

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: UB Timberland

Legal entity identifier: 743700QLCQ0OKSRUXQ59

Sustainable investment objective

Did this financial product have a sustainable investment objective?	
<p>●● <input checked="" type="checkbox"/> YES</p> <p><input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: 97%</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It made sustainable investments with a social objective: ___%</p>	<p>●● <input type="checkbox"/> NO</p> <p><input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>



To what extent was the sustainable investment objective of this financial product met?

The fund's goal is to mitigate climate change by making sustainable forest investments. In addition, the trees growing in the fund's forests can promote the transition to a circular economy. The fund's activities support the achievement of the climate goals of the Paris Agreement, as the fund focuses on sequestering carbon dioxide from the atmosphere through forest management that meets the climate change mitigation criteria of the EU taxonomy.

The fund has invested in sustainable forestry, and its sustainable investment goal has been achieved. The fund has invested in forests and, through its forest investments, has

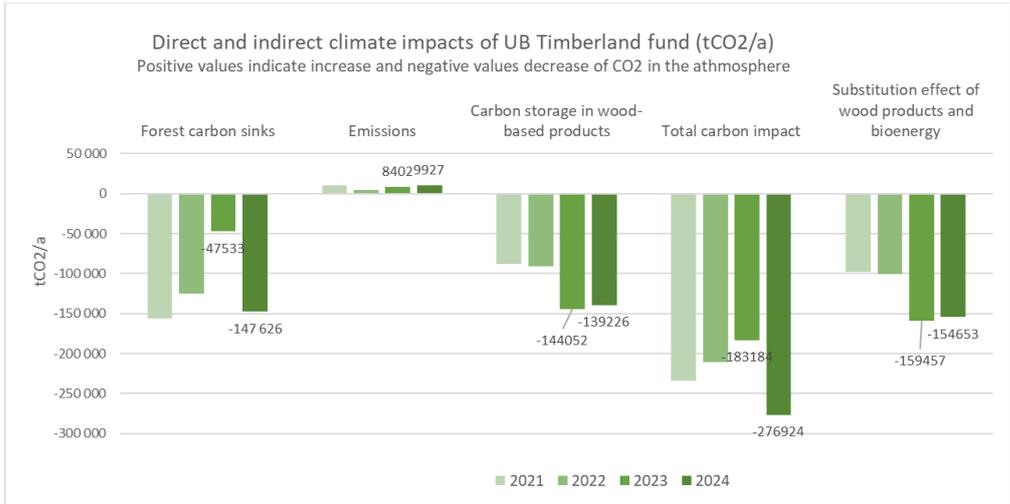
Sustainability indicators measure how the sustainable objectives of this financial product are attained.

sequestered carbon dioxide from the atmosphere into trees and forest soil. The fund’s forest harvesting has been lower than the forest growth, meaning that the fund’s forests function as carbon sinks. The fund’s forest management is designed in such a way that the forests sequester more carbon than the average Finnish forest management. These direct impacts of the fund on climate change mitigation have been monitored through carbon balance calculations.

In addition, the wood harvested from the forests has been used in sustainable wood products and has partly replaced fossil fuels and fossil-intensive materials, which also contributes to climate change mitigation. The indirect impacts of the fund on climate change mitigation have also been monitored through carbon balance calculations.

● **How did the sustainability indicators perform?**

The climate impacts of the fund were monitored through carbon balance calculations. Based on the results, during 2024, the forests of the UB Metsä fund were carbon sinks in line with the fund’s goals. Considering soil carbon sequestration, forest growth, and the actual harvests (approximately 297,134 m³), the annual carbon balance of the forest for 2024 is approximately 147,626 tCO₂ positive.



At the end of 2024, the forest’s carbon stock is approximately 84.8 million tCO₂. Of this, around 13% is stored in the tree biomass, with the remainder in the soil. From the timber harvested from the fund's forests during 2024, an estimated 139,226 tCO₂ is stored in new wood-based products.

When considering both the forest's carbon balance and the carbon stored in wood products, the total annual carbon impact is approximately 276,924 tCO₂ positive. This carbon impact includes emissions from harvesting, timber transportation, and the production of wood products. The estimated total carbon impact corresponds to the average annual carbon footprint of about 25,800 Finns (using the average per capita emissions of 10.3 tCO₂, Sitra 2019).

