2024 Sustainability Disclosure

Reporting under the Sustainability Accounting Standards Board (SASB) Standards and Management Criteria.

About this report

East Capital Group is committed to consistent and thoughtful transparency and has been reporting publicly on responsible investing and ESG (Environmental, Social, and Governance) related efforts and results since 2015. As a UN PRI (Principles of Responsible Investment) signatory since 2012, East Capital Group has also published its transparency report. This is our fourth SASB Disclosure, developed in accordance with the Sustainability Accounting Standards Board (SASB) Industry Standards for Asset Management and Custody Activities.

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Foreword – CEO

East Capital Group is pleased to present its 2024 Sustainability Disclosure. East Capital Group is an independent asset management group that comprises several strategies and specialisations to offer active management solutions in equities, bonds and real estate assets with a clear ESG framework. Founded in Sweden in 1997, East Capital Group manages a total of EUR 3.4 billion as of December 31, 2024, for a broad range of international investors, including leading institutions, companies and private individuals. The main operations include East Capital − specialising in emerging and frontier market equity investments, East Capital Real Estate − managing commercial real estate investments, Espiria − offering bespoke global and Nordic equities and fixed income strategies, and Adrigo − a long-short equity fund investing in Nordic small and mid-cap companies. East Capital Group also owns 49% of Swedish fund management company Cicero Fonder, 49% of Hjerta (Nordic Brokers Association) and has a significant holding in the listed company Eastnine (OM:EAST), a Swedish real estate company focused on modern and sustainable office premises in the Baltics and Poland.

East Capital Group is a member of the IFRS Sustainability Alliance, the global community for sustainability standards and integrated reporting, and has elected to adopt SASB (Sustainable Accounting Standards Board) standards for its disclosure on sustainability. SASB standards are used to assess the actual or potential impact of sustainability issues on the financial condition or operating performance of companies and consider whether management (or mismanagement) of any topic has the potential to materially affect the valuation of a company or its operational or financial performance.

East Capital Group is an investment manager and, as such, this Sustainability Disclosure assesses our performance against four material topics identified by the SASB:

- Transparent information and fair advice to clients
- Employee diversity and inclusion
- Integration of ESG factors into investment management and advice
- Business ethics

We have also included a section on climate-related issues to inform our stakeholders about our work on climate change. The report is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Together with the underlying disclosures, the framework provides a standardised and relevant way for investors and others to understand how we assess and manage climate-related risks and opportunities. The TCFD has structured its recommendations into four areas:

- Governance
- Strategy
- Risk Management
- Metrics and Targets

As sustainability evolves with refined standards, more data and greater standardisation, we will continue to enhance our disclosures. We signed up as Early Adopter to the Task Force on Nature-related Financial Disclosure (TNFD) and will disclose in line with the TNFD recommendations for FY 2025.

Stockholm, April 2025
Per Elcar, CEO

Transparent information and fair advice for customers

FN-AC-270a.1

(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings

During 2024, East Capital Group had no covered employees with disclosures of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings. East Capital Group has policies and procedures designed to ensure compliance with regulations requiring covered employees to make and update applicable regulatory filings in a timely manner.

FN-AC-270a.2

Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers

FN-AC-270a.2b

The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses

None of the East Capital Group's entities sustained any monetary losses in 2024 as a result of legal proceedings associated with our marketing and communications of financial product-related information to new and returning customers.

FN-AC-270a.1c

The entity shall describe how it ensures that covered employees file and update regulatory forms in a timely manner

East Capital Group has adopted, and annually reviews, policies which regulate procedures and controls that address compliance with applicable rules and regulations, including the requirement that the firm and its employees maintain accurate regulatory filings. Our regulated entities are supervised by the Commission de Surveillance du Secteur Financier (Luxembourg) and Swedish Financial Supervisory Authority (Sweden). Policies and internal guidelines define how we meet reporting requirements in a timely manner. Communication with the financial supervisory authorities is reported to the Boards of East Capital Holding AB and relevant entities.

FN-AC-270a.1c

Description of approach to informing customers about products and services

East Capital Group offers a wide range of investment products and services to institutional and retail clients in several jurisdictions. Clients include foundations, pension plans, sovereign wealth funds, insurance companies, financial institutions, corporations, third-party fund distributors and retail investors.

When communicating with clients about our services and products, we are subject to various laws and regulations as well as our own policies, procedures and guidelines requiring our communications to be clear and accurate, fair, balanced and not misleading.

Information to clients about products and services is communicated through websites, electronic send-outs and physical delivery of reports, newsletters, and account statements, depending on client preferences. The information is sent at a frequency complying with regulatory requirements and according to client preferences. Products and services information to clients are the responsibility of the Chief Marketing and Communication Officer.

All sales, promotional, and marketing activities of the Group worldwide, irrespective of whether they are performed by East Capital Financial Services AB, East Capital Asset Management SA, or through any other entity or office within the Group, are covered by internal guidelines. These internal guidelines cover all funds and financial instruments managed within the Group including existing UCITS, alternative investment funds (AIFSs), and other regulated or unregulated investment products, as well as when funds are marketed in connection with the offering of investment services such as discretionary portfolio management offered by East Capital Financial Services.

