

Combined TCFD and TNFD Disclosure Report 2024

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1 Introduction

At Sitra, we are dedicated to responsible investment practices that align with our commitment to sustainability and long-term value creation. This report is our first effort to disclose both climate and nature-related financial information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD).

By integrating TCFD and TNFD frameworks, we aim to provide an overview of our strategies, governance, and management approaches concerning climate and nature-related risks and opportunities. As an early adopter of TNFD standards, we recognize the current scarcity of data in this area. Our TNFD metrics initially cover only some of the CORE indicators, and we anticipate expanding this scope as our understanding and data availability improves.

LEAP (Locate, Evaluate, Assess, Prepare) is a framework used in TNFD reporting to assess risks and opportunities related to biodiversity. LEAP helps organizations locate and evaluate dependencies and impacts on nature, assess risks and opportunities, and prepare strategies and action plans for managing them.

Sitra does not report according to LEAP because all our investments are made through funds, and our portfolio is highly diversified. Additionally, we lack sufficient internal resources to conduct the necessary assessments. We anticipate that our asset managers will utilize LEAP evaluations in the future.

Four of Sitra's asset managers have committed to being early adopters in TNFD reporting, starting their reporting from 2024 or 2025. These asset managers are responsible for managing approximately 16 percent of Sitra's investments.

Our climate strategy, first published in 2021 and most recently updated in 2023, includes clear climate-related targets for our portfolio. We are planning to expand the coverage of this strategy to include nature-related objectives as well.

We are a support member of Climate Action 100+ since 2020. This involvement reflects our role in engaging with major greenhouse gas emitters to reduce emissions, improve governance, and enhance climate-related financial reporting.

Additionally, we became an investor participant in Nature Action 100 in 2023. This initiative focuses on biodiversity and ecosystem preservation by encouraging corporate actions on

nature-related risks and opportunities. Our participation in both Climate Action 100+ and Nature Action 100 initiatives highlights our commitment to addressing environmental challenges and promoting sustainable practices.

As an expert organization, a majority of our climate and nature footprint comes from our investment portfolio. Therefore, this report primarily covers Sitra's investment activities.

2 Governance

Disclose the organisation's governance of climate and nature-related dependencies, impacts, risks and opportunities.

A. The Board's oversight of climate- and nature-related impacts, dependencies, risks and opportunities.

The board of Sitra exercises oversight of responsible investing. This oversight includes the evaluation and approval of the responsible investment guidelines and the investment climate strategy, both of which are integral to Sitra's investment practices. Climate-related matters are reported at least annually to the board, ensuring continuous attention and responsiveness to emerging risks and opportunities.

B. Management's role in assessing and managing climate- and nature-related impacts, dependencies, risks and opportunities.

The responsibility for organizing and implementing the responsible investment strategies, including climate considerations, lies with Sitra's Vice President, Investments. The investment team, which includes all personnel involved in investment activities, is tasked with executing the sustainability work. These roles are clearly delineated to ensure a structured approach.

All investment decisions are made considering environmental, social, and governance (ESG) factors alongside financial returns and risks. ESG-related matters are frequently discussed in weekly investment team meetings, ensuring ongoing attention and proactive management of emerging risks and opportunities if required. Furthermore, the team collaborates closely with other Sitra experts to integrate the latest scientific research and international climate initiatives into their strategies.

C. Policies, oversight and engagement for human rights in relation to nature, indigenous peoples and local communities.

Sitra adheres to the principles outlined in the United Nations Global Compact, which comprehensively address human rights, including those related to nature, indigenous peoples, and local communities. These principles are a cornerstone of Sitra's responsible investment guidelines.

Sitra's responsible investment practices are designed to support sustainable development and respect for the rights of all stakeholders, particularly those most directly affected by environmental changes and economic activities. Regular assessments and engagements with fund managers ensure that these principles are actively implemented and monitored.

3 Strategy

Disclose the effects of climate and nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.

A. Describe the climate and nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.

The investment plan, including strategic allocation, is updated annually. Climate-related risks and opportunities are integral to this planning process. The risk of stranded assets has been mitigated by implementing thermal coal exclusions and decarbonizing the portfolio by avoiding high GHG-intensity sectors and companies. The share of climate solutions in the portfolio has increased over the past years, including a greater allocation for forestry investments.

