

ANNEX I

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Korona Invest Oy, 2037737-4, Helsinki, Finland

Summary

Korona Fund IV Ky (3223687-8) considers the principal adverse impacts of its investment decisions on sustainability factors. This statement is a combined disclosure of the principal adverse impacts on sustainability factors by Korona Invest Oy, Korona Invest IV Oy, and Korona Fund IV Ky.

This disclosure of the principal adverse impacts on sustainability factors covers the reporting period from January 1, 2025, to December 31, 2025.

In the fourth fund, Korona Invest considers principal adverse impacts on sustainability factors as part of its investment decision-making and active ownership processes. Prior to making an investment, we seek to develop a comprehensive understanding of the target company and identify material sustainability-related risks and adverse impacts based on available information. Our assessment may include a review of the company's operating history, industry characteristics, geographic exposure, third-party analyses where available, and discussions with company management. In smaller companies, the assessment is primarily conducted through management discussions and our internal ESG due diligence process. We seek to avoid investments where principal adverse impacts on sustainability factors or related sustainability risks are assessed to be significant and difficult to mitigate through active ownership and operational development measures.

Description of the principal adverse impacts on sustainability factors

At Korona Invest, sustainability factors are integrated into ESG due diligence processes related to investment activities and corporate transactions. We consider it important that sustainability-related considerations are incorporated into portfolio companies' strategies and operational development, supporting informed investment and ownership decisions. Sustainability is viewed not only as a compliance-related obligation but also as a value creation opportunity. Appropriate sustainability-related actions may strengthen long-term company value, while insufficient management of sustainability-related matters may negatively affect valuation and risk exposure.

Sustainability efforts should be strategy-driven and reflected concretely in companies' decisions and actions. Capabilities should be developed beyond merely fulfilling mandatory obligations, with sustainability integrated as an essential part of companies' strategy and day-to-day operations. In many companies, this requires increasing expertise, stronger integration, training, and a broader cultural transformation.

The portfolio companies of Korona Fund IV Ky may generate adverse environmental impacts primarily through greenhouse gas emissions, waste generation, and the use of natural resources.

The assessment of principal adverse impacts on sustainability factors is based on information collected from portfolio companies, ESG due diligence processes, and materiality considerations. Korona Invest continues to develop the measurement, monitoring, and management of principal adverse impacts on sustainability factors as part of its responsible investment approach.

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	529 tCO2e	379 tCO2e		
		Scope 2 GHG emissions	68 tCO2e	66 tCO2e		
		Scope 3 GHG emissions	28 665 tCO2e	31 465 tCO2e	Scope 3 emissions calculation data remained partially incomplete, although data quality and accuracy improved compared to 2024.	The goal has been set for group-level Scope 1-3 emissions calculation in all our portfolio companies.
		Total GHG emissions	29 262 tCO2e	31 911 tCO2e	During 2025, Korona Fund IV invested in two new portfolio companies operating in sectors considered to have potentially significant climate-related impacts (C – Manufacturing and L – Real Estate Activities).	In collaboration with our emissions calculation partner, we improved the calculation process, data quality and analytical capabilities. The emissions factors used in the calculations were also further refined.
	2. Carbon footprint	Carbon footprint	586 tCO2e	744 tCO2e	Improvements in data accuracy and updates to the emissions factors used in the calculations affect the reported figures.	
	3. GHG intensity of investee companies	GHG intensity of investee companies	292 tCO2e /M€	348 tCO2e /M€		
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0 %	0 %		According to our investment policy, we exclude investments in companies operating 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	Renewable energy sources: 54 % Non-renewable energy sources: 46 %	Renewable energy sources: 52 % Non-renewable energy sources: 48 %		The objective is to further develop energy consumption monitoring and reporting practices within portfolio 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	0,0204 GWh /M€	0,0288 GWh /M€		
Biodiversity	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	0 %	0 %	Korona Fund IV does not have portfolio companies operating in biodiversity-sensitive areas.	
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0 t / invested M€	0 t / invested M€	Korona Fund IV does not have any portfolio companies causing emissions to water.	
Waste	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	0,91584 t / invested M€	0,02243 t / invested M€		

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0 %	0 %		
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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	0 %	33 %	The principles of the UN Global Compact have been substantively incorporated into the Code of Conduct principles of our portfolio companies.	
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	12 %	10 %		
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	Share of female board members: 9 %	Share of female board members: 8 %		Our objective is to ensure that the board of each portfolio company includes at least one board member representing each gender.
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 %		In accordance with our investment policy, investments in companies involved in controversial weapons are excluded.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Upon the establishment of the fund, we approved (7 June 2021) and integrated sustainability into our investment activities and consider, in addition to financial aspects, environmental, social, and governance-related matters in our investment decision-making. In accordance with our Responsible Investment Policy, updated in February 2021, we believe that portfolio companies operating responsibly represent more productive investment opportunities for our funds and investors through sustainable growth. The Responsible Investment Policy is binding for all Korona Invest personnel and guides our investment activities in identifying and considering principal adverse impacts on sustainability factors.

