

# Statement on principal adverse impacts of investment decisions on sustainability factors

**Financial market participant:** DevCo Partners Oy

## Summary

DevCo Partners Oy ("DevCo") considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of DevCo.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2025.

Principal adverse impacts are those impacts of investment decisions that result in negative effects on sustainability factors. Sustainability factors mean environmental, social and employee matters, respect for human rights, and anti-corruption and anti-bribery matters.

DevCo invests solely in investee companies and therefore considers the 14 mandatory indicators applicable to investments in investee companies, together with two additional indicators – one environmental (investments in companies without carbon emission reduction initiatives) and one social (rate of accidents).

During the reference period, the most material principal adverse impacts identified across DevCo's portfolio related to greenhouse gas emissions and the level of board gender diversity. DevCo didn't have any investments in the fossil fuel sector, any exposure to controversial weapons, any activities negatively affecting biodiversity-sensitive areas, or any violations of the UN Global Compact principles or the OECD Guidelines during the period.

DevCo addresses these impacts through its exclusion criteria, sustainability due diligence, active ownership and engagement, and sustainability performance reviews of its investee companies. DevCo is a signatory to the UN Principles for Responsible Investment and works with its companies to align their operations with the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises and the Paris Agreement.

## Tiivistelmä

DevCo Partners Oy ("DevCo") ottaa huomioon sijoituspäätöksensä pääasialliset haitalliset vaikutukset kestävyystekijöihin. Tämä ilmoitus on DevCon konsolidoitu ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin.

Tämä ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin kattaa viitekauden, joka alkaa 1. päivänä tammikuuta 2025 ja päättyy 31. päivänä joulukuuta 2025.

Pääasiallisilla haitallisilla vaikutuksilla tarkoitetaan sijoituspäätösten merkittävimpiä kielteisiä vaikutuksia kestävyystekijöihin, jotka koskevat ympäristöön, yhteiskuntaan ja työntekijöihin liittyviä asioita, ihmisoikeuksien kunnioittamista sekä korruption ja lahjonnan torjuntaan liittyviä asioita.

DevCo sijoittaa yksinomaan sijoituskohteena oleviin yrityksiin ja ottaa siten huomioon 14 pakollista sijoituskohteena oleviin yrityksiin sovellettavaa indikaattoria sekä kaksi lisäindikaattoria – yhden ympäristöön liittyvän (sijoitukset yrityksiin, joilla ei ole hiilidioksidipäästöjen vähentämistoimia) ja yhden yhteiskuntaan liittyvän (tapaturmataajuus).

Viitekauden aikana DevCon tunnistamat merkittävimmät pääasialliset haitalliset vaikutukset liittyivät kasvihuonekaasupäästöihin ja hallitusten sukupuolijakaumaan. DevCo ei ole sijoittanut fossiilisten polttoaineiden sektorille eikä sen yrityksissä ole altistumista kiistanalaisille aseille, biodiversiteetin kannalta herkkiin alueisiin kielteisesti vaikuttavaa toimintaa eikä YK:n Global Compact -periaatteiden tai OECD:n toimintaohjeiden rikkomuksia.

DevCo pyrkii vähentämään näitä vaikutuksia poissulkukriteerein, kestävyteen liittyvällä due diligence-arvioinnilla, aktiivisella omistajuudella ja vaikuttamisella sekä sijoituskohteiden vuosittaisilla kestävyyskatsauksilla. DevCo on YK:n vastuullisen sijoittamisen periaatteiden (UN PRI) allekirjoittaja ja toimii yhdessä sijoituskohteidensa kanssa niiden toiminnan mukauttamiseksi YK:n Global Compact -periaatteiden, OECD:n toimintaohjeiden ja Pariisin sopimuksen mukaisiksi.

## Description of the principal adverse impacts on sustainability factors

The table below sets out, for the reference period (1 January – 31 December 2025) and the previous reference periods (2024 and 2023), the impact of DevCo's investment decisions for each applicable indicator, an explanation of the figures, and the actions taken during the period together with actions planned and targets set for the next reference period. DevCo invests solely in investee companies; the indicators applicable to investments in sovereigns and supnationals and to investments in real estate assets are therefore not applicable and are not reported.

	Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
<b>Indicators applicable to investments in investee companies</b>							
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>							
<b>Greenhouse gas emissions</b>	1. GHG emissions	Scope 1 GHG emissions	1,479 tCO2e	972 tCO2e	1,694 tCO2e	100% of investee companies report on their emissions. For some companies, scope 3 data remain partially based on estimates and is refined as actual data becomes available.	All companies continued to refine their emissions calculations during the period, with a particular focus on scope 3. Each company is establishing a reliable emissions baseline and once established, will set quantified emission reduction targets to enable accurate performance tracking. The target is to have baseline and company-level targets in place by 2028.  Companies acted to reduce emissions by transitioning to more sustainable energy sources, investing in R&D for lower-impact products and improving material efficiency. DevCo encourages its companies to align their emission reduction targets with the Paris Agreement and to follow the Science Based Targets initiative's sectoral guidance.
		Scope 2 GHG emissions	2,613 tCO2e	2,264 tCO2e	2,720 tCO2e		
		Scope 3 GHG emissions	70,581 tCO2e	75,956 tCO2e	76,000 tCO2e		
		Total GHG emissions	74,673 tCO2e	79,372 tCO2e	80,414 tCO2e		
	2. Carbon footprint	Carbon footprint	31 tCO2e / m€ invested	46 tCO2e / m€ invested	70 tCO2e / m€ invested	The quality and accuracy of scope 3 data have improved significantly during 2023-2025.	Carbon footprint is monitored at an investee company level and tracked against the underlying emission and energy actions and targets (once set). See indicator 1 for actions taken and target setting.
3. GHG intensity of investee companies	GHG intensity of investee companies	136 tCO2e / m€ net sales	169 tCO2e / m€ net sales	311 tCO2e / m€ net sales		GHG intensity is monitored at an investee company level and tracked against the underlying emission and energy actions and targets (once set). See indicator 1 for actions taken and target setting.	
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	0%	Companies active in the fossil fuel sector mean companies that derive any revenues from exploration, mining, extraction,	In line with DevCo's Sustainability Policy, an investment opportunity is rejected if it currently generates, or is in the future likely to generate, a material share of its revenue directly from excluded industries or products. Fossil fuels are an excluded industry. The target is to maintain the indicator at 0%.	

	Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
						production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels.	
	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	60%	70%	62%	Renewable energy sources mean renewable non-fossil sources such as wind, solar and geothermal energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas.  Non-renewable energy sources mean energy sources other than those referred to above	Expanding the use of renewable energy is a key priority for companies in their efforts to reduce emissions, to the extent available in their specific locations. In 2025, renewable energy sources were added, but acquisitions impacted the base line. The target is to have an increasing trend in the use of renewable energy.
	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	0.0 GWh / m€ net sales	0.1 GWh / m€ net sales	0.1 GWh / m€ net sales	Impact is reported for high impact climate sector C i.e. Manufacturing for all investee companies	Reducing energy consumption is a key priority for companies in their efforts to lower emissions; energy efficiency measures are included in company-level sustainability roadmaps and implemented at a company level. The target is to have a decreasing trend in energy consumption.
<b>Biodiversity</b>	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	0%	0%	0%		DevCo companies do not have sites/operations in or near to biodiversity-sensitive areas. DevCo continues to assess biodiversity exposure as part of sustainability due diligence. The target is to maintain the indicator at 0%.

	Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
		negatively affect those areas					
<b>Water</b>	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0 tonnes / m€ invested	0 tonnes / m€ invested	0 tonnes / m€ invested	Data is available for the substantial majority of sites.	Based on available data and estimates there are no, or only minimal, emissions to water. The target is to maintain the indicator at 0.
<b>Waste</b>	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.0 tonnes / m€ invested	0.2 tonnes / m€ invested	0.1 tonnes / m€ invested		All companies have established recycling systems and action plans for minimizing hazardous and radioactive waste. In 2025, the companies continued executing their roadmaps. The target is to decrease the amount of hazardous and radioactive waste year-on-year.
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>							
<b>Social and employee matters</b>	10. Violations of UN Global Compact principles and 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%	0%		DevCo is represented on the board of directors of all its portfolio companies and provides operational support when needed. Through this involvement, DevCo has contributed to strengthening the governance processes of its portfolio companies. The target is to maintain the indicator at 0%.
	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/complaint-handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	0%		Governance related matters are a priority in DevCo's investee companies. All companies have established formal policies on responsible business practices. Through operational and board involvement DevCo has impacted the processes and mechanism. The target is to maintain the indicator at 0%.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	38%	36%	36%	Unadjusted gender pay gap means the difference between average gross	DevCo works with its companies to establish company-specific gender pay gap reduction targets and to monitor progress in the annual sustainability performance review. The target is to decrease the gender pay gap.

	Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
						hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees.	
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	22%	22%	22%		Diversity is considered in all board member recruitments. As a major shareholder, DevCo influences the composition of boards and seeks to improve board gender diversity over time. The target is to increase the diversity on the boards of DevCo's investee companies.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	0%		DevCo does not invest in companies involved in the manufacture or selling of controversial weapons; such activities are covered by DevCo's exclusion criteria. The target is to maintain the indicator at 0%.
<b>Other indicators for principal adverse impacts on sustainability factors</b>							
<b>Climate and other environment-related indicators</b>							
<b>Emissions</b>	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	100%	100%	100%	This additional environmental indicator was selected as material because several investee companies operate in the industrial manufacturing sector.	All DevCo companies have either set or are in the process of setting emission reduction targets. DevCo monitors and supports the target setting process through its board and operational involvement. The aim is to have targets in place by 2028.  None of the targets have been validated by the Science Based Targets initiative. DevCo encourages alignment with the Paris Agreement.
<b>Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters</b>							
<b>Social and employee matters</b>	Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	0.00	0.00	0.01	This additional social indicator was selected as material because several investee companies	All companies have established health and safety practices and processes and regularly monitor incident rates. DevCo monitors and supports progress through its board and operational involvement. The target is to maintain a low

	Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
						operate in the industrial manufacturing sector.	accident rate and to drive continuous improvement in workplace health and safety.

## **Description of policies to identify and prioritize principal adverse impacts on sustainability factors**

### **Approval of the policies**

The policies described in this section form part of DevCo's Sustainability Policy, which was approved by DevCo's Board of Directors on February 14, 2023. The policies are reviewed at least annually by DevCo's CFO, and any amendments are approved by the Board of Directors.

### **Allocation of responsibility within strategies and procedures**

Responsibility for implementing the policies to identify and prioritize principal adverse impacts is allocated as follows. The Board of Directors is responsible for establishing and monitoring compliance with DevCo's responsible investment and sustainability risk policies and for approving and overseeing the DevCo sustainability program and roadmap. The CFO is responsible for the development and implementation of DevCo-level sustainability work and for supporting the deal teams in their portfolio-company sustainability work. DevCo's partners are responsible for ensuring that their portfolio company complies with DevCo's responsible investment policy. Principal adverse impacts are identified and prioritized during the due diligence phase and are considered in investment decision-making by the DevCo Investment Committee and throughout DevCo's ownership period.

### **Methodologies for selecting indicators and for identifying and assessing principal adverse impacts**

DevCo considers all 14 mandatory indicators applicable to investments in investee companies. The two additional indicators are selected on the basis of a materiality assessment of DevCo's portfolio: the additional environmental indicator (investments in companies without carbon emission reduction initiatives) and the additional social indicator (rate of accidents) were selected because several DevCo investee companies operate in the industrial manufacturing sector. Where a materiality assessment indicates that further company-specific indicators are relevant, these may also be selected.

Initial screening based on DevCo's exclusion and positive screening criteria, and on the alignment of the company's industry with a sustainable future, is always carried out before proceeding to due diligence. DevCo then identifies and prioritizes principal adverse impacts during the due diligence phase by collecting data on the principal adverse sustainability indicators listed above and evaluating them as part of its standard sustainability due diligence.

In identifying and assessing principal adverse impacts, DevCo uses several methods, including industry analysis, company analysis, the engagement of external experts, and direct engagement with the potential investee company and its management. The significance of an impact is assessed in the context of the relevant industry and company. As part of this assessment, DevCo evaluates both the probability of occurrence and the severity of each potential adverse impact, including its potentially irreversible nature: impacts that are more likely to occur, more severe in scale or scope, or potentially irreversible (for example, certain environmental or human-rights impacts) are prioritized. Identified impacts are graded on a qualitative scale of low, medium or high, and a mitigation plan is prepared for material impacts.

Performance on the indicators is, as a primary alternative, assessed on the basis of actual data collected directly from investee companies. Where actual data is not available, third-party data providers, publicly available information, DevCo's own analysis and reasonable assumptions are used; where third-party estimates are used, the data is processed and validated by DevCo together with the investee company to the extent possible.

### **Data sources and margin of error**

The principal data sources are: (i) actual sustainability data collected directly from investee companies; (ii) third-party data providers, where actual data is not available; (iii) publicly available information; and (iv) DevCo's own analysis. Where relevant, DevCo appoints a third-party adviser to assist with sustainability due diligence and

to review the data provided by a company. Where information relating to any of the indicators used is not readily available, DevCo uses its best efforts to obtain it, either directly from investee companies or by carrying out additional research, cooperating with third-party data providers or external experts, or making reasonable assumptions.