One of the tools used for monitoring and risk assessment of long-term effects of climate change is the Climate Value-at-Risk metric provided by MSCI, which considers both transition and physical risks, as well as opportunities, providing an estimation of potential financial gain or loss based on different warming scenarios.

Climate Value at Risk	3°C NGFS Fragmented World		1.5° REMIND NGFS Orderly		2° REMIND NGFS Orderly	
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
<i>Selected Scenario : 3°C NGFS Fragmented World</i>						
Policy Climate Var (Scope 1,2,3)	-1.0%	-2.0%	-6.5%	-9.8%	-1.2%	-2.4%
Technology Opportunities Climate VaR	0.3%	0.2%	2.7%	1.5%	0.7%	0.3%
Physical Climate VaR Aggressive	-1.9%	-3.6%	-1.0%	-1.8%	-1.4%	-2.6%
Aggregated Climate VaR	-2.6%	-5.5%	-4.7%	-10.1%	-1.9%	-4.6%

Figure 1. Climate Value at Risk scenarios for total listed portfolio in the end of year 2024. Source: MSCI.

According to the Climate Value at Risk tool and different scenarios, the negative effect of various climate scenarios on Sitra's portfolio is quite low and, in all cases, significantly below benchmark (MSCI All Country World Index). We changed our default scenario to 3°C NGFS Fragmented World after MSCI discontinued support for the previously used scenario.

	Dependence		Impact	
	Total portfolio	Benchmark	Total portfolio	Benchmark
Very High	6.8%	9.5%	18.1%	17.9%
	vs Benchmark -2.7 %-pt		vs Benchmark +0.2 %-pt	
High	22.4%	19.1%	79.7%	80.4%
	vs Benchmark +3.3 %-pt		vs Benchmark -0.7 %-pt	
Coverage*				
Overall	92.7%	91.7%	58.7%	54.6%
Company	92.7%	91.7%	69.9%	65.1%

*Figure 2. Dependencies of and impacts on natural assets in Sitra's listed portfolio.
Source: SEB, Factset, ENCORE, Natural Capital Finance Alliance and UNEP FI.*

The figures above show the weighted average of the highest dependence and impact on natural assets. They represent the proportion of portfolio revenue that relies on or affects natural assets, categorized into "High" and "Very High" levels. A company's activities are impacting or are dependent on at least one natural asset to be counted in this summary. However, most often, one activity does affect many of the different natural assets simultaneously.

Regarding nature-related considerations, Sitra acknowledges that assessments related to nature are still in the early stages. Among these dependencies, water is identified as the most significant. Additionally, forestry is considered the most crucial asset class. Currently, no exceptionally large risk concentrations have been identified in the portfolio.

B. Describe the effect climate and nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.

Climate and nature-related factors have significantly influenced our investment strategy, driving us to incorporate robust sustainability objectives and practices. In the short term, Sitra is focused on addressing transition risks associated with regulatory changes and market dynamics. Our strategy emphasizes reducing the carbon footprint of our investment portfolio and engaging with fund managers to promote low-carbon business practices and ensuring that investment decisions incorporate environmental, social, and governance (ESG) factors. Most climate-related risks and opportunities are likely to materialize beyond the short-term standard investment planning horizon. This proactive approach helps mitigate transition risks associated with regulatory changes and market behavior, while also identifying opportunities for growth in climate solutions and sustainable technologies.

In the medium term, Sitra aims to continue investments in climate solutions that facilitate the transition to a low-carbon economy. This includes financing technologies and projects that reduce emissions, enhance energy efficiency, and promote sustainable resource use.

Over the long term, Sitra's objective is to achieve a net-zero investment portfolio by 2035. This necessitates continuously adapting investment strategies to account for emerging climate risks and opportunities, such as the physical impacts of global warming and the development of new climate technologies. Sitra is dedicated to supporting the global transition to carbon neutrality by aligning its investments with the Paris Agreement.

In terms of financial planning, Sitra's investment strategies are continuously adapted to account for emerging climate risks and opportunities. We have conducted scenario analyses to understand the potential impacts of climate-related dependencies on our portfolio, revealing that our diversified portfolio is relatively resilient. Our ongoing efforts include investments in projects that reduce emissions, improve energy efficiency, and promote sustainable resource use. We believe that integrating climate and nature considerations into our overall risk management processes not only strengthens our resilience but also improves the risk-adjusted return of our portfolio.