The objective of our active ownership approach is to increase the value of our portfolio companies by integrating sustainability factors into their growth strategies. Identifying company-specific material sustainability factors and actively addressing them helps reduce sustainability-related business risks and may also create new growth opportunities. We aim to identify material sustainability risks and their potential impact on shareholder value already during the investment phase.

Korona Invest's responsible investment process integrates sustainability factors and sustainability risks into investment activities and covers the following areas: commitment to responsible investment, ESG due diligence, active ownership, monitoring, reporting, and the consideration of sustainability-related aspects during the exit phase. Korona Invest applies complementary methods to identify and prioritise adverse sustainability impacts related to investments. In addition to considering sustainability risks, we exclude from our investment strategy companies operating in gambling, adult entertainment, tobacco, or weapons production.

Information related to the principal adverse impacts of investment decisions on sustainability factors and the related data is collected from portfolio companies through a separate ESG questionnaire. An external service provider and its reporting platform are used for data collection and analysis. Factors affecting data quality may include limitations in data availability and usability due to the maturity of portfolio companies, industry practices, materiality considerations, and available data sources. Korona Invest does not independently verify the information received from portfolio companies.

Engagement policies

The objective of the fund's investment activities is to achieve long-term returns through equity and debt investments in small and medium-sized unlisted companies across different sectors. The fund seeks to generate returns through increases in the value of portfolio companies and realised returns. The growth of portfolio companies and the resulting increase in value (or lack thereof) are the most significant factors affecting returns.

We have integrated the consideration of sustainability factors into our investment activities and, in addition to financial considerations, take environmental, social, and governance-related matters into account in our investment decision-making. We monitor material sustainability factors and risks in portfolio companies throughout the entire investment lifecycle.

Korona Invest is committed to responsible engagement and active ownership practices. The primary objective of our engagement activities is to support long-term value creation and effective risk management. We believe that portfolio companies operating responsibly represent more productive investment opportunities for our funds and investors through sustainable growth.

Korona Invest guides and monitors material sustainability-related targets of portfolio companies through board participation, including 1–2 board members nominated by Korona Invest. Portfolio company management is responsible for the implementation of actions and the remediation of ESG-related risks. Sustainability development activities may include management commitment, the identification of material ESG topics, the establishment of targets and KPIs, the development of communication practices, and ensuring adequate resources.

At the fund level, Korona Invest measures and monitors the principal adverse impacts of its investments on sustainability factors. Reporting covers the 14 mandatory principal adverse impact indicators required under the RTS as well as two voluntary additional indicators.

References to international standards

Korona Invest has signed the UN Principles of Responsible Investment (PRI), and these six principles are integrated into our approach to sustainable value creation:

1. Incorporating ESG issues into our investment analysis and decision-making processes
2. Being active owners and incorporating ESG issues into our ownership policies and practices
3. Seeking appropriate disclosure on ESG issues by the entities in which we invest
4. Promoting acceptance and implementation of the Principles within the investment industry
5. Working together with other investors to enhance the effectiveness of the Principles
6. Reporting on our activities and progress towards implementing the Principles.

Historical comparison

Factors to be considered in the historical comparison of Korona Fund IV Ky:

- Comparison between 1.1.-31.12.2024 – 1.1.-31.12.2025.
- Scope 3 emissions are not comparable, see Table 1 point 1.
- During 2025, Korona Fund IV has invested in two portfolio companies operating in sectors with a significant climate impact: C – Manufacturing and L – Real Estate Activities, which impacts on the reported figures.
- The emissions factors applied in the calculations were further refined by our emissions calculation partner.

Table 2

Additional climate and other environment-related indicators

Adverse sustainability indicator	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2025	Impact 2024
Indicators applicable to investments in investee companies				
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS				
Emissions	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	45 %	37 %

Table 3

Additional indicators for social and employee, respect of human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT OF HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTER				
Adverse sustainability indicator	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2025	Impact 2024
Indicators applicable to investments in investee companies				
Social and employee matters	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	14,00	15,00