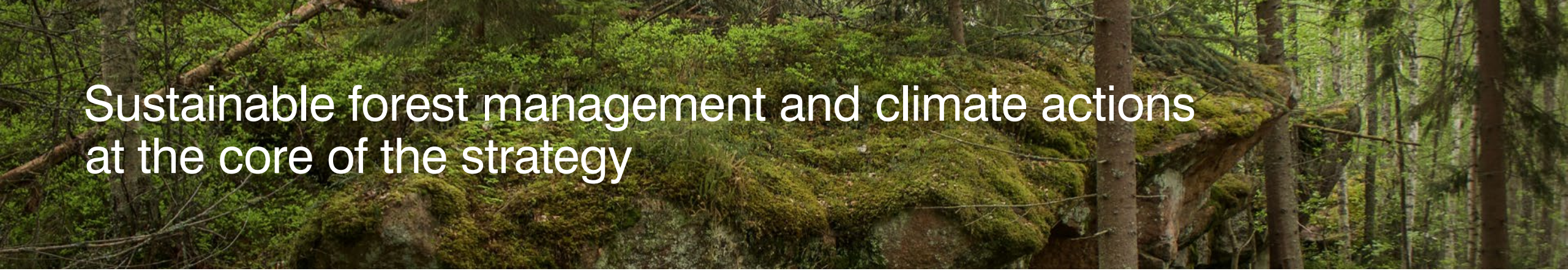
UB United Bankers

UB TIMBERLAND FUND AIF

Responsible Investment Report 2025

TABLE OF CONTENTS



Sustainable forest management and climate actions at the core of the strategy

The UB Timberland Fund (AIF) invests in Finnish forest properties with the objective to achieve long-term value appreciation. The fund is suitable for investors who wish to invest in Finnish forest real estate with the aim of stable returns from harvesting income and the appreciation of growing stock. Alongside financial returns, the fund's objective is to generate positive climate and environmental impacts.

United Bankers aims to be among the leading actors in sustainable forest investment and management. Good growth and the health of the forest are cornerstones for our forest management practices. The fund aims to contribute to climate change mitigation, improve forest biodiversity, and manage water-related impacts. Biodiversity in commercial forests can be influenced through actions that strengthen nature ecosystems, conservation, and restoration. Taking care of the forest's health, growth capacity, and diverse ecosystems is also part of effective sustainability risk management. For example, climate change has the possibility to impact forest assets in many ways. As the climate changes, conditions in forests are altered, which directly affects the survival possibilities of different species. Forest management can respond to this change by, for example, diversifying tree species composition and increasing the resources that different forest species need, such as deadwood and the level of competition between species. Climate change is therefore directly linked to the planning and implementation of practical forest management measures.

Economic sustainability of the fund's assets is ensured by maintaining forests as vital and productive. Forest management is carefully planned and timed to increase forest growth and returns with the goal of developing the forest's carbon stock over the long term. Harvesting is planned and carried out in a sustainable manner to preserve the forest capital. Forest growth can also be improved through fertilisation on sites considered suitable. Forest management solutions are based on scientific knowledge.

The fund's forests are certified in accordance with FSC® (FSC-C109750) and/or PEFC™ certifications. The certification requirements are integrated into daily operations, and compliance is monitored by an independent third party.

UB Timberland Fund (AIF) – key sustainability figures 2025	
Total area	100,613
Change in hectares compared to previous year, %	2.9%
FSC certification, % of properties	85% (85,606 ha)
PEFC certification, % of properties	100% (100,613 ha)
Protected forest, ha	7,018
Private conservation areas, ha	614
Forest carbon stock, tCO_2[1]	-83,308,477
Annual carbon sink, tCO_2/ha/year	-2.2
Total carbon impact, tCO_2/year	-299,844
Carbon intensity, tCO_2/invested MEUR[2]	16.89
Net carbon impact of investments, tCO_2/invested MEUR	-558.31
Carbon sink (carbon balance including soil carbon sequestration, forest growth and realized harvests), tCO_2/year	-179,711
Share of investments aligned with the EU taxonomy	93%
UN Global Compact violations	0%

[1] A positive value represents an increase in the amount of carbon dioxide in the atmosphere, and a negative value represents a decrease. | [2] The fund's carbon intensity (Financed Emissions) is calculated in accordance with the PCAF methodology and is based on emissions. The fund's emissions and net carbon impact are reported separately.