When selecting new investment funds, climate and nature-related issues are a key consideration, and Sitra expects this to have even more weight in future investment decisions.

C. Describe the resilience of the organisation's strategy to climate and nature-related risks and opportunities, taking into consideration different scenarios.

Climate scenario analysis conducted by Sitra indicates that the financial impacts of climate-related risks are expected to be low to moderate. This analysis helps to inform our strategic decisions and ensures that we are well-prepared to address potential challenges.

On the nature-related front, the analysis is still incomplete, but preliminary assumptions suggest that there are no significant risks present in our portfolio. This initial assessment provides a foundation for further investigation and refinement of our strategies to mitigate any potential nature-related risks.

Our portfolio is relatively resilient due to significant diversification across geography, sectors, and timing. This diversification acts as a buffer against various risks, enabling us to better withstand adverse conditions and capitalize on emerging opportunities related to climate and nature.

D. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.

High priority locations are areas that are particularly important for biodiversity and ecosystem services. The criteria for identifying these locations typically include:

1. **Biodiversity Value:** Areas with high levels of biodiversity, including endangered species and unique ecosystems.
2. **Ecosystem Services:** Locations that provide critical ecosystem services such as water purification, carbon sequestration, and soil fertility.
3. **Vulnerability:** Regions that are particularly vulnerable to environmental changes or human activities.
4. **Dependency:** Areas that are crucial for the operations of the organization, such as regions where key raw materials are sourced.
5. **Impact:** Locations where the organization's activities have significant environmental impacts.

These criteria help organizations prioritize their efforts in managing and mitigating nature-related risks.

Sitra operates from a single office located in a city that does not fall within a high priority location as defined by TNFD criteria. This office is used for administrative and operational activities and does not present significant climate or nature-related risks.

Regarding Sitra's investment portfolio, the assessment is still ongoing, and detailed information on priority locations is currently limited. We are using MSCI's database, which includes location data for listed assets concerning physical climate risks. However, our subscription does not yet include information about priority locations for biodiversity and ecosystem services. The number of our underlying assets is so large that conducting this evaluation without an external service provider is not possible.

We are in the process of conducting further analyses to better understand and mitigate these risks across our diverse portfolio.

4 Risk and impact management

Describe the process used by the organisation to identify, assess, prioritise and monitor climate and nature-related dependencies, impacts, risk and opportunities.

A. i. Describe the organisation's processes for identifying, assessing and prioritising climate and nature-related dependencies, impacts, risks and opportunities in its direct operations.

Sitra conducts its own carbon footprint calculations for its operational activities, aiming for a carbon-neutral Sitra by 2035. The absolute emissions from operational

activities were approximately 3 tCO₂e in 2022, with the most significant source being purchased goods and services. There was no scope 1 or scope 2 emissions.

The nature footprint has not yet been assessed but is considered minimal. Sitra is an expert organization without production activities. For example, the building's energy is renewable, catering is mostly vegetarian, and the travel policy encourages a reduction in air travel.

A. ii. Describe the organisation's processes for identifying, assessing and prioritising climate and nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).

At Sitra, our examination of upstream and downstream value chains is concentrated on scope 3, category 15 emissions, specifically pertaining to Sitra's investment portfolio.

Our approach involves continuous monitoring and regular reporting to ensure we are effectively managing these factors. ESG (Environmental, Social, and Governance) issues are a topic in our internal meetings, which are held weekly. In preparing new investments, our investment analysis template includes a standardized section dedicated to evaluating the environmental aspects related to each investment.

In terms of climate-related data, we primarily rely on MSCI as our main source of information. However, we also utilize other resources such as Bloomberg when necessary. Our goal is to run detailed climate and nature reports at least once a year, which allows us to conduct thorough analyses of our findings.

On the nature front, our primary source of analysis has been the analysis produced by SEB for us. Moving forward, we plan to increasingly leverage MSCI's data to enhance our understanding and broaden our insights into nature-related issues.

Furthermore, we compile a Responsible Investment Review annually, which highlights the most pertinent issues identified throughout the year. This review serves as a tool for communicating our progress and strategies in addressing climate and nature.

B. Describe the organisation's processes for monitoring climate and nature-related dependencies, impacts, risks and opportunities.