Because some figures rely on estimates, evolving data coverage, and differing measurement practices at company level, the reported figures are subject to a margin of error. This margin is greater for indicators that depend on estimated or modelled data (in particular Scope 3 GHG emissions). DevCo seeks to reduce this margin of error over time by improving the coverage and quality of data obtained directly from its companies.

## **Engagement policies**

DevCo is a hands-on development partner for its companies, which is reflected in its engagement activities concerning principal adverse impacts. DevCo is always part of the board of directors of its companies and provides operational resources where needed. As a major shareholder it also influences the composition of the board. The dedicated deal team operating model enables DevCo to support and monitor closely the sustainability development of its companies. DevCo challenges its companies to improve on the identified principal adverse impacts and to set concrete targets to avoid or reduce those impacts. Performance is evaluated in an annual sustainability performance review, which includes a comprehensive sustainability data report from each company, including principal adverse impacts. All principal adverse impact indicators reported in this document are taken into account in DevCo's engagement policies.

Where the principal adverse impacts addressed through DevCo's engagement policies do not decrease over more than one reporting period, DevCo adapts and escalates its engagement. Such measures include requiring the investee company to adopt a specific, time-bound action plan and targets, increasing the prominence of the matter in board discussions, and allocating additional DevCo operational resources to support the company.

## **References to international standards**

As a signatory to the UN PRI, DevCo is committed to all six Principles and reports annually on its responsible investment activities in accordance with the UN PRI requirements. DevCo works together with its companies to ensure they comply with the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises. In respect of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises, adherence is binding within DevCo's investment process: companies that are in material or systematic violation of internationally recognized conventions, norms or protocols of the UN or OECD are excluded under DevCo's exclusion criteria, and compliance is assessed in sustainability due diligence and monitored throughout ownership. During the reference period, no investee company was involved in a violation of the UNGC principles or the OECD Guidelines (indicator 10: 0%).

DevCo aims to align its operations, and encourages its investee companies to align their operations, with the Paris Agreement and to follow the Science Based Targets initiative's sectoral guidance. Alignment is pursued and tracked on a company-by-company basis as part of the annual sustainability performance review. As at the reference period, the degree of formal alignment remains limited: the investee companies had not yet set carbon emission reduction initiatives or targets explicitly aligned with the Paris Agreement (the additional environmental indicator: 100% of investments in companies without such initiatives). DevCo's engagement focuses on establishing reliable emissions baselines and subsequently setting targets.

DevCo uses the indicators set out in the table above to measure adherence to, and alignment with, these standards – in particular indicators 10 and 11 (violations of, and lack of processes to monitor compliance with, the UNGC principles and OECD Guidelines), indicator 14 and the exclusion criteria (controversial weapons and excluded industries), and the additional environmental indicator (companies without carbon emission reduction initiatives aligned with the Paris Agreement). Adherence

is measured across all portfolio companies. The underlying data is collected primarily directly from the investee companies through the annual sustainability data collection, supplemented where necessary by third-party data and DevCo's own analysis. Because the assessment is based on company-level data and on the binding exclusion and due-diligence criteria applied before and during ownership, the methodology is forward-looking in the sense that it identifies, at the screening and due-diligence stage, the principal adverse impacts that an investee company is likely to present, and DevCo then monitors and engages on those impacts throughout the ownership period.

DevCo does not currently use a forward-looking climate scenario in this statement. Given DevCo's focus on a limited number of medium-sized private companies and the current maturity and coverage of company-level climate data, DevCo considers that the use of a specific forward-looking climate scenario would not at this stage provide reliable or decision-useful information across the portfolio. DevCo instead tracks Paris-alignment and emission reduction initiatives at company level and keeps the relevance of forward-looking climate scenarios under review as data coverage and quality improve.

## **Historical comparison**

This statement presents the impact for the reference period 2025 alongside the previous reference periods (2024 and 2023) in the table above. DevCo began considering the principal adverse impacts of its investment decisions on sustainability factors with effect from 1 January 2023. Historical comparative data is therefore available from the 2023 reference period onwards, and DevCo will extend the historical comparison with each subsequent reference period up to the last five reference periods, in accordance with the Delegated Regulation.

Where comparisons to earlier periods are affected by improvements in the coverage, quality or methodology of the underlying data, this is noted in the "Explanation" column.