International Sales Guidelines ensure that activities such as marketing, promotion, sales, and distribution activities, especially when approaching clients and distributors in new markets, are compliant with relevant laws and regulations and that the legal and financial risks involved are investigated as well as limited.

Other policies of relevance include Conflict of Interest Handling Policy, Personal Trading Policy, Client Onboarding and Maintenance Policy, Complaints Handling Policy, Code of Business Conduct, Information Disclosure Instructions, Instruction for research process, Instructions for Handling Closed Funds, Legal Guidelines for Marketing East Capital Group Services, and Policy for New Processes, Products and Services.

Employee Diversity & Inclusion

The information provided is the current publicly available breakdown of East Capital Group diversity metrics. They do not fully conform with the required SASB metrics, which we deem less relevant to companies without US operation.

FN-AC-330a.1
Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees

Our staff consists of 72 employees, 42 males 58%, 30 females 42%. In 2023, our staff consisted of 68 employees with a male/female ratio of 59%/41%. Beyond gender, we place importance in diversity of cultural origin which provides diverse perspectives. Our staff consists of 20 (19) nationalities and speaks 20 different languages.

		% of total staff	Age
Employees ex-management	Female	25,20%	41
	Male	22,11%	38
Employees ex-management Total		**47,31%**	**40**
Executive management	Female	5,90%	48
	Male	7,37%	48
Executive management Total		**13,26%**	**48**
Non-executive management	Female	1,47%	42
	Male	7,37%	46
Non-executive management Total		**8,84%**	**46**
Professionals (Investment Management)	Female	8,47%	38
	Male	22,11%	44
Professionals (Investment Management) Total		**30,58%**	**42**

FN-AC-330a.1kk
The entity shall describe its policies and programs for fostering equitable employee representation across its global operations

East Capital Group is committed to actively manage equality and diversity as a means of enhancing the company's performance by recognising and utilising the contribution of diverse skills and talent from its workforce and board of directors. This policy describes how East Capital Group shall work with equality and diversity and it is in line with the overall goals set out to promote the health, safety and welfare of all East Capital Group's employees.

East Capital Group aims to be an inclusive organisation where diversity is valued, respected, and built upon with ability to recruit and retain a diverse workforce. Specifically, the company will provide equal opportunities in respect to employment and employment conditions. East Capital Group believes in and is committed to a trusting, safe work environment free from discrimination. Any act of discrimination is unacceptable. East Capital Group aims to ensure that all employees and job applicants have equal rights and opportunities irrespective of sex, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation, or age. No one shall be mistreated in any work situation when it comes to employment, work, tasks, working conditions, promotions, training, reassignment, or release. Both women and men should be able to reconcile work and parenting, and no employee shall be discriminated or disfavoured due to a planned or completed pregnancy. To ensure economic equality between women and men, East Capital Group provides salary reviews and action plans yearly.

In 2024, East Capital Group conducted its annual Great Place to Work survey.
The participation rate was 71% (65%) with 71% (80%) of staff surveyed considering East Capital Group to be a great workplace. We intend to conduct the survey on a yearly basis.

Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory

FN-AC-410a.1a

Percentage of assets under management, by asset class, that employ integration of environmental, social, and governance (ESG) factors

East Capital Group employs integration of ESG factors for all our strategies, with the following breakdown:

- Public equity (excluding mandates, excluding Russia fund): 100%
- Fixed income: 100%
- Real estate: 100%

It should be noted that since the suspension of trading on Russian stock markets, we do not conduct ESG work on Russian assets, besides some limited active ownership activities mainly related to voting at AGMs and EGMs in Russian companies when possible. Details on our ESG approach and outcome can be found in our annual sustainable investment report and pre-contractual and periodical disclosures under the SFDR (Sustainable Finance Disclosure Regulation), which are published on our websites.

FN-AC-410a.1b

Percentage of assets under management, by asset class, that employ sustainability themed investing

Two of our fund strategies are classified as Article 9 funds under SFDR, East Capital Global Emerging Markets and Espiria Hållbar Framtid, which apply a sustainability lens for the stock selection and allocation. These strategies represented 14.5% of our group AUM (22.4% of our UCITS AUM) as per December 31, 2024 (2023: 14% of our group AUM and 25% of our UCITS AUM). East Capital Global Emerging Markets Sustainable and Espiria Hållbar Framtid's sustainability objective is to achieve positive SDGs outcomes through investing in emerging market or developed market companies, looking at their value chain, through a proprietary analytical tool, SDG VCA.

FN-AC-410a.1c

Percentage of assets under management, by asset class, that employ screening (exclusionary, positive/best-in-class, or norms-based)

East Capital Group employs exclusionary screening and norms-based screening for all our strategies, and the screening applies to 100% of our public equity (including short positions), fixed income and real estate holdings.

FN-AC-410a.2

Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies

East Capital Group's ESG and sustainable investment approach is fully harmonised throughout the public equity brands and partially harmonised with our real estate investment operation. It consists of four pillars:

Pillar 1: negative screening (since 2007)
Sector exclusions are applicable to all East Capital Group's strategies. The exclusions apply on a fund level, to both long and short positions within the equity portfolios, fixed income instruments as well as tenants and/or assets in our real estate operation. More information about our sector exclusions is provided in our Negative Screening Policy, which is found as an Appendix to our East Capital Group ESG Policy, available on our websites. Exclusions are confirmed at the time of investment. Besides,

compliance to the negative screening framework is checked and reported to the Investment Committee and Board of Directors on a quarterly basis.