Our asset managers play a crucial role in this process, providing regular reports and engaging in discussions with us to ensure a thorough understanding of the current landscape. MSCI serves as our primary system and partner in this monitoring effort, offering comprehensive data and insights. Additionally, we collaborate with other external experts to enhance our understanding and address emerging issues effectively.

For illiquid assets, Sitra's portfolio managers gather information primarily from asset managers. However, we acknowledge that the coverage of this data is not yet as extensive as we would like, and we are working towards improving this aspect.

Annually, we conduct a Responsible Investment Review, which includes both the TCFD and TNFD reports. This review is a vital component of our strategy, allowing us to assess our progress and refine our approach as needed.

We also conduct a portfolio screening at least once a year to identify and evaluate any potential violation of our exclusion policy. Our system is equipped to set up ongoing alerts, which can be customized based on specific needs.

C. Describe how processes for identifying, assessing, prioritising and monitoring climate and nature-related risks are integrated into and inform the organisation's overall risk management processes.

Climate and nature risks related to investments have not yet been formally integrated into Sitra's overall risk management processes, but they are part of investment risk management.

Our investment team, though small, has a collective responsibility for climate and nature issues, as we do not have a dedicated ESG role. Every team member is actively engaged in these aspects as a part of our day-to-day operations.

Sustainability factors are integrated into our investment analysis which ensures that environmental considerations are evaluated alongside financial metrics. Any observations or emerging issues are discussed in the investment team's weekly meeting.

Climate metrics are tracked on an annual basis, with weighted carbon intensity potentially reviewed more frequently. For illiquid investments, we collect emissions data manually. While this approach is resource-intensive, it underscores our commitment to comprehensive data collection, even in challenging areas.

The processes concerning nature-related risks are still evolving, as these areas remain relatively unstructured. This presents challenges in developing formalized processes, yet we remain dedicated to improving our understanding and management of these risks.

5 Metrics and targets

Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.

A. Disclose the metrics used by the organisation to assess and manage material climate and nature-related risks and opportunities in line with its strategy and risk management process.

Reporting is focused solely on the listed portfolio unless otherwise specified. All data is provided by MSCI. At present, only the climate metrics recommended by the TCFD and the CORE metrics recommended by the TNFD are monitored and reported. There are still significant gaps in CORE metrics data, and any missing data is marked as

unavailable (N/A). We anticipate that the coverage of new metrics and data will expand in the future. For further details on the various metrics, please consult MSCI's methodologies. The market value coverage of each metric is indicated in brackets following each value in the table below.

Metric	Climate	Nature	2024	2023	Remarks
Weighted average carbon intensity (scope 1+2) tCO2e/Revenue M€	X	x			
Total listed portfolio			76 (90,2 %)	93 (91,4 %)	
Listed equities			78 (96,4 %)	97 (95,1 %)	
Listed fixed income			66 (70,6 %)	76 (63,9 %)	
Weighted average carbon intensity (scope 3) tCO2e/Revenue M€	X	X			
Total listed portfolio			544 (90,2 %)	612 (90,9 %)	
Listed equities			557 (96,4 %)	633 (95,1 %)	
Listed fixed income			551 (70,6 %)	604 (63,9 %)	
Financed emissions (scope 1+2) tCO2e/ Investment M€	X	X			
Total listed portfolio			29 (90,0 %)	44 (88,4 %)	
Listed equities			26 (96,4 %)	45 (95,1 %)	
Listed fixed income			42 (70,0 %)	49 (63,9 %)	
Financed emissions (scope 3) tCO2e/ Investment M€	X	X			
Total listed portfolio			235 (90,1 %)	261 (88,2 %)	
Listed equities			220 (96,4 %)	267 (95,1 %)	
Listed fixed income			338 (70,4 %)	304 (63,9 %)	
Total financed emissions (scope 1+2) tCO2e	X	X			
Total listed portfolio			17 161 (90,0 %)	25 327 (88,4 %)	
Listed equities			11 314 (96,4 %)	19 044 (95,1 %)	
Listed fixed income			6 214 (70,0 %)	6 315 (63,9 %)	
Total financed emissions (scope 3) tCO2e	X	X			
Total listed portfolio			140 097 (90,1 %)	150 887 (88,2 %)	
Listed equities			94 221 (96,4 %)	113 233 (95,1 %)	
Listed fixed income			49 562 (70,4 %)	38 822 (63,9 %)	
Green revenue %	X	X			
Total listed portfolio			8,1 %	9,2 %	
Listed equities			8,6 %	9,8 %	
Listed fixed income			3,6 %	3,7 %	