Portfolio Manager’s comments

The operating environment in recent years has been characterised by geopolitical uncertainty, which is also reflected in forest investing. The importance of domestic forest resources and the availability of renewable raw materials have been emphasised as global supply chains have demonstrated their vulnerability. Forests provide stability in an environment where many other asset classes have become more susceptible to volatility.

In Europe, perceptions of the importance of forests have broadened in recent years. Previously, forests were seen primarily as a tool of environmental and climate policy, but they are now assigned a broader role as part of economic and security policy. Strengthening competitiveness, energy self-sufficiency and security of supply requires the sustainable utilisation of renewable natural resources. In this respect, forests play a central role. In Finland, forests are increasingly viewed as part of overall national security and as a strategic raw material base.

The outlook for the forest industry is mixed. Traditional products are cyclical, while at the same time demand for bio-based materials is growing due to the green transition and population growth. In the long run, demand for wood is supported by investments in the forest industry and increased domestic utilisation of wood following the end of imports from Russia. At the same time, forest damage in Europe and supply constraints support the position of Finnish wood raw material. In 2025, harvesting volumes in Finland remained close to the levels of previous years, and the forest property market remained stable as investor demand continued to be strong.

The growth and value development of timber continue to be the key source of returns in forest investments, but alongside them new revenue streams are emerging, such as renewable energy projects and real estate development. Forest management combines financial returns, the strengthening of carbon sequestration and the promotion of biodiversity. In the future, nature value markets may offer new opportunities for forest investors.

Climate change is also reshaping the investment environment and the allocation of capital. Forests are an important asset class in this transition: they sequester carbon, produce renewable raw materials and enable new business models, for example in renewable energy projects. At the same time, they support the climate objectives of investment portfolios.

The importance of sustainability issues in investing is evolving. Internationally, development is diverging, but in Europe regulation and market practices continue to steer toward sustainable solutions. For forest investors, sustainability is a natural part of risk management and competitiveness. Through sustainable and planned forest management, it is possible to influence forest health and growth, climate resilience and the social acceptance of forest use.

Impact investing is also becoming an increasingly central part of forest investing. United Bankers’ objective is to achieve stable long-term returns by adhering to principles of sustainable forest management, while at the same time promoting climate change mitigation and biodiversity. The fund signed up to the Operating Principles of Impact Management (OPIM) in 2025 to further support this development.

This report provides an overall view of the sustainability work of United Bankers’ forest funds and its key focus areas.

Anniina Kostilainen Portfolio Manager, Head of Forest Sustainability

Forests as Impact Investments

United Bankers' forest funds are committed to making impact investments that aim to achieve both financial returns and measurable environmental benefits. Strategic impact is an integral part of the funds' performance and is closely linked to the investment strategy. The guiding principle of the funds' investment strategy is select forest properties where the growth potential of the stock is combined with the potential to generate climate and biodiversity benefits.

In 2025, United Bankers became a signatory to the Operating Principles of Impact Management (OPIM). OPIM is a global initiative, and the set of principles help investors structure their impact investment process to bring transparency to how investments will deliver positive environmental and/or social impacts alongside financial returns. The fund is also categorised as an Article 9 fund under SFDR and makes sustainable investments in economic activities that qualify as environmentally sustainable under the EU Taxonomy regulation.[1]

In 2025, United Bankers developed the fund's own **impact model (Theory of Change)**, through which the fund sets its impact objectives and follows their systematic integration, monitoring and evaluation. The development of impact metrics will continue during 2026, particularly in relation to biodiversity. The biodiversity roadmap initiated by United Bankers in 2025 supports this work.

The fund's forest management is based on scientific research and on forest management recommendations that are widely used in the forest sector and have been developed in extensive cooperation between stakeholders and researchers.