There was no confirmed breach of negative screening compliance during the period.

Pillar 2: controversy (norms-based) screening (since 2010)
We monitor suspected breaches of international conventions and norms on human rights, labour standards, environment, health and safety or bribery and this analysis is done through the Red Flag Analysis upon addition to the portfolio, and through quarterly checks conducted by the ESG team. We will usually initiate a dialogue, either on our own or through collaborative engagement, with companies suspected or accused of breaching international norms and conventions. Such companies will not be held in our portfolios in cases where we fail to see any commitment to acknowledge and remediate the issues.

As per December 31, 2024, the below holdings were deemed non-compliant or on watchlist. Further is stated the number of equity holdings not covered by Sustainalytics through the GSS Platform.

The Sub-funds Russia and Eastern Europe are no longer able to promote environmental and/or social characteristics for portfolio companies. It should be noted that a non-compliant holding, Sberbank, is held in a strategy where non-compliant holdings should be excluded (East Capital Multi-Strategi). However, we cannot exit this position because Sberbank is a SDN (US) sanctioned name.

	Non-Compliant Holdings	Holdings on Watchlist	% of Portfolio not Covered by Morningstar
Adrigo	None	None	64%
East Capital	Tencent Baidu	None	The funds with the highest % of AuM not covered are East Capital Balkans (22%) and East Capital Multi-Strategi (14%)
Espiria	None	Amazon Meta	The funds with the highest % of AuM not covered are Espiria Nordic Corporate Bond (23%) and Espiria 30 (7%)

We also check and monitor the norms-based status of our real estate assets (including sellers, buyers, tenants) through the Red Flag Analysis. There were no red flags during 2024.

Pillar 3: Integration (since 2016)
As part of the investment process, we perform a diligent quantitative and qualitative analysis of companies. We have developed and introduced proprietary ESG analytical tools, as presented in our ESG Group Policy and annual investment report, available on our websites. We continuously enhance the quality of our framework. The results and outcome of this analysis affect both security selection and portfolio construction.

- *Red Flag analysis* for all holdings in East Capital, Espiria (including fixed income instruments) and Adrigo. It consists of a set of questions which we deem to be crucial to consider for ensuring that investments do not cause significant harm. The questions are related to corporate governance, ethics, and corruption, and also covers international norms and standards, severe and/or systematic environmental or social controversies and PAI indicators (see below).

- *ESG scorecards* for East Capital's holdings: The scorecard comprises 50+ questions within E, S and G, and structures our review to consider relevant and material ESG risks and opportunities. It also has an SDG module (based on revenue exposure).
- *SDG VCA* for all holdings in East Capital Global Emerging Markets Sustainable and Espiria Hållbar Framtid, to assess the impact of companies across their value chain. The tool is used and published as a case study by the PRI: Assessing SDG outcome across the value chain.
- *Espiria Quality & Sustainability Score* (EQSS) for Espiria's holdings. The proprietary sustainability integrated framework is used to assess the quality and sustainability profile of each company, and consists of five segments: Leadership, Market Growth & Opportunities, Business Strength & Resilience, Fundamentals and Sustainability, where each segment has multiple sub-topics that are scored 1 to 5. A higher (better) score will support a higher portfolio weight, all else equal.

Coverage and results of the ESG integration tools are reported quarterly to the Investment Committee meetings and to the Board meetings. Binding elements under the SFDR have been included in the Risk Management report since Q1-2023.

Pillar 4: Active Ownership (since 1997)
The active ownership consists of engagement and voting. These activities are monitored by the Investment Committee and reported to the quarterly Board meetings. Voting guidelines are implemented in accordance with our policies. The Board of Directors has approved and annually reviews an Active Ownership Policy, an appendix to the East Capital Group ESG Policy, which is made public on our websites.

FN-AC-410a.3a
Description of proxy voting and investee engagement policies and procedures

The Active Ownership Policy is meant to guide public equity strategies managed by fully owned subsidiaries of the East Capital Group. The policy specifies how we shall act when exercising our ownership rights in the companies held by these strategies on behalf of our clients. Additionally, the policy describes how we integrate stewardship in our investment processes as well as how we exercise voting rights. The policy is published on our websites.

Details about engagement activities, including breakdown over geography, strategy, engagement type and outcome, including case studies, as well as voting activities are presented in our annual sustainable investment report which is published on our websites.

We report quarterly on engagement and voting activities to the Investment Committee and to the Boards of East Capital Holding, East Capital Asset Management SA, East Capital SICAV, Espiria SICAV, East Capital SIF-SICAV and RAIF-SICAV.

Business Ethics

FN-AC-510a.1
Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations

FN-AC-510a.1b
The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses

East Capital Group did not sustain any monetary losses in 2024 as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.