Metric	Climate	Nature	2024	2023	Remarks
Climate Value-at-Risk % (3°C NGFS Fragmented World, Aggressive Physical Risk)	X	X			
Total listed portfolio			-2,6 %	N/A	Climate scenario was changed in 2024
Listed equities			-2,9 %	N/A	
Listed fixed income			-0,9 %	N/A	
Coverage of total portfolio (emission calculation, scope 1+2), %	X	X	56 %	N/A	Includes also illiquid assets
Value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related transition risks (total and proportion of total).		X			
• <i>Estimated percentage of operations in business segments with high potential disturbances to land and marine areas (%)</i>			2,3 (83,3%)	2,47 (79,8%)	
• <i>Estimated percentage of operations in segments with high toxic emissions and waste intensity (%)</i>			6,3 (83,3%)	6,70 (79,8%)	
• <i>Estimated percentage of operations located in geographies with highly fragile ecosystems (%)</i>			30,2 (83,3%)	27,31 (79,8%)	
• <i>Estimated percentage of revenues from products with high levels of packaging waste (%)</i>			5,6 (83,3%)	6,92 (79,8%)	
Value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related physical risks (total and proportion of total).		X			
• <i>Estimated percentage of operations in business segments with high water intensity (%)</i>			7,8 (83,3%)	8,84 (79,8%)	
• <i>Estimated percentage of assets in geographies facing high water stress (%)</i>			6,0 (83,3%)	5,81 (79,8%)	

Metric	Climate	Nature	2024	2023	Remarks
Description and value of significant fines/ penalties received/litigation action in the year due to negative nature-related impacts.		X	N/A	N/A	
Amount of capital expenditure, financing or investment deployed towards nature-related opportunities, by type of opportunity, with reference to a government or regulator green investment taxonomy or third-party industry or NGO taxonomy, where relevant.		X	N/A	N/A	
<p>Increase and proportion of revenue from products and services producing demonstrable positive impacts on nature with a description of impacts.</p> <ul style="list-style-type: none"> • <i>Pollution Prevention - Maximum Percentage of Revenue</i> • <i>Sustainable Agriculture - Maximum Percentage of Revenue</i> • <i>Sustainable Water - Maximum Percentage of Revenue</i> • <i>SDG 12 - Responsible Consumption and Production - Net Alignment</i> • <i>SDG 14 - Life Below Water - Net Alignment</i> • <i>SDG 15 - Life on Land - Net Alignment</i> 		X	<p>0,5 (86,8%)</p> <p>0,7 (86,8%)</p> <p>0,7 (86,8%)</p> <p>32,59% (83,05%)</p> <p>0,54% (83,05%)</p> <p>0,02% (83,05%)</p>	<p>0,40 (81,3%)</p> <p>0,90 (81,3%)</p> <p>0,68 (81,3%)</p> <p>30,69% (79,7%)</p> <p>0,57% (79,7%)</p> <p>0,00% (79,7%)</p>	

B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on climate and nature.

Metric	Climate	Nature	2024	2023	Remarks
<p>Total spatial footprint (km²) (sum of):</p> <ul style="list-style-type: none"> • Total surface area controlled/ managed by the organisation, where the organisation has control (km²); • Total disturbed area (km²); and • Total rehabilitated/restored area (km²). • <i>Total extent of spatial footprint (km²)</i> 		X	N/A	N/A	
<p>Extent of land/freshwater/ocean ecosystem use change (km²) by:</p> <ul style="list-style-type: none"> • Type of ecosystem and • Type of business activity. 		X	N/A	N/A	
<p>Extent of land/freshwater/ocean ecosystem conserved or restored(km²), split into:</p> <ul style="list-style-type: none"> • Voluntary; and • Required by statutes or regulations. 		X	N/A	N/A	
<p>Pollutants released to soil (tonnes) by type, referring to sector-specific guidance on types of pollutants.</p>		X	N/A	N/A	

