of birth, education, main occupation, key work experience, international experience, start date of Board membership, key positions of trust, and shareholdings in the company. The statement also includes any dependency of the company or the company's significant shareholders, and any grounds why the Board member is not deemed to be independent. Members of eQ Plc's Board of Directors must provide the Board and the company with adequate information so their competence and independence can be evaluated, and report any changes in this information.

The Board's charter, the minutes of meetings and other documents on Board operations are not publicly available. The main tasks included in the charter are listed in the Corporate Governance Statement. The company discloses information about events that concern the Group in accordance with valid

legislation and the company's disclosure policy. The company's disclosure policy is available on eQ's website (<https://www.eq.fi/en/about-eq-group>).

Remuneration

eQ's remuneration system is based on the strategy and long-term goals defined by the Board, and it is one of the major tools used for reaching the Group's long-term and short-term strategic goals. The remuneration system contributes to good, efficient and comprehensive risk management within eQ Group and prevents above all detrimental risk-taking. The remuneration systems must also take into account sustainability risks related to eQ Group and its business operations. The aim of comprehensive risk management is to take into consideration the goals, values and interests of the Group companies, funds under management and the investors, for instance. The remuneration of the company management is not separately dependent on meeting certain ESG criteria.

In addition to eQ Group's Remuneration Principles, eQ Plc has a Remuneration Policy for Governing Bodies required by the Corporate Governance Code, which accounts for the remuneration of the Board and the CEO. The Remuneration Policy for Governing Bodies is presented to the Annual General Meeting for consideration at least every four years and always when major changes have been made in it. eQ Group's Remuneration Principles and the Remuneration Policy for Governing Bodies can be found on eQ's website (<https://www.eq.fi/en/about-eq-group/hallinnointi/palkitseminen>).

eQ Plc publishes an annual Remuneration Report for Governing Bodies at the same time as the Annual Report. The 2022 Remuneration Report for Governing Bodies was drawn up in accordance with the 2020 Corporate Governance Code for listed companies, and eQ Plc's Board of Directors reviewed it on 6 February 2023.

The Remuneration Report for Governing Bodies accounts for the remuneration paid to the Board of Directors and CEO during the previous financial period, how the Remuneration Policy for Governing Bodies has been applied during

the previous financial period and how remuneration promotes the company's financial success on a longer term. The Remuneration Report also compares the development of the Board's and CEO's remuneration with the development of the average remuneration of company employees and the company's financial development during the five previous financial periods. eQ Plc's Remuneration Report for Governing Bodies is available on eQ's website (<https://www.eq.fi/en/about-eq-group/hallinnointi/palkitseminen>).

In addition to the Remuneration Policy and Report for Governing Bodies, eQ presents in the remuneration section of its website information about the remuneration principles for the Board, CEO and the rest of the Management Team. Information about the remuneration of the Board, CEO and the rest of the Management Team is available on eQ's website (<https://www.eq.fi/en/about-eq-group/hallinnointi/palkitseminen>).

Application of collective labour market agreements

No collective agreements are applicable to eQ Group's employees, nor are they covered by the universally applicable collective agreement in Finland.

Code of Conduct

eQ Group's Code of Conduct describes joint rules based on eQ's values and the general principles guiding behaviour, decision-making and business operation that every eQ employee must follow. The Code of Conduct also serves as a top-level instruction for eQ's other internal guidelines that contain detailed operational instructions from various sectors. Still, the Code of Conduct cannot cover all situations we encounter, so advice must always be asked in new and unclear situations. By honest, open, competent and efficient action, eQ wants to earn the trust and respect of clients, other stakeholders, the surrounding society and the financial markets.

eQ requires its partners to act in a responsible manner. All agreements in real estate investments (such as on building contracts and with service providers) include eQ's Code of Conduct for suppliers as an enclosure. eQ Group has found other, separate Codes of Conduct concerning subcontractors unnecessary due

to the small number of direct subcontractors and their minor significance for the business operation.

eQ Group's Code of Conduct was updated in the autumn of 2021. Contents of the old Code of Conduct were used in updating the new version, and new and topical themes where a need for development had been detected on the basis of the personnel survey, for example. The themes of eQ Group's Code of Conduct are:

- Complying with regulation and acting correctly
- Clients' interests, eQ's interests, and management of conflicts of interest
- Information security and data protection
- Intervention in abuses and problems
- Trust and confidentiality
- Responsibility and responsible investment activities
- Equality, diversity and respect
- Cooperation with stakeholders
- Reputation management
- Cooperation and development of competence
- Occupational safety and wellbeing at work
- Prevention of financial crimes
- Offering and accepting gifts and hospitality
- Sponsorship, donations and partnerships

The Code of Conduct is available on eQ's website (<https://www.eq.fi/en/about-eq-group/hallinnointi/code-of-conduct>).

Tax transparency

As part of this Sustainability Report, eQ reports its financial impact on society in form of taxes and charges of tax-like nature. Transparent reporting is part of responsible operations and governance. eQ Group does not have a separate tax strategy approved by the Board. The Group pays its taxes to Finland.

eQ Group is a major taxpayer. In 2022, the income tax for eQ's taxable profit paid in Finland totalled EUR 9.4 million (2021: EUR 9.6 million). The Group's effective tax rate was 20.6% (2021: 20.1 %).

As employer, eQ pays charges related to pension, unemployment and social security and remits the withholding from the salaries to tax authorities. The charges of tax-like nature related to the personnel that eQ Group paid in 2022 totalled EUR 4.4 million (2021: EUR 3.3 million).The withholdings that eQ made from the salaries amounted to EUR 9.0 million (2021: EUR 7.1 million) and the other tax-like charges totalled EUR 2.2 million (2021: EUR 1.5 million).

The value-added tax remitted by eQ Group in 2022 totalled EUR 0.5 million (2021: EUR 0.7 million). In addition, part of the value-added tax included in purchases is paid by eQ, as the operations are partly exempted from VAT.

The taxes withdrawn from the dividend and equity repayment that eQ Plc paid in 2022 totalled EUR 1.8 million (2021: EUR 1.2 million).

eQ has not received any public subsidies for its operations.

External validation of the report

This report has not been validated by an external party.

The Firm of Authorised Public Accountants KPMG Oy Ab has audited eQ Plc's financial statements for the financial period 1 January to 31 December 2022. eQ Plc's Board and CEO are responsible for the other information in the Annual Report. This report is included in eQ's Annual Report and treated as "other information", as defined in the Auditors' Report. Even though the auditors do not audit other information, they have in their report assessed whether the other information essentially conflicts with the financial statement and information obtained by the auditors or if it otherwise seems to be incorrect for essential parts.

Taxes, 1,000 EUR	2022	2021	2020	2019	2018
Taxes paid					
Income tax, Finland	9,437	9,560	6,209	5,306	4,679
Effective tax rate	20.6%	20.1%	20.2%	20.2%	20.8%
Charges of tax-like nature payable by the employer (employee pension, social security and unemployment charges)	4,420	3,317	2,978	2,960	2,770
Taxes remitted					
Withdrawal from salaries, Finland	9,018	7,102	6,483	5,901	5,267
Charges of tax-like nature payable by the employee (employee pension, unemployment charges)	2,163	1,529	1,405	1,308	1,106
Value-added tax paid, Finland	536	658	393	1,503	768
Tax withdrawn from dividend and equity repayment, Finland	1,762	1,246	1,217	1,061	976