

ESG Approach

ESG integration
Exclusion

Exclusion

Countries with high risk of anti-money laundering and terrorist financing (1)
Countries subject to international sanctions (2)

ESG strategy

The Fund follows Evli's Responsible Investment Principles as well as fund-specific responsible investment principles. The aim of ESG analysis is to complement the information provided by traditional credit analysis and to provide a more comprehensive view on factors impacting the issuers' long-term economic development and risks pertaining to the investment. Key factors of the ESG analysis are good governance, societal questions, environment and sustainable development.

Carbon footprint of the fund

In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Evli uses the weighted average carbon intensity as an indicator of the carbon footprint. The carbon footprint shows the amount of carbon dioxide emissions relative to the gross domestic product (GDP) of the country.

219.8

tCO₂e/MEUR GDP nominal
Coverage 92.6%

Country-level ESG analysis

We follow environmental, societal and governance factors in country-specific analysis. These factors are presented in the tables below. More detailed description of the factors used in the analysis can be found in the Methodology section at the end of the report.

Finland



Environment	Carbon footprint (tCO ₂ e/MEUR GDP nominal)	286.54
	Warming potential	4.06°C
Social	Fundamental rights	90 / 100
	Equality of income distribution (3)	27 / 100
Governance	Corruption	88 / 100
	Regional and political stability	89 / 100

Portugal



Environment	Carbon footprint (tCO ₂ e/MEUR GDP nominal)	279.53
	Warming potential	1.51°C
Social	Fundamental rights	77 / 100
	Equality of income distribution (3)	34 / 100
Governance	Corruption	62 / 100
	Regional and political stability	94 / 100

Italy



Environment	Carbon footprint (tCO ₂ e/MEUR GDP nominal)	224.36
	Warming potential	2.67°C
Social	Fundamental rights	73 / 100
	Equality of income distribution (3)	36 / 100
Governance	Corruption	56 / 100
	Regional and political stability	76 / 100

Belgium



Environment	Carbon footprint (tCO2e/MEUR GDP nominal)	251.08
	Warming potential	3.81°C
Social	Fundamental rights	84 / 100
	Equality of income distribution (3)	27 / 100
Governance	Corruption	73 / 100
	Regional and political stability	82 / 100

France



Environment	Carbon footprint (tCO2e/MEUR GDP nominal)	173.92
	Warming potential	2.53°C
Social	Fundamental rights	71 / 100
	Equality of income distribution (3)	32 / 100
Governance	Corruption	71 / 100
	Regional and political stability	68 / 100

Spain



Environment	Carbon footprint (tCO2e/MEUR GDP nominal)	255.63
	Warming potential	2.26°C
Social	Fundamental rights	80 / 100
	Equality of income distribution (3)	35 / 100
Governance	Corruption	61 / 100
	Regional and political stability	76 / 100

Germany



Environment	Carbon footprint (tCO2e/MEUR GDP nominal)	222.50
	Warming potential	3.33°C
Social	Fundamental rights	85 / 100
	Equality of income distribution (3)	32 / 100
Governance	Corruption	80 / 100
	Regional and political stability	84 / 100

Austria



Environment	Carbon footprint (tCO2e/MEUR GDP nominal)	210.72
	Warming potential	2.87°C
Social	Fundamental rights	85 / 100
	Equality of income distribution (3)	31 / 100
Governance	Corruption	74 / 100
	Regional and political stability	90 / 100

Ireland



Environment	Carbon footprint (tCO2e/MEUR GDP nominal)	163.93
	Warming potential	3.32°C
Social	Fundamental rights	82 / 100
	Equality of income distribution (3)	31 / 100
Governance	Corruption	74 / 100
	Regional and political stability	92 / 100

The Netherlands



Environment	Carbon footprint (tCO2e/MEUR GDP nominal)	252.37
	Warming potential	3.75°C
Social	Fundamental rights	84 / 100
	Equality of income distribution (3)	28 / 100
Governance	Corruption	82 / 100
	Regional and political stability	85 / 100

Methodology

Footnotes:

- (1) The fund does not invest in bonds issued by states which have been classified as having a high risk of money laundering by the Financial Action Task Force (FATF) or the European Commission.
- (2) The fund does not invest in bonds issued by states which are subject to international sanctions. The information on international sanctions is based on a list published by the Finnish Ministry of Foreign Affairs (as updated from time to time).
- (3) A higher Gini coefficient indicates higher inequality in income distribution. Hence, a lower value (on a scale of 0-100) indicates more equal income distribution.

Indicators:

Carbon footprint

The carbon footprint measures the annual greenhouse gas emissions (expressed as tons of carbon dioxide equivalents, tCO₂e) generated by a country per EUR million GDP (nominal) of that country.

Warming potential

The factor expresses country's alignment temperature when referencing the country's Nationally Determined Contribution (NDC). NDCs embody efforts by each country to reduce national emissions and adapt to the impacts of climate change. Hence, it can be used to assess country's alignment with the goals of the Paris Agreement, based on the country's commitments to reduce its emissions.

Fundamental rights

The indicator measures a country's performance on human rights issues, including: equality and discrimination, right to life and security of the person, due process of law, freedom of opinion and expression, freedom of belief and religion, right to privacy, freedom of assembly and association and labor rights. Original scale 0-1, scaled to 100 in the report. Higher values denote stronger performance.

Equality of income distribution

The GINI coefficient measures the equality of income distribution within the population. Ranges from 0 to 100 where lower values denote higher performance.

Corruption

The factor measures the degree to which public sector corruption is perceived to exist in a given country as well as the mechanisms available to prevent corruption. Score: 0-100. Higher scores denote less corruption.

Regional and political stability

The indicator assesses the level of stability and peace in a region by using two data points: (1) political stability and absence of violence/terrorism and 2) global peace index. The former measures perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism, while the latter measures relative peacefulness of the world's nation states through three broad domains: ongoing domestic or international conflict, societal safety and security and militarisation. Original scale 0-10, scaled to 100 in the report. Higher scores denote stronger performance.

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