Metric	Climate	Nature	2024	2023	Remarks
<p>Volume of water discharged (m³), split into:</p> <ul style="list-style-type: none"> • Total; • Freshwater; and • Other <p>Including:</p> <ul style="list-style-type: none"> • Concentrations of key pollutants in the wastewater discharged, by type of pollutant, referring to sector-specific guidance for types of pollutants; and • Temperature of water discharged, where relevant. <p><i>* Total tons of pollutants released to surface waters as a result of companies' operations (metric tons).</i></p>		X	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>1,3 (4,9%)</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>1,6 (6,8%)</p>	
<p>Weight of hazardous and non-hazardous waste generated by type (tonnes), referring to sector-specific guidance for types of waste.</p> <p>Weight of hazardous and non-hazardous waste (tonnes) disposed of, split into:</p> <ul style="list-style-type: none"> • Waste incinerated (with and without energy recovery); • Waste sent to landfill; and • Other disposal methods. • <i>Total non-recycled waste (metric tons) disclosed.</i> • <i>Hazardous Waste (metric tons)</i> 		X	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>2954,1 (45,0%)</p> <p>336,4 (83,1%)</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>1526,3 (44,3%)</p> <p>403,1 (79,6%)</p>	

Metric	Climate	Nature	2024	2023	Remarks
Plastic footprint as measured by total weight (tonnes) of plastics (polymers, durable goods and packaging) used or sold broken down into the raw material content.		X	N/A	N/A	
For plastic packaging, percentage of plastics that is: <ul style="list-style-type: none"> • Re-usable; • Compostable; • Technically recyclable; and • Recyclable in practice and at scale. 		X	N/A	N/A	
Non-GHG air pollutants (tonnes) by type: Particulate matter (PM2.5 and/or PM10)		X	N/A	N/A	
Non-GHG air pollutants (tonnes) by type: Nitrogen oxides (NO2, NO and NO3) <i>NOx emissions (metric tons)</i>		X	273,1 (11,9%)	278,3 (15,1%)	
Non-GHG air pollutants (tonnes) by type: Volatile organic compounds (VOC or NMVOC) <i>VOC emissions (metric tons)</i>		X	8,3 (11,8%)	3,6 (14,8%)	
Non-GHG air pollutants (tonnes) by type: Sulphur oxides (SO2, SO, SO3, SOX) <i>SOx emissions (metric tons)</i>		X	337,2 (11,9%)	345,8 (14,9%)	
Non-GHG air pollutants (tonnes) by type: Ammonia (NH3)		X	N/A	N/A	

Metric	Climate	Nature	2024	2023	Remarks
<p>Water withdrawal and consumption (m³) from areas of water scarcity, including identification of water source.</p> <p>• <i>Total water consumption - reported</i></p> <p>• <i>Total estimated water consumption (m3)</i></p>		X	<p>350 470,7 (14,6%)</p> <p>61 728,1 (82,7%)</p>	<p>191 937,8 (16,6%)</p> <p>74 582,7 (79,5%)</p>	
Quantity of high-risk natural commodities (tonnes) sourced from land/ocean/freshwater, split into types, including proportion of total natural commodities.		X	N/A	N/A	
Quantity of high-risk natural commodities (tonnes) sourced under a sustainable management plan or certification programme, including proportion of total high-risk natural commodities.		X	N/A	N/A	
Proportion of high-risk activities operated under appropriate measures to prevent unintentional introduction of IAS, or low-risk designed activities.		X	N/A	N/A	
<p>Level of ecosystem condition by type of ecosystem and business activity;</p> <p>• <i>Extent of local ecosystem degradation (MSA.km2)</i></p>		X	<p>5,7 (83,0%)</p>	<p>7,3 (79,7%)</p>	

Metric	Climate	Nature	2024	2023	Remarks
Species extinction risk		X			
• Total global potential species extinction			10,1 (83,0%)	13,1 (79,7%)	Figures are Fraction of Species (PDF), (scaled by 10 ⁸ for better readability)
• Total global potential species extinction intensity			0 (83,0%)	0 (79,7%)	
• Total global potential species extinction related to spatial footprint:			1,1 (83,0%)	1,5 (79,7%)	
• Total global potential species extinction related to water consumption			5,5 (83,0%)	7,6 (79,7%)	
• Total global potential species extinction related to GHG emissions			3,5 (83,0%)	4,0 (79,7%)	

C. Describe the targets and goals used by the organisation to manage climate and nature-related dependencies, impacts, risks and opportunities and its performance against these.