Our reputation for integrity is one of our most important assets. Our Code of Business Conduct sets out basic principles to guide employee conduct which is based on the concept of respect for our clients, for the markets, and for companies we invest in, for society and the environment, for our colleagues, job candidates, and business partners. Our ethical conduct includes a zero-tolerance approach to bribery, which has been published on our website.

FN-AC-510a.2
Description of whistleblower policies and procedures

East Capital Group has a Whistleblowing Policy approved and reviewed by the Board every year. The General Counsel is responsible for implementation of the policy.

Employees are often the first to realise that there may be concerns about serious wrongdoing in a company's operations and the whistleblowing process aims to ensure that such concerns are swiftly and properly raised and addressed, thereby strengthening our operations and reducing potential criminal or reputational risks.

An employee who is concerned about serious wrongdoings within the East Capital Group or the company's operations should contact his or her manager. The manager is normally in the best position to decide the seriousness of the matter and if the matter should be escalated to Compliance, Senior Management, or the Board of Directors.

If an employee does not feel comfortable in going to his or her manager, or for other reasons wants to remain anonymous, East Capital Group has designated an External Partner to be the recipient of reporting of suspected serious wrongdoing. The External Partner who is designated by the Board of East Capital Holding, shall be a person of high integrity, independence, and professionalism. The whistleblowing reports are received by the External Partner who communicates the contents of the report on a strictly confidential basis to a designated employee in the East Capital Group's legal department (the "Designated Employee"). The Designated Employee shall be appointed by the CEO of East Capital Holding.

There has been no whistleblowing during the period.

Custom Disclosures: Climate-related disclosures

Climate change is an extraordinary challenge faced by our generation and future generations. The scope and size of threats it poses to our societies with multiple environmental and social critical dimensions, combined with the global nature of the issue make it a key priority in the United Nations 2030 Agenda for Sustainable Development.

The impact of climate change is already here and will increasingly be felt by the financial sector, in the wake of climate adaptation and climate change mitigation requirements. This impact implies risks and opportunities for companies, for asset managers and ultimate beneficial owners alike, which we believe must be properly assessed and managed.

The financial sector at large, including the investment management sub-sector, has been part of the problem when financing sectors and companies whose impact is not compatible and conducive to sustainable practices and development. As a financial market participant, we therefore prioritise these issues. East Capital Group became a signatory of CDP in 2014 and is an active participant of the annual Non-Disclosure Campaign since 2019. We joined Climate Action 100+ in 2018, we became a supporter to the Task Force on Climate-Related Financial Disclosures (TCFD) in 2019, and we are a member of the Institutional Investors Group on Climate Change (IIGCC) since 2020. Espiria joined the Net Zero Asset Management Initiative in 2021. We became a supporter of Transition Pathway Initiative and joined the Net Zero Engagement Initiative in 2022.

Governance – Disclose the organisation’s governance around climate-related risks and opportunities

East Capital Group has a well-established governance structure that is led by the Board. Among the Board’s responsibilities is the formulation of the company purpose, namely, to be “Working for Positive Change”. The Board of East Capital Holding AB, the parent company of East Capital Group, is ultimately responsible for the long-term stewardship of the Company.

The Board has enacted a Climate Change Policy which describes our approach and defines our climate framework, consisting of four pillars:

- We integrate climate risks in our investment analysis
- We mobilise active ownership efforts
- We have specific exclusion and negative screening in our portfolios
- We engage with stakeholders such as regulators and governments

The Board is accountable for the Climate Change Policy and the monitoring of its implementation. The policy is reviewed annually, is an Appendix to the East Capital Group ESG Policy which is available on our websites.

The Management Group led by the Chief Executive Officer (CEO) is in charge of developing the work deriving from the Climate Change Policy. The Chief Sustainability Officer (CSO) is a member of the Management Group and reports directly to the CEO. The CSO is responsible for the development of strategies and policies, as well as methods and tools relating to climate change. The CSO’s role is also to keep the organisation informed about global trends and industry developments relating to climate. The CSO reports on the delivery of our climate change work and progress to the Board on a quarterly basis. Members of the management team are accountable through the performance appraisal system for their part in delivering East Capital Group’s climate change related strategy.

Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material

Climate change has been a strategic focus for many years. In 2019 we became a supporter to TCFD. Our approach to the fossil fuel industry has for several years included negative screening within most strategies (East Capital Global Emerging Markets Sustainable, East Capital Multi-Strategy, all Espiria funds) and climate action focused engagement activities with large CO2 emitters in other strategies.

Climate change represents serious risks to our business but also opportunities over the short, medium and long term. We have identified the following risks:

- Market and regulatory risks, which consist of transition risks in terms of value at risk for all strategies and particularly the ones with elevated carbon risk, i.e., strategies which invest in greenhouse gas intensive sectors
- Physical risks in terms of value at risk for all strategies investing in real assets as well as public equities' exposure to assets, including in the financial sector, in regions deemed to be vulnerable to physical weather events and climate patterns changes
- Carbon risks of our client base in terms of top-line and bottom-line exposure to fossil fuel dependent clients, such as sovereign wealth funds from oil-dependent nations
- Reputational risks if we do not address and manage climate-related risks adequately

We have identified the following opportunities:

- Investment in companies which are solution-providers for climate mitigation and climate adaptation
- Increased client demand for strategies well-positioned to benefit from the greening of economies and for sustainable investment products
- Increased client interest in the active ownership efforts and achievements we have had in engaging with companies with elevated carbon risk, either directly or through collaborative engagements such as Climate Action 100+

Management of these risks and opportunities is integrated across investment processes, business strategy and operations. The impact of these risks and opportunities is considered in the portfolio construction, management and monitoring process, and while defining business priorities such as launch of new fund strategies, decisions of which markets for business development to focus on, focus of marketing and communication activities, as well as budget and resources for responsible investing activities.