The fund's objective of increasing forest carbon stocks and strengthening carbon sinks over the long term is achieved through planned forest management measures. Good quality forest growth is encouraged by selecting management methods and their timing based on site-specific characteristics, as well as the fertilisation on selected areas suffering from nutrient deficiencies. Harvesting is planned in such a way that carbon sequestration in forests can be increased over the long term, and the fund's forests contribute to climate change mitigation.

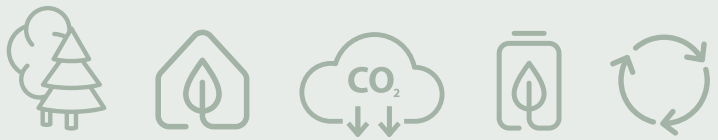
Forest certification, nature targets set for commercial forests, the protection of forest nature and restoration are all tools aimed at creating forests that are more diverse in both structure and characteristics than before. Structurally diverse forests provide forest species with the habitats they require and are more resilient to climate change. The measures carried out by the fund support the adaptation of forests to climate change and strengthen forest biodiversity.

[1] The fund's annual report discloses the share of the fund's investments that are aligned with the EU taxonomy (93% in 2025). For an economic activity to be considered environmentally sustainable under the EU taxonomy regulation, it must substantially contribute to one or more environmental objectives defined in the regulation and must not significantly harm any of the other environmental objectives. The "Do No Significant Harm" principle is applied to this fund's investments, as they take into account the EU criteria for environmentally sustainable economic activities.

IMPACT MODEL OF FOREST INVESTING

Investing in Nordic forests + UB Forest Management Model
Pre-defined impact metrics + monitoring

Objectives and actions	Outcomes	Indirect and wider impacts
Use of native and climate-resilient tree species in regeneration	Maintenance of the biodiversity of the natural forest ecosystem	Climate change mitigation
Forest management in line with PEFC and FSC standards	Increased structural diversity of forests (age and structural variation)	Climate change adaptation
Buffer zones for water systems and habitats	Safeguarding and improving species habitats	Supporting the bioeconomy and substituting fossil-based and virgin materials
Retention trees and structural habitat features	Strengthening forest health and climate resilience	Slowing biodiversity loss
Retained habitat patches	Improving the condition of habitat types	Maintaining and safeguarding the provision of ecosystem services
Increasing the share of deciduous trees	Improved success of regeneration and growth conditions	
Increasing the quantity and quality of deadwood	Diversification of tree species composition	
Site-specific and timely forest management plans	Maintenance and strengthening of forest carbon stocks over the long term	
Site-specific selection of management methods	Production of high-quality timber	
Continuous cover forestry on fertile peatlands		
Voluntary conservation		
Ecological restoration initiatives		
Targeted health fertilisation where justified		



The fund’s forests are a significant carbon sink

The fund’s objective is to mitigate climate change through sustainable forest management. The fund’s carbon impacts are monitored through annual carbon balance calculations. In addition, the fund utilises long-term modelling in the planning of forest management and the carbon balance.

Direct and indirect climate impacts

Forests that act as carbon sinks form the foundation of the sustainable wood value chain. In the assessment of the fund’s climate impacts, both the forest carbon sinks and the climate impacts of the use of harvested wood are considered.

The calculations account for the annual growth the forest stock, harvesting and forest management measures carried out during the year, and emissions from harvesting, transportation, and production. In the calculations, the estimated substitution effects of end products have also been presented separately. The source information for the calculations consisted of the fund’s forest asset data at the end of 2025 and realised harvesting and management measures. More detailed information on the calculation methods is available on the fund’s website.