Sitra's climate strategy outlines specific targets and objectives. However, it currently does not include any nature-related goals.

1. The long-term goal is that all Sitra's investments are aligned with the Paris Agreement

There is no single correct way to measure this, so development is assessed through multiple indicators. The MSCI Implied Temperature Rise (ITR) metric is the main indicator and is reported on total listed portfolio level. It is also monitored internally for both funds and the underlying holdings. Target for these is below 2°C.

Additionally, we track the proportion of companies in the funds that have approved SBTi targets.

Metric	2024	2023
Implied Temperature Rise	2,2 °C	2,1 °C
Companies with SBTi approved targets (% of listed portfolio's market value)	43 %	37 %

The MSCI Implied Temperature Rise (ITR) methodology is designed to show the temperature alignment of companies, portfolios, and funds with global temperature goals. It provides an intuitive, forward-looking metric expressed in degrees Celsius, indicating how well investments align with the goal of limiting global warming to well below 1.5 degrees Celsius. The methodology involves calculating a carbon budget for companies based on their sector, country, and business activities, projecting their future emissions, and determining whether they overshoot or undershoot their carbon budget. This over- or undershoot is then converted into an implied global temperature rise.

2. The goal is to achieve a net-zero investment portfolio by 2035 (provided that the investment environment allows it).

SBTi is actively working to establish the Net-Zero Standard for Financial Institutions. This initiative aims to clarify key concepts, such as the definition of net-zero for financial institutions, metrics for transition, and the elements of credible science-based net-zero targets.

At present, our focus is on monitoring the total financed emissions of the portfolio. This figure will possibly rise in the coming years because coverage is expected to increase as more and more securities are included in the calculations. In 2024, the total scope 1+2 financed emissions amounted to 17 161 tons, compared to 25 327 tons in 2023. For scope 3 financed emissions, the total was 140 097 tons in 2024, down from 150 887 tons in 2023.

3. The goal is to increase data coverage by including new asset classes in the calculations. All asset classes are included in the analysis by 2025.

Coverage is greatest in listed assets, i.e., listed equity, listed fixed income, and REITs. Comprehensive key figures are available for these investments through service providers such as MSCI and Bloomberg. Unlisted investments are more challenging, and information needs to be collected manually. The data is often fragmented and not fully comparable. The most important information to be collected from all investments at present is the financed emissions scope 1+2.

Asset class	Market value, M€	Coverage-%
Listed equities	429	96 %
Fixed income	194	55 %
Real estate, timberland and infrastructure	195	9 %
Private equity and venture capital	168	10 %
Total	986	56 %

Figure 3. Financed emissions (scope 1+2) coverage in different asset classes.

4. The carbon intensity of Sitra's investments should be lower than the benchmark index.

Due to technical reasons, the benchmark index was simplified. Instead of the previous composite index, which included several different indices, we now use the MSCI All Country World Index. Going forward, comparisons will be made against the total listed portfolio.

The weighted average carbon intensity (scope 1+2) of Sitra's portfolio has been significantly lower than the benchmark index.