By December 31, 2024, strategies which formally exclude investments with fossil fuel involvement represented 48% of our assets and 59% of our derived revenues (gross profit per fund). The remaining 52% consisted of assets where there are or could potentially be higher carbon risks. We maintain engagement criteria for companies in key sectors not currently on a credible net zero emissions trajectory.

As of December 31, 2024, based on Morningstar estimates, our exposure in East Capital Group's funds over a 12-month average period to fossil fuel (as well as fund category's exposure), carbon intensity (for funds with high enough coverage) and involvement in carbon solutions corresponded to the following:

Strategy	AUM Covered - Carbon (%)	Average Fossil Fuel Involvement Fund	Average Fossil Fuel Involvement Category	Carbon intensity	Carbon intensity	Carbon Solutions Involvement (%)
				Fund	Category	
East Capital Global EM Sustainable	86.3	0.7	4.2	55.8	159.5	11.9
East Capital Eastern Europe	83.8	0.0	7.1	93.2	131.7	3.0
East Capital New Europe	80.8	0.8	9.5	95.9	162.0	2.8
East Capital China	81.7	0.0	3.6	85.4	213.8	11.4
East Capital Balkans	65.5	2.3	9.5	304.3	162.0	0.0
East Capital Global Frontier Markets	62.5	1.9		39.3	225.6	0.0
East Capital Multi-Strategi	67.5	2.2	9.1	62.8	176.9	6.5
Espiria 60	71.0	2.4	3.3	29.6	57.9	10.6
Espiria 30	57.4	1.2	5.6	82.3	65.4	7.2
Espiria Global Innovation	92.6	0.0	6.2	31.0	87.0	10.6
Espiria 90	87.2	1.8	3.6	25.6	64.5	13.4
Espiria Hållbar Framtid	94.8	0.0	6.2	60.8	87.0	25.7
Espiria Nordic Corporate Bond	41.3	0.0	11.7	53.5	142.2	5.4
Adrigo Small & Midcap L/S	34.1	10.0	7.5	618.0	118.6	2.6

Source: Morningstar, January 31, 2025

The primary means by which we incorporate climate-related risks and opportunities into investment processes is through ESG integration and active ownership. The investment teams are accountable for identifying material climate- and other sustainability-related risks and opportunities in the portfolios. Members of the investment teams are accountable through the performance appraisal system.

We have not yet conducted climate-related scenario analysis on group level nor analysed the resilience of our strategy, taking into consideration different climate-related scenarios, including a 2 degrees or lower scenario.

Risk management - Disclose how the organisation identifies, assesses and manages climate-related risks

Overall risk appetite of the East Capital Group as defined and approved by the Board is low-to-medium. Climate risks are identified in our portfolios using the following tools:

- Our *proprietary framework* covers a range of environmental issues including specific climate change's impact and dependency (double materiality) aspects. They form part of the overall East Capital ESG score that emerging and frontier market companies will get, and of the EQSS for Espiria holdings which we use in our risk management and stock allocation processes. The East Capital ESG scorecard and EQSS are also used to identify weaknesses in terms of practices and disclosure on specific topics which in turn will become active ownership priorities when/if they are assessed as material risks. We manage climate risks by downgrading ESG or EQSS scores where relevant and engage with companies where risks are high.
- When developing and using proprietary analytical tools, the issue of low *disclosure* from issuers becomes acute. A main limitation to assess carbon pricing impact is the lack of reliable self-reported emissions data. This in turn has become a priority in terms of engagement with portfolio holdings.

Risks are managed with the following approach:

- *Negative exclusion screening* related to fossil fuel in most of East Capital Group's strategies
- *Norms-based screening* related to among other controversies of environmental nature for all strategies, which will lead to engagement with the companies or to divestment in case engagement is deemed as not being possible or conclusive
- *Stock selection* taking into consideration ESG scores and number of Red Flags
- *Active ownership efforts*: East Capital Group has engaged with companies for several years on climate action. Breakdown of engagement focus is provided in our annual sustainable investment report.

Climate-related risks were added to the risk management reports in 2023 and we aim to further enhance our processes for identifying, assessing and managing climate-related risks.

Metrics and targets - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

East Capital Group utilises proprietary tools and external estimates to measure climate-related risks and opportunities.

Metrics include corporate GHG emissions and climate metrics for our investments and vary by investment strategy. Our investment teams develop views on the materiality of specific sustainability related topics by primarily considering results of proprietary ESG research, and at times research from a variety of external sources.

We have developed proprietary measurement tools to deepen investment teams' understanding of material ESG risks, including climate risks.