DIRECT CLIMATE IMPACTS OF THE FUND

Forest tree stock growth binding CO_2

Forest soil binding CO_2

Forest soil releasing CO_2

Operative CO_2 emissions

INDIRECT CLIMATE IMPACTS

Carbon storage in wood-based products

Substitution of fossil materials and energy

Forest carbon balance:
tree growth – harvested trees + increase & decrease of carbon in forest soil

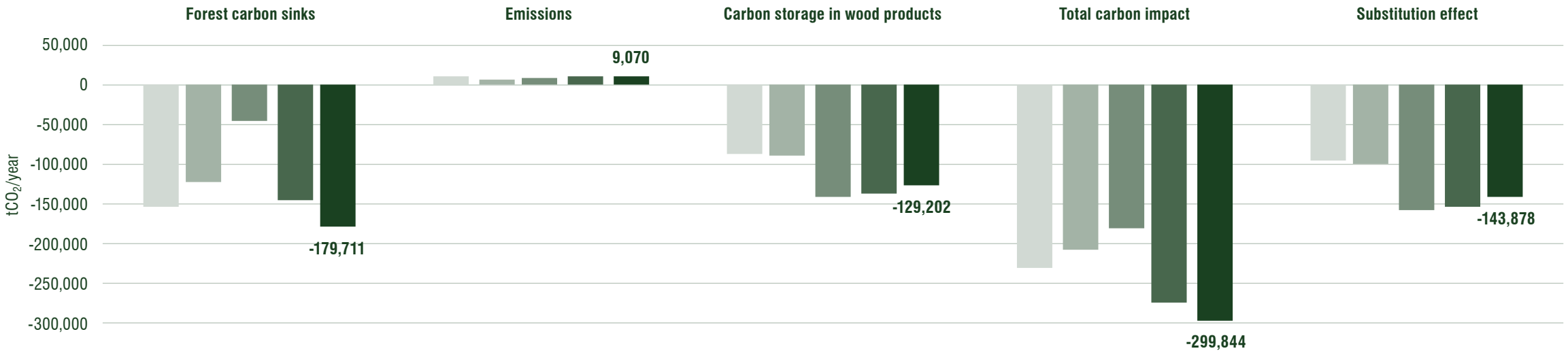
➡ **Positive** ➡ forest is a carbon sink

➡ **Negative** ➡ forest produces emissions

➡ Positive climate impact can be enhanced by the use of wood in the value chain

ANNUAL DIRECT AND INDIRECT CLIMATE IMPACTS OF UB TIMBERLAND FUND (tCO_2/year)

A positive value reflects an increasing amount of carbon dioxide in the atmosphere and a negative value a decreasing amount. 2021 2022 2023 2024 2025



	2022	2023	2024	2025
Forest carbon stock includes carbon stored in trees and forest soil	-61.4 $MtCO_2$ Includes a total of 69,754 ha of forestry land, of which 11,124 ha is unproductive scrub and wasteland.	-68.8 $MtCO_2$ Includes a total of 79,324 ha of forestry land, of which 12,501 is unproductive scrub and wasteland.	-83 $MtCO_2$ Includes a total of 95,323 ha of forestry land, of which 14,718 ha is unproductive scrub and wasteland.	-83.3 $MtCO_2$ Includes a total of 95,612 ha of forestry land, of which 14,751 ha is unproductive scrub and wasteland.
Average annual forest carbon sink after annual harvesting removals. Includes carbon sinks of both forest stands and soil	-2.1 tCO_2/ha/year	-0.7 tCO_2/ha/year	-1.8 tCO_2/ha/year	-2.2 tCO_2/ha/year
Average annual carbon impact including the forest carbon sink and carbon stored in wood products, and taking into account emissions caused by harvesting, timber transport, and the production of wood products	-3.6 tCO_2/ha/year	-2.7 tCO_2/ha/year	-3.4 tCO_2/ha/year	-3.7 tCO_2/ha/year
Carbon footprint (scope 1-3) carbon emissions	4,861 t/CO_2/year	8,402 t/CO_2/year	9,927 t/CO_2/year	9,070 t/CO_2/year
Carbon intensity carbon emissions relative to assets under management (AUM)	14.25 t/CO_2/MEUR AUM	19.22 t/CO_2/MEUR AUM	21.15 t/CO_2/MEUR AUM	16.89 t/CO_2/MEUR AUM
Net carbon impact / invested MEUR	-618.25 t/CO_2/MEUR AUM	-419.05 t/CO_2/MEUR AUM	-590.07 t/CO_2/MEUR AUM	-558.31 t/CO_2/MEUR AUM

Key results:

- The results for 2025 show that the fund's forests constitute a significant carbon stock: the carbon stock of the forest assets owned by the fund at the beginning of 2025 amounted to approximately 83.3 million tCO_2 at the end of the year. Of this, approximately 14% was bound in tree biomass and the remainder in soil.