All of the UB Metsä fund’s forest properties, totaling 97,797 hectares, are PEFC TM-certified, and approximately 82% of them are also FSC®-certified (FSC-C109750). Certifications are an important tool for sustainable forestry, as they demonstrate

that forest management practices are in line with the best economic, social, and ecological practices. Activities are reviewed regularly in certification audits. Independent audits, including field visits, ensure that the fund's forest management meets the FSC certification criteria. In 2024, an FSC audit was conducted for the fund, and no deviations were found for the landowner.

In 2024, a total of 6,533 hectares of the fund's forests were protected, including voluntarily protected areas, areas protected by law, and protection areas related to FSC certification requirements

● **...and compared to previous periods?**

Compared to 2023, the total carbon stock of the fund's forests grew to 84.4 MtCO₂. This is mainly due to the increase in the forest area and timber stock owned by the fund. The fund's average annual carbon sink and average annual carbon impact rose in 2024 compared to the previous year, returning to levels similar to those of earlier years. The annual variation in the carbon sink level is primarily due to fluctuations in the annual harvesting volumes. The fund remained on track with its goals, and its forests continued to function as carbon sinks, with positive carbon impacts.

	2021	2022	2023	2024
Forest carbon sink (MtCO₂)	54,4*	61,4**	68,8***	84,8****
Average annual carbon sink (tCO₂/ha/a)			0,7	1,8
After annual harvesting. Includes both tree and soil carbon sinks.	2,9	2,1		
Average annual carbon impact (tCO₂/ha/a)			2,7	3,4
Including forest carbon sink and carbon storage in wood-based products, considering also emissions derived from harvesting, transport of timber, and manufacture of wood products	4,2	3,6		
FSC-certified area (ha)			65 300	80 800
% of forests properties		84	78	82,6
PEFC-certified area (ha)			80 900	97 800
% of forest properties		100	100	100
Protected forest area (ha)		5763	5657	6534

*Includes a total of 55,187 hectares of forest land in Finland.

** Includes a total of 69,754 hectares of forest land in Finland, of which 11,124 hectares are unproductive forest land.

*** Includes a total of 79,324 hectares of forest land in Finland, of which 12,501 hectares are unproductive scrub and barren land.

**** Includes a total of 98,355 hectares of forest land in Finland, of which 17,750 hectares are unproductive scrub and barren land.

Since the fund's timber stock has grown significantly since the start of the fund's operations, the fund's long-term (30 years) carbon balance modeling was updated in 2023. The modeling was done in accordance with the EU taxonomy criteria. During the review, the fund's forest management practices and their impact on the long-term development of carbon sinks were compared to the average traditional forestry practices in Finland. Based on the results, the fund's forest management enables the growth of carbon sinks over the long term and leads to a greater increase in carbon sinks compared to average traditional forestry practices.

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The fund's forest management adheres to the "Do No Significant Harm" principle. The goal is to design forest management in a way that does not cause significant harm to biodiversity, pollution prevention, the transition to a circular economy, sustainable use of water resources and marine natural resources, or climate change adaptation.

The fund complies with current environmental and forestry laws and regulations. Additionally, the fund is committed to the principles and practices of sustainable forestry. All of the fund's forests are certified under FSC and/or PEFC sustainable forest management certifications. The goal of these certifications is to ensure the environmental, social, and economic sustainability of forest management, as well as to protect, among other things, biodiversity. FSC certification requires that 5% of the forests be set aside from economic use to safeguard biodiversity.

In 2024, independent audits of the FSC and PEFC certifications conducted on the fund's forests found no deviations from the landowner's practices. This indicates that the fund has successfully implemented sustainable forest management in accordance with the best international practices and local regulations, with no significant harm caused to other sustainability goals.

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

During the reporting period, the fund did not make any sustainable investments for which the implementation of the "Do No Significant Harm" principle could be assessed using the PAI-indicators. Examples of such investments would include investments in listed companies. In this fund, the implementation of the "Do No Significant Harm" principle is primarily monitored through the "Do No Significant Harm" criteria included in the EU taxonomy's sustainable forestry management criteria.