Espiria joined the Net Zero Asset Management Initiative in November 2021 and filed its targets in October 2022. Espiria's initial commitment is that 60% of in-scope AUM will be managed in line with Net Zero, with three targets:

- By 2030, 70% of in-scope AUM invested in assets in material sectors that are achieving/ aligning / aligned to Net Zero (as of now: 31.4%, target by 2025: 45.9%). There were as of the date of filing 89 companies in material sectors (as defined by the IIGCC)
- By 2030, 50% reduction in weighted average carbon intensity (scope 1 and 2)
- Ensure 75% of financed emissions from material sectors are aligned to net zero pathways or under active engagement as of 2023.

Corporate CO2 Emissions

East Capital Group offsets its carbon emissions on an ongoing basis and identifies adequate investment projects to support communities in becoming carbon neutral. The Stockholm office pioneered this effort in 2010, and as of 2012, all offices are included in emission calculations and our efforts to reduce our climate impact. Our clear ambition is to actively decrease our environmental footprint. This means that we every year calculate our greenhouse gas emissions, according to the international standard Greenhouse Gas Protocol, implement measures to reduce our emissions and offset any remaining emissions. Our emissions are mainly related to business travel and offices.

In 2024 East Capital Real Estate's Tallinn office was awarded the Green Office certificate, recognizing the company's ongoing efforts to reduce its environmental impact and promote sustainable practices. The certificate, granted by the Estonian Association for Environmental Management, reflects the company's commitment to integrating eco-friendly solutions into its operations. While East Capital Real Estate has long focused on minimizing its environmental footprint, 2024 marked the year the company formally applied for the Green Office certificate, which acknowledges its dedication to sustainability and corporate responsibility.

During the years we have taken several systematic steps to reduce our environmental impact, and we choose more sustainable alternatives where possible. Examples include: using video conference calls as the preferred venue for most internal meetings requiring participation of more than one office, limiting unnecessary travel; using tablets and software for meeting notes and materials, facilitating knowledge sharing and eliminating unnecessary printing; recycling of waste in our offices; choosing eco-friendly options when procuring office supplies, fruit, beverages and other catering; imposing environmental criteria on our suppliers regarding their policies on low-emission company vehicles; using only eco-labelled electricity, heating and cooling on our business premises in Stockholm; and using eco-certified taxi companies when travelling by taxi.

We estimate our CO2 emissions related to our own combustion, transportation, electricity heating and business travels. We add 25% on top of these emissions in order to account for some foreign offices where we do not have exact data.

Our emissions in 2024 have decreased compared to 2023 and remain significantly below the pre-pandemic levels. We maintain our guidelines to reduce traveling and improve office management solutions to ensure a sustainable decrease in our emissions.

	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Total emissions, tCO2	675	677	73	181	268	141	135

The emissions that we are unable to eliminate are offset by carbon credits in various projects that generate renewable energy or have other positive sustainability effects in our investment universe. During the years, the projects that we have selected have contributed to several environmental and social benefits, including:

- Supporting the shift to low carbon renewable energy in Turkey through wind farms
- Reducing deforestation while improving local health and safety in Uganda through improved cooking stoves
- Increasing biodiversity and carbon sequestration capacity while supporting local employment in Georgia through reforestation using hazelnut forests

We offset double the actual generated emissions in the year, by investing in solar loans in Kenya, India, Uganda, Nigeria, Tanzania and Myanmar through TRINE, an impact fintech company, bringing finance to local solar entrepreneurs in emerging countries.

Portfolio climate metrics

We measure our portfolios' climate risks and impact using a tool provided by Refinitiv. The reason we have selected this tool is that contrary to other approaches, it looks at change in emissions for the current companies in our portfolios, rather than change in portfolio carbon footprint YoY. In this way we can isolate the impact that our current holdings are having in terms of real-world emissions reductions, rather than just reflecting changes in portfolio allocation.

We made this decision when we noticed that the carbon footprint of East Capital Global Emerging Markets Sustainable had reduced by around 40% from October to December 2022. This was purely driven by a rotation out of certain industrial names (mostly in the renewables value chain) into banks and technology companies. As such, we believe that we and our unitholders should be more concerned about how successful our current companies are in reducing emissions. This is an approach that is gaining traction in the broader investment world, for example the new Climate Action 100+ benchmark has added real world emissions reduction as one of their key benchmark items[1].

Besides, the Refinitiv tool only uses reported data, whereas most other solutions will use estimates. In our experience, especially in frontier and emerging markets, emissions estimates are inaccurate. We do ensure that we always show the coverage that we have in each fund, and how this is changing over time. For example, the percentage of East Capital Global Emerging Markets Sustainable portfolio reporting Scope 1 and 2 emissions has gone from 35% for 2020 data to 67% in 2022, 73% in 2023, and 77% for 2024. We expect this will grow further for 2025 reporting, in part thanks to the engagement efforts of investors such as East Capital Group. The only downside of this approach is that for funds with extremely low levels of reporting, for example East Capital Global Frontier Markets, the portfolio level numbers are fairly meaningless for the time being, for instance it is mainly only the larger banks that report emissions data, and they have very low Scope 1 and 2 emissions.