- Of the wood harvested from the fund's forests during 2025, an estimated 129,202 tCO_2 will be stored in new wood-based products.

- The forest carbon balance in 2025 was approximately -179,711 tCO_2 when soil carbon sequestration, forest growth, and realised harvests are taken into account.

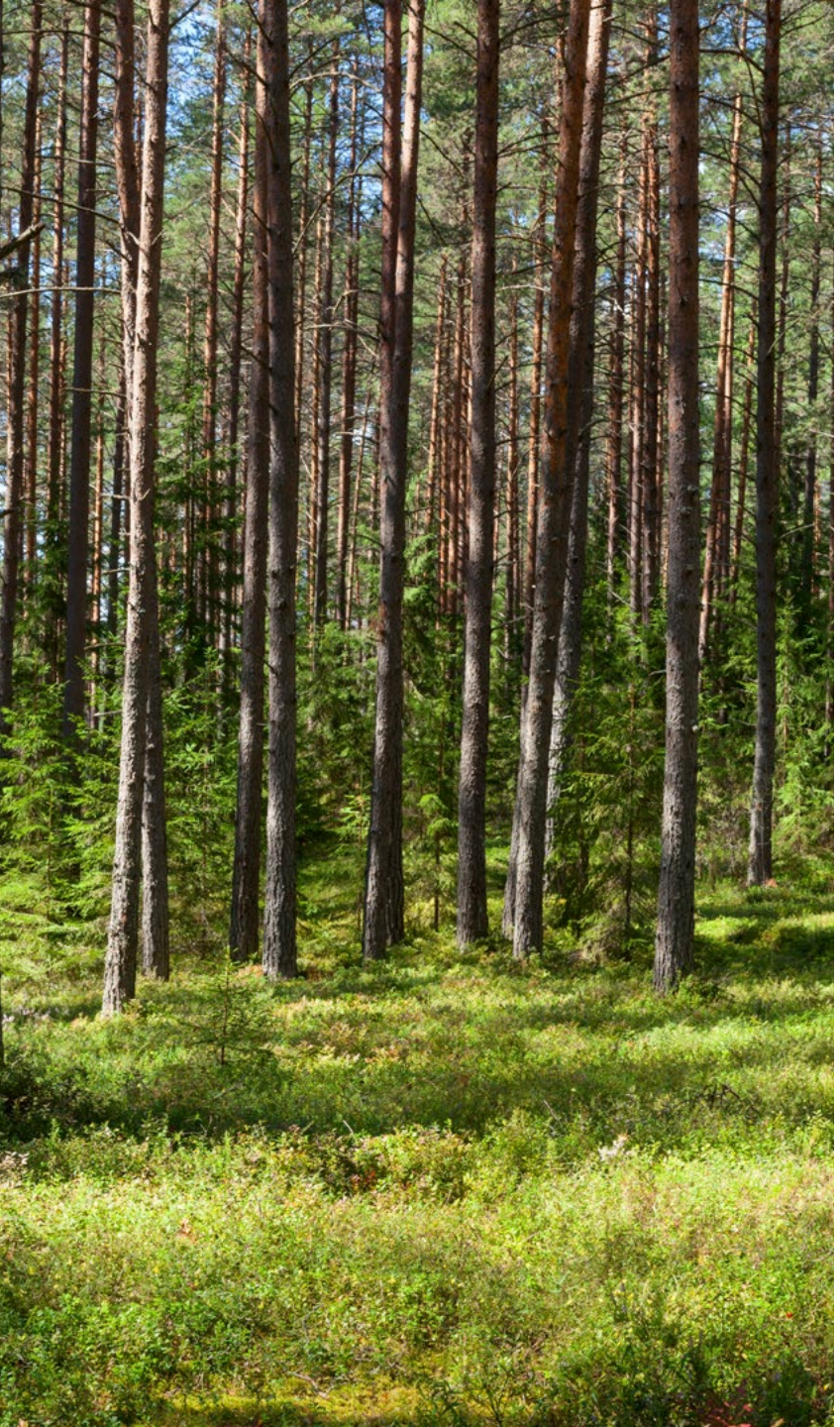
- When emissions arising from harvesting, transportation, and forest management measures are deducted from the annual forest carbon balance and the carbon stored in wood products, the fund's annual positive climate impact is 299,844 tCO_2. This corresponds to the average annual carbon footprint of approximately 31,200 Finns (on average 9.6 tCO_2 per capita, Finnish Environment Institute 2023).