Any significant harmful impacts on sustainability factors are analyzed as part of the sustainability risk analysis during the due diligence process before making an investment decision and are monitored during the investment period as far as they apply to the fund's investment targets. For more detailed information, see the section below titled "How have the main harmful impacts on sustainability factors been considered in this financial product?".

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The fund does not invest in companies, so compliance with standards has been required from the fund's business partners, such as contractors and other subcontractors. During the reporting period, no significant breaches of standards were observed in their operations. Additionally, the FSC and PEFC certifications require the respect of human rights and adherence to good governance practices. No deviations related to these matters were found during the certification audits in the reporting period.



How did this financial product consider principal adverse impacts on sustainability factors?

The principal adverse impacts on sustainability factors are analyzed with the sustainability risk analysis as part of the due diligence process before making an investment decision, and monitored during the investment. United Bankers' approach to the principal adverse impacts is risk-based and relies on the information from ESG-databases, as well as other data collected on the investment targets. For listed targets, the data from Sustainalytics and Morningstar ESG-databases are used. For unlisted targets and forest properties, the necessary information is gathered during the due diligence process before making an investment in these targets. For forest properties, the principal adverse impacts are assessed and taken into account to the extent that data is available and indicators are applicable to forest properties. The indicators related to the principal adverse impacts are designed for investments in companies, so most of the indicators are not applicable to forest properties.

Greenhouse gas emissions and carbon footprint indicators are central to the fund's operations, as UB Metsä aims to mitigate climate change through sustainable forest investments in line with the EU Taxonomy. The fund also takes into account other EU PAI-indicators that describe principal adverse impacts, as long as they are relevant to the forest fund. For many other indicators, the metrics apply to companies in the investment portfolio, not direct investments in forest properties. The indicators for the principal adverse impacts for the fund in 2024 are:

Indikaattori	Mittari	Arvo 2023	Arvo 2024	Selitys	
1.	GHG emissions	Total GHG emissions	8 402 t/CO2/vuosi	9 927 t/CO2/vuosi	This only takes into account the emissions, not carbon sequestration in the fund's forests
2.	Carbon footprint	Carbon footprint	8 402 t/CO2/vuosi	9 927 t/CO2/vuosi	This only takes into account the emissions, not carbon sequestration in the fund's forests
3.	GHG intensity of investee companies	GHG intensity of investee companies	N/A	N/A	The indicator is not applicable to the fund because the fund primarily invests directly in forest properties, not in companies.
4.	Exposure to companies active in	Share of investments in companies	0 %	0 %	The fund primarily invests directly in forest properties, not in companies.

	the fossil fuel sector	active in the fossil fuel sector			
5.	Share of non-renewable energy consumption and production	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	0 %	0 %	The fund primarily invests directly in forest properties, not in companies.
6.	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	N/A	N/A	The indicator is not applicable to the fund because the fund primarily invests directly in forest properties, not in companies.
7.	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	N/A	N/A	The fund primarily invests directly in forest properties, not in companies. The forest management activities of the fund impact biodiversity, but the definition of this metric is not suitable to the fund. For instance, the biodiversity criteria and audits of the sustainable forest management certifications of the fund take into account safeguarding and protecting biodiversity values.
8.	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A	The fund primarily invests directly in forest properties, not in companies. The forest management activities of the fund impact water bodies, but the definition of this metric is not suitable to the fund. For instance, the water management criteria and audits of the sustainable forest management certifications of the fund take into account safeguarding and protecting water bodies.
9.	Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0 %	0 %	The fund primarily invests directly in forest properties, not in companies. The activities of the fund do not produce significant amounts of hazardous waste or radioactive waste.
10.	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for	N/A	N/A	The fund primarily invests directly in forest properties, not in companies. The fund requires compliance with the principles of UNGC and/or OECD Guidelines for Multinational Enterprises from the fund's business partners, such as contractors and other subcontractors. Also, the sustainable

	(OECD) Guidelines for Multinational Enterprises	Multinational Enterprises			forest management certifications require good governance practices.
11.	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	N/A	N/A	The fund primarily invests directly in forest properties, not in companies. The fund requires compliance with the principles of UNGC and/or OECD Guidelines for Multinational Enterprises from the fund's business partners, such as contractors and other subcontractors. Also, the sustainable forest management certifications require good governance practices.
12.	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	N/A	N/A	The indicator is not applicable to the fund because the fund primarily invests directly in forest properties, not in companies.
13.	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	N/A	N/A	The indicator is not applicable to the fund because the fund primarily invests directly in forest properties, not in companies.
14.	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0 %	0 %	The fund primarily invests directly in forest properties, not in companies.