The tool assesses portfolios' alignment with the Paris Agreement based on a 7% annual reduction in Scope 1 + 2 absolute and relative emissions levels. While this side-steps the issue of starting points, we believe this slightly simplified approach does reflect what we are looking for – steadily decreasing emissions intensity across all our holdings. While we do look at and include Scope 3 emissions, we believe that the reported numbers are not accurate and comparable enough to set clear targets and expectations for the time being. We do not present emissions numbers for East Capital Russia, which has been suspended for trading since March 2022.

[1] https://www.climateaction100.org/news/climate-action-100-releases-the-latest-evolution-of-the-net-zero-company-benchmark/

Fund:	East Capital Global Emerging Markets Sustainable	Global Frontier Markets	New Europe	Balkans	China
Market value (m)	385	320	21	53	7
Currency	USD	USD	USD	USD	USD
Portfolio coverage % (Scope 1 and 2)	72	55	80	74	84
Portfolio coverage % (Scope 1, 2, and 3)	43	38	53	56	36
Portfolio alignment					
Absolute (Scope 1 and 2)	Not aligned	-Aligned	-Not aligned	-Aligned	Not aligned
Intensity (Scope 1 and 2)	Not aligned	-Aligned	-Aligned	-Not aligned	-Not aligned
Absolute (Scope 1, 2 and 3)	Not aligned	Not aligned	Not aligned	Not aligned	Not aligned
Intensity (Scope 1, 2 and 3)	Not aligned	Not aligned	-Aligned	Not aligned	Not aligned
% of Companies with Net Zero Reduction Targets	33	19	22	6	24
Weighted average Reduction Target % Coverage of Total AUM	48	51	57	52	53
GHG EMISSIONS ABSOLUTE ANALYSIS					
YoY Change in GHG Emissions (%, Scope 1 and 2)	4	-16	-1	-12	13
YoY Variance from Reduction Target (%, Scope 1 and 2)	-11	9	-6	5	-20
YoY Change in GHG Emissions (%, Scope 1, 2, and 3)	11	80	7	6	10
YoY Variance from Reduction Target (%, Scope 1, 2 and 3)	-18	-87	-14	-13	-17
GHG EMISSIONS INTENSITY ANALYSIS					
YoY Change in GHG Emissions (%, Scope 1 and 2)	5	-53	-8	-6	-3
YoY Variance from Reduction Target (%, Scope 1 and 2)	-12	46	1	-1	-4
YoY Change in GHG Emissions (%, Scope 1, 2, and 3)	12	2	-7	3	15
YoY Variance from Reduction Target (%, Scope 1, 2 and 3)	-19	-9	0	-10	-22
Total GHG Emissions 2023 (mt/CO2, Scope 1 and 2)	61	188	157	328	86
Total GHG Emissions 2022 (mt/CO2, Scope 1 and 2)	58	399	170	347	90
Total GHG Emissions 2023 (mt/CO2, Scope 1, 2 and 3)	671	318	1490	2587	228
Total GHG Emissions 2022 (mt/CO2, Scope 1, 2 and 3)	598	312	1605	2521	199
PORTFOLIO CARBON INTENSITY AND SECTOR 5YR CAGR					
5yr CAGR (%) :	17	8	29	25	-1

source: Refinitiv, 2025

	Espiria						Adrigo
Fund:	Espria 30	Espria 60	Espria 90	Espria Global	Espiria HF	Espria NCB	Adrigo
Market value (m)	199	141	142	69	124	3452	271
Currency	USD	USD	USD	USD	USD	SEK	SEK
Portfolio coverage % (Scope 1 and 2)	65	79	88	97	98	68	27
Portfolio coverage % (Scope 1, 2, and 3)	57	68	80	91	82	60	27
Portfolio alignment							
Absolute (Scope 1 and 2)	Not aligned	Not aligned	Not aligned	Not aligned	Not aligned	-Not aligned	Not aligned
Intensity (Scope 1 and 2)	-Not aligned	-Not aligned	Not aligned	Not aligned	Not aligned	-Aligned	Not aligned
Absolute (Scope 1, 2 and 3)	Not aligned	Not aligned	Not aligned	-Not aligned	-Aligned	Not aligned	Not aligned
Intensity (Scope 1, 2 and 3)	-Aligned	Not aligned	Not aligned	-Not aligned	-Aligned	Not aligned	Not aligned
% of Companies with Net Zero Reduction Targets	19	22	21	24	30	10	14
Weighted average Reduction Target % Coverage of Total AUM	54	58	58	60	63	48	34
GHG EMISSIONS ABSOLUTE ANALYSIS							
YoY Change in GHG Emissions (%, Scope 1 and 2)	4	7	7	4	7	-5	7
YoY Variance from Reduction Target (%, Scope 1 and 2)	-11	-14	-14	-11	-14	-2	-14
YoY Change in GHG Emissions (%, Scope 1, 2, and 3)	6	10	10	-1	-21	1	5
YoY Variance from Reduction Target (%, Scope 1, 2 and 3)	-13	-17	-17	-6	14	-8	-12
GHG EMISSIONS INTENSITY ANALYSIS							
YoY Change in GHG Emissions (%, Scope 1 and 2)	0	0	3	4	8	-8	5
YoY Variance from Reduction Target (%, Scope 1 and 2)	-7	-7	-10	-11	-15	1	-12
YoY Change in GHG Emissions (%, Scope 1, 2, and 3)	-8	35	7	0	-24	14	33
YoY Variance from Reduction Target (%, Scope 1, 2 and 3)	1	-42	-14	-7	17	-21	-40
Total GHG Emissions 2023 (mt/CO2, Scope 1 and 2)	33	34	29	26	57	2	41
Total GHG Emissions 2022 (mt/CO2, Scope 1 and 2)	33	34	28	25	53	2	39
Total GHG Emissions 2023 (mt/CO2, Scope 1, 2 and 3)	733	559	892	277	1573	141	70
Total GHG Emissions 2022 (mt/CO2, Scope 1, 2 and 3)	794	415	832	278	2081	124	53
PORTFOLIO CARBON INTENSITY AND SECTOR 5YR CAGR							
5yr CAGR (%) :	16	2	7	-1	17	62	56