The results show that the fund's forests functioned as a carbon sink in 2025. The timing of the realised timber harvests and the increase in harvests due to the fund's expansion cause natural variation in the carbon balance between years. In addition, changes in the age distribution of the fund's forests affect harvesting intensity and, through that, the carbon balance. Sustainability factors are taken into account in the fund's long-term harvesting plan.

In the carbon balance calculation process, the substitution effects of manufactured products were also assessed. The substitution effect describes the avoided carbon emissions resulting from the use of wood raw material when wood replaces fossil-intensive products. The substitution effect from the timber assortment yield of harvests in 2025 amounted to approximately 143,878 tCO2, when the use of wood-based end products and bioenergy were accounted for. Because the methodology for the substitution effect differs from forest carbon balance calculation, the substitution effect is presented separately and has not been included in the total carbon impact. However, the positive climate impacts generated by the forests owned by the fund increase further when the substitution effect is taken into account.

Long term development of the carbon sink

The fund has modelled the development of its carbon sink over the long term. The results show that the fund's forest management methods enable long term carbon sink growth and leads to a greater increase in carbon sinks compared to average Finnish forest management. These more favourable climate impacts are influenced by a higher than average FSC certification rate (85% in the fund, on average approximately 12% in Finnish forests), active and timely forest management and stand-specific treatment decisions, the timing of harvests, the favouring of continuous cover forestry on fertile peatlands, and the implementation of growth and ash fertilisation.



Certification is a sign of high-quality forest management

All forest properties of the fund, totalling 100,613 hectares, are PEFC™ certified and additionally approximately 85 percent of them are FSC® certified (FSC-C109750)*. Certifications are an important tool, as they can be used both to guide practical operations and to demonstrate the responsibility of forest management from economic, social, and ecological perspectives. Operations are reviewed regularly in connection with certification audits. Responsible forest management is today also a prerequisite for access to wood markets, and it brings predictability to operations and increases the acceptability of the economic use of forests.

Independent auditing with field visits ensures that the management of the fund's forests meets the certification criteria. In 2025, an FSC audit was carried out for the fund. One deviation was identified in the audit, which has been resolved between the group certificate manager (UPM) and the auditor.