Table 2: Indicators applicable to investments in investee companies

4.	Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	0 %	0 %	The fund primarily invests directly in forest properties, not in companies. The goal of the fund is to mitigate climate change in line with the EU Taxonomy, and the goals of the Paris Agreement.
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Table 3: Indicators applicable to investments in investee companies

9.	Lack of a human rights policy	Share of investments in entities without a human rights policy	0 %	0 %	The fund primarily invests directly in forest properties, not in companies. The fund requires its collaboration partners and suppliers to respect human rights and align with international best practices and good governance.
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What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
<i>Forest properties in Kainuu</i>	<i>forest properties</i>	<i>30,9</i>	<i>Finland</i>
<i>Forest properties in Northern</i>	<i>forest properties</i>	<i>15,1</i>	<i>Finland</i>
<i>Forest properties in North Karelia</i>	<i>forest properties</i>	<i>11,8</i>	<i>Finland</i>
<i>Forest properties in Northern Savonia</i>	<i>forest properties</i>	<i>8,2 %</i>	<i>Finland</i>
<i>Forest properties in Central Finland</i>	<i>forest properties</i>	<i>6,3 %</i>	<i>Finland</i>
<i>Forest properties in Pirkanmaalla</i>	<i>forest properties</i>	<i>4,5 %</i>	<i>Finland</i>
<i>Forest properties in Southern Savonia</i>	<i>forest properties</i>	<i>4,4 %</i>	<i>Finland</i>
<i>UB Nordic Forest Fund III ky</i>	<i>forest fund</i>	<i>3,2 %</i>	<i>Finland, Estonia, Latvia, Lithuania</i>
<i>Forest properties in Lapland</i>	<i>forest properties</i>	<i>2,5 %</i>	<i>Finland</i>
<i>Forest properties in Central Ostrobothnia</i>	<i>forest properties</i>	<i>2,3 %</i>	<i>Finland</i>
<i>Forest properties in Southern Karelia</i>	<i>forest properties</i>	<i>1,8 %</i>	<i>Finland</i>
<i>Forest properties in Päijät-Häme</i>	<i>forest properties</i>	<i>1,7 %</i>	<i>Finland</i>
<i>Windpower landlease agreements</i>	<i>land lease</i>	<i>1,5 %</i>	<i>Finland</i>
<i>Forest properties in Southern Ostrobothnia</i>	<i>forest properties</i>	<i>1,3 %</i>	<i>Finland</i>
<i>UB Short-term bond</i>	<i>Fixed income fund</i>	<i>1,1 %</i>	<i>Finland</i>

Asset allocation describes the share of investments in specific assets.



What was the proportion of sustainability-related investments?

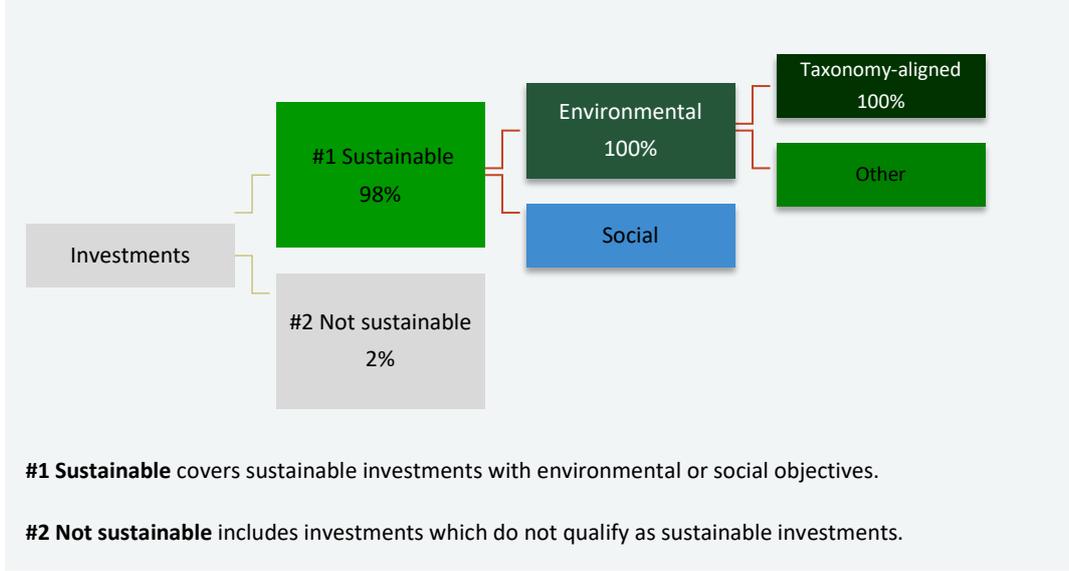
98% of the fund's investments have been sustainable forest investments that meet the EU Taxonomy criteria for forest management (#1 Sustainable). In practice, the majority of these have been the fund's direct investments in forest properties. Additionally, the fund has invested funds in a liquid bond fund for cash management purposes. These activities have accounted for approximately 2% of the fund's investments and may not meet the sustainability criteria of the EU Taxonomy (#2 Not Sustainable).

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: year 2024

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● **What was the asset allocation?**



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **In which economic sectors were the investments made?**

The fund has invested directly and indirectly in forest properties, and all of the fund's investments are within the forest industry. The fund has not invested in economic sectors or subsectors that generate income from the exploration, mining, collection, production, processing, storage, refining, or distribution of fossil fuels as defined in Article 62 of the European Parliament and Council Regulation (EU) 2018/1999(17), including transportation, storage, and trade.



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

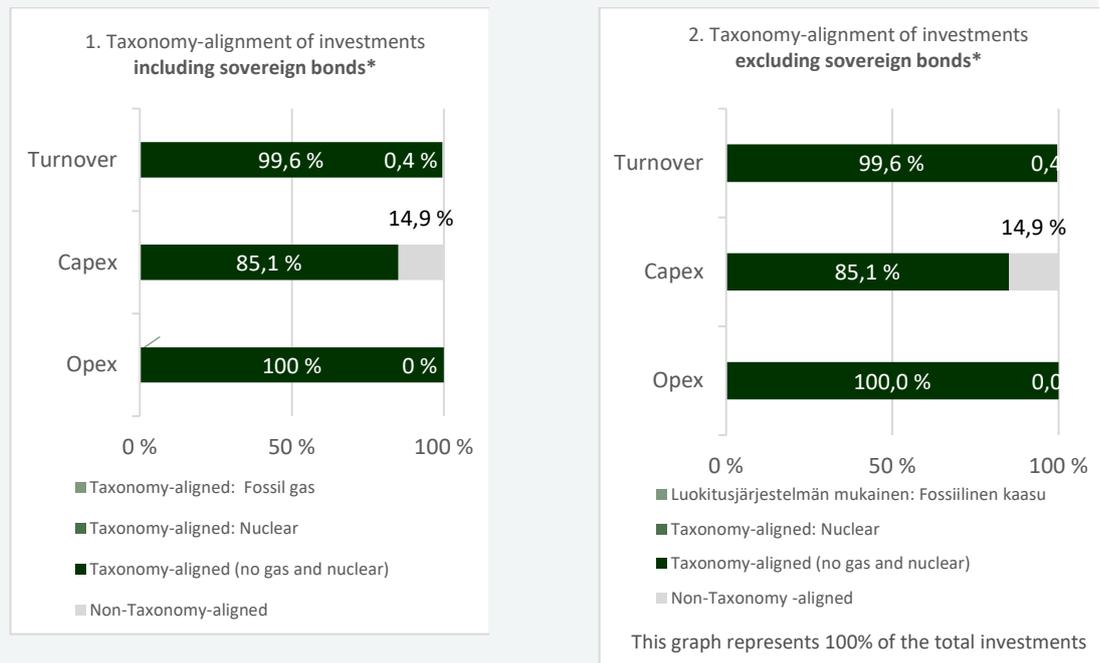
All of the fund's investments with an environmental objective have been in line with the EU Taxonomy. The fund is not focused on investing in companies, so the reporting of EU Taxonomy aligned capital expenditures (Capex) and operating expenses (Opex) of companies is not well suited for this fund. Since the fund does not invest in companies, it cannot report their capital expenditures, operating expenses, or turnover. For this report, the shares of EU taxonomy aligned turnover, capex and opex have been reported from the fund's own turnover, capital expenditures, and operating expenses. This calculation also takes into account the income the fund has received, from the development and zoning of forest properties, as well as utilizing their raw materials and potential recreational values and leasing lands for renewable energy use.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy ¹?**