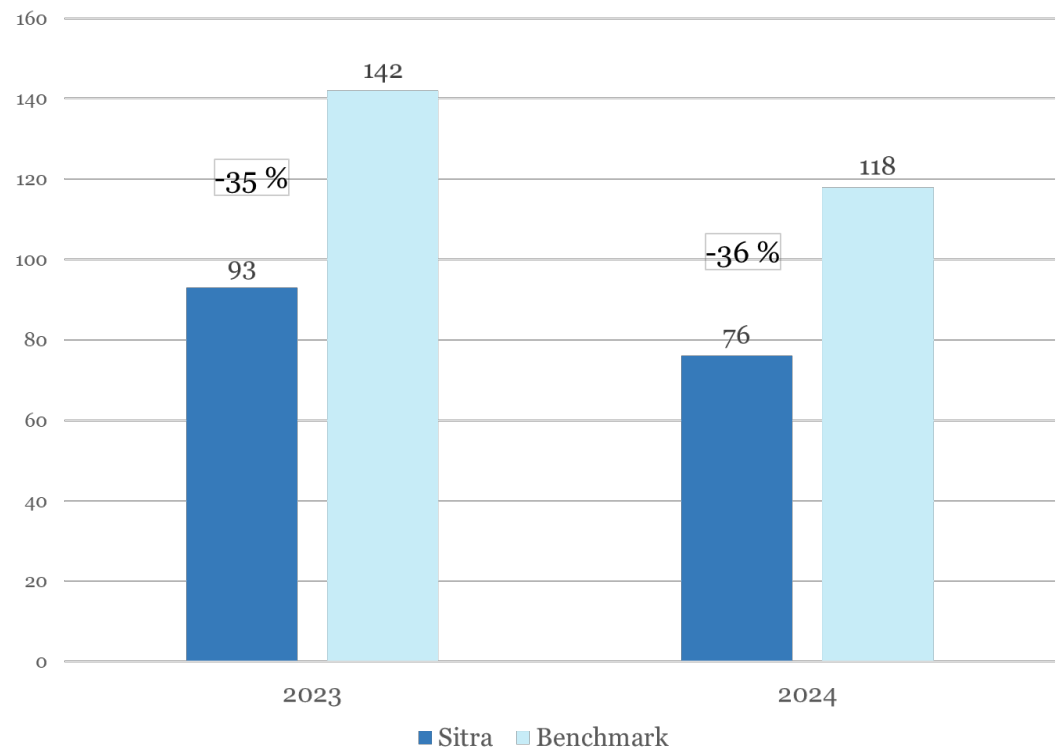


Figure 4. Weighted average carbon intensity against benchmark.

5. The goal is that the carbon intensity of Sitra's investments is at least 50% lower in 2025 compared to the benchmark year 2020. The corresponding goal for 2030 is 75%.

The trend has continued positively, and the 50% reduction target compared to the benchmark year 2020 has been achieved ahead of schedule.

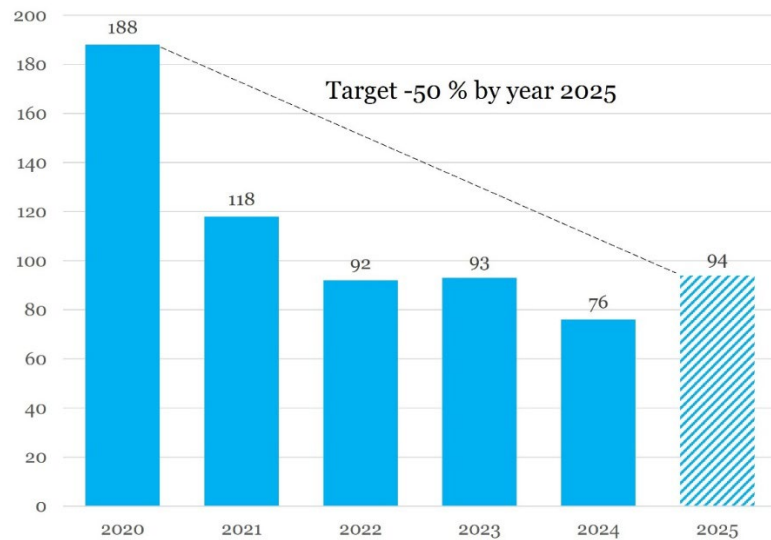


Figure 5. Weighted average carbon intensity (scope 1+2) of the total listed portfolio compared to the target year 2025.

6. The amount of fossil fuel reserves in the portfolio is monitored, and the goal is to keep the share of reserves low.

Fossil fuel reserves are extremely minimal, and the number of businesses based on fossil energy in the portfolio is significantly lower than the benchmark index.

	2024		2023	
	Sitra	Benchmark	Sitra	Benchmark
Fossil Fuel Based Revenue Exposure	0,6 %	3,2 %	1,2 %	3,7 %
Thermal coal exposure (Any tie)	1,2 %	3,8 %	1,3 %	3,8 %
Oil & Gas exposure (Any tie)	5,5 %	11,6 %	6,4 %	11,5 %
Exposure to Stranding Assets	0,22 %	1,89 %	0,006 %	0,43 %

Sitra is a Future Fund that helps Finland to reform. We anticipate the future. We develop solutions to tomorrow's challenges in collaboration with our partners. We promote Finland's well-being and accelerate sustainable economic growth. A better future demands action today (sitra.fi/en).

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