FSC
www.fsc.org
FSC® C109750
The mark of responsible forestry

Biodiversity of forest nature is part of productive forest management

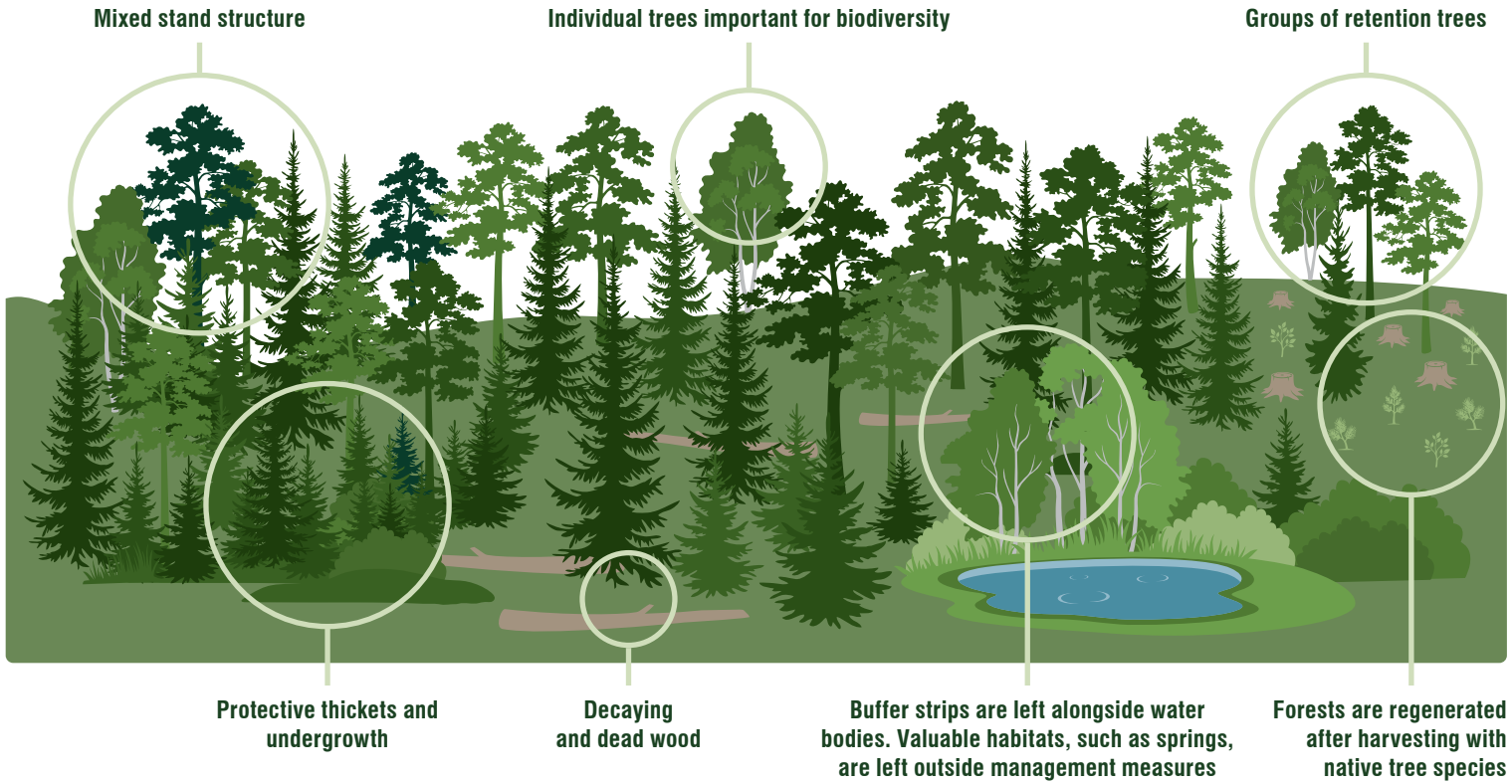
Safeguarding biodiversity is a central part of the fund's forests management. Biodiversity directly affects the forest's ability to generate value in the long term. The soil, water systems, and species composition of a diverse forest support forest growth. A diverse forest ecosystem is able to adapt to a changing climate and extreme weather events and to protect itself better from different sources of damage.

The fund's forest operations are planned and implemented to account for the natural values of the environment. Biodiversity can be improved by many means at different stages of forest development. Different species benefit when structural features typical of natural forests, such as deadwood, shelter thickets, and structural variation of tree stands, are increased in commercial forests. In addition to common species, strengthening structural features also improves the living conditions of many threatened species. In a structurally diverse commercial forest, timber production and a viable natural environment are combined. The fund's measures to support biodiversity are based on scientific research.

Prescribed burning is carried out in forests in accordance with FSC certification requirements in order to increase biodiversity by providing habitats for organisms that thrive in burned forests. Prescribed burning also increases the amount of nutrients in the forest, promoting tree growth and the sequestration of carbon from the atmosphere.

Securing valuable habitats is essential for biodiversity. Buffer zones for water bodies protect both the water bodies themselves and the