31-12-2024

Activity Metrics

FN-AC-000.A

(1) Total registered and (2) total unregistered assets under management (AUM)

Total registered AUM was approximately EUR 3.4 billion as of December 31, 2024. Our registered AUM includes UCITS funds, special fund vehicles and segregated mandates for which fully owned subsidiaries of the East Capital Group stand as investment manager. We do not report on unregistered AUM.

FN-AC-000.B
Total assets under custody and supervision

East Capital Group does not have any assets under custody and supervision.

Initiatives, Commitments and Associations

East Capital Group or fully owned subsidiaries of the East Capital Group are signatories, supporters or members of the following organisations or initiatives:

- Advance
- ALFI Asian Corporate Governance Association (ACGA)
- Baltic Institute of Corporate Governance (BICG)
- Board Diversity Hong Kong
- CDP,Climate Action 100+
- Financial Sector Deforestation Action (FSDA)
- Investor Policy Dialogue on Deforestation (IPDD)
- IFRS Alliance
- IIGCC (The Institutional Investors Group on Climate Change)
- Nature Action 100
- Net Zero Asset Managers Initiative (Espiria)
- Net Zero Engagement Initiative
- Swedish Investment Fund AssociationSwedish Investors for Sustainable Development (SISD)
- SWESIF (Sweden's Sustainable Investment Forum)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Task Force on Nature-related Financial Disclosures (TNFD)
- Tobacco free portfolios
- 21 List
- Transition Pathway Initiative (TPI)
- UN Principles for Responsible Investment (PRI)
- United Nations Global Compact (UNGC)

Definitions and Acronyms

Advance: Advance is a stewardship initiative launched in 2022 where institutional investors work together to take action on human rights and social issues. Investors use their collective influence with companies and other decision makers to drive positive outcome for workers, communities and society.

CDP: Formerly called Carbon Disclosure Project, CDP is an international non-profit organisation based in the United Kingdom, Japan, India, China, Germany and the US that helps companies and cities disclose their environmental impact. It aims to make environmental reporting and risk management a business norm, driving disclosure, insight, and action towards a sustainable economy.

Climate Action 100+: A major global investor initiative, launched in 2017, that aims to help limit global warming to less than 2°C by engaging with more than 100 of the world's biggest GHG emitters. These systemically important emitters account for two thirds of global industrial emissions every year. The initiative engages with a further 60 or so companies that have a significant opportunity to drive the clean energy transition.

IFRS: The International Financial Reporting Standards is a not-for-profit, public interest organisation established to develop high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards. IFRS standards are developed by two standard-setting boards, the International Accounting Standards Board (IASB) and International Sustainability Standards Board (ISSB). The ISSB is committed to building on the work of existing investor-focused reporting initiatives—such as SASB Standards—to deliver a global baseline for sustainability disclosures to the capital markets.

IIGCC: The Institutional Investors Group on Climate Change (IIGCC) is the European membership body for investor collaboration on climate change.

Nature Action 100: Nature Action 100 is a global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss.
Investors participating in the initiative engage companies in key sectors deemed systemically important in reversing nature and biodiversity loss by 2030. It was conceived by a group of institutional investors known as the Launching Investor Group.

SASB: Sustainability Accounting Standards Board's standards are sector-specific reporting standards, covering ESG reporting criteria for 77 different industries. Each SASB standard defines a minimum set of ESG-related topics that are reasonably likely to affect a company's long-term performance based on the industry it operates within. East Capital Group's most relevant industry group is Asset Management & Custody Activities.

SDG: The Sustainable Development Goals (SDGs) are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.

TCFD: The Task Force on Climate-related Financial Disclosures (TCFD) is a framework that organisations can use to publicly disclose climate-related risks and opportunities to their businesses.

TNFD: The Taskforce on Nature-related Financial Disclosures (TNFD) developed a set of disclosure recommendations and guidance that encourage and enable business and finance to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. The recommendations and guidance enable businesses and finance to integrate nature into decision-making. Their aim is to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes, aligned with the Global Biodiversity Framework.

UNGC: The United Nations Global Compact, the world's largest corporate sustainability initiative, is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals.

UN PRI: The United Nations Principles for Responsible Investment (PRI) is an international organisation that works to promote the incorporation of environmental, social, and corporate governance factors (ESG) into investment decision-making.