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective -

- Yes :
 In fossil gas In nuclear energy
 No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



● **What was the share of investments made in transitional and enabling activities?**

The fund has not made investments in transition activities or enabling activities.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

The proportion of investments in line with the EU taxonomy has remained stable compared to previous reference periods. The fund's activities have also focused on sustainable forestry in accordance with the EU taxonomy and corresponding sustainable investments in previous reference periods.

see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

This fund has not made such investments.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

For cash management reasons, the fund has invested part of its assets in liquid bond funds. These investments have, on average, accounted for 2% of the fund's investments and may not necessarily meet the sustainability criteria of the EU taxonomy (#2 Not sustainable). In the case of liquid bond investments for cash management, compliance with good governance practices and the "Do No Significant Harm" -principle has been ensured by investing in at least SFDR Article 8-compliant assets, which also take into account the principal adverse impact indicators.



What actions have been taken to attain the sustainable investment objective during the reference period?

The fund aimed to promote the responsibility of its operations and the long-term sustainability and productivity of forest management as follows:

During the reference period, the fund made investments in forest properties and implemented forest management practices so that the fund's forests function as carbon sinks. The fund takes into account the EU taxonomy criteria for sustainable forest management in its operations. The fund's forest management is planned based on 30-year carbon balance calculations and models, ensuring that the forests sequester more carbon dioxide than usual. Additionally, the use of timber harvested from the fund's forests had significant climate impacts as a substitute for fossil raw materials and as carbon stored in wood products.

The long term development of the carbonsinks of the fund’s forests has been estimated based on modelling. Based on the results, the fund's forest management allows for the growth of carbon sinks in the long term, and leads to a greater increase in carbon sinks compared to average traditional forest management methods. Factors influencing the fund's more favorable climate impacts include, among others, a higher-than-average FSC certification rate (over 70% in the fund, compared to about 10% in Finnish forests), the timing of harvesting, favoring continuous cover forestry on lush peatlands, and the timely implementation of thinnings and ash fertilization. The long-term carbon balance modelling results are used as a benchmark for monitoring the fund's climate impact. The 2024 carbon balance calculation results show that the fund has successfully increased its carbon sinks through forest management.

In 2024, a comprehensive climate risk assessment was conducted for the fund by an external forest sector expert organization. The assessment reviewed how the fund's forests' exposure to chronic and acute physical climate risks over a 30-year period under different climate scenarios (SSP 1–2.6 and SSP 5–8.5). The assessment is in line with the

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

EU taxonomy's "Do No Significant Harm" criteria for forest management. Based on the assessment, the identified climate risk management measures are actively utilized in the fund's forest management planning and implementation, as well as at the strategic level in the fund's governance as part of the fund's risk management.

Since the fund's primary investment target is forests rather than companies, the fund did not engage in traditional stewardship and engagement activities aimed at influencing the management of target companies, such as voting at shareholder meetings. However, the fund did participate in United Bankers' general advocacy activities, such as investor letters for the CDP campaign and the Science Based Targets initiative (<https://www.cdp.net/en/campaigns/science-based-targets>).



How did this financial product perform compared to the reference sustainable benchmark?

This financial product has no sustainable reference benchmark. There is no EU Climate Transition Benchmark or Paris-aligned Benchmark in accordance to (EU) 2016/1011 available for the fund. Forest management carried out in the fund fulfils the EU Taxonomy criteria for climate change mitigation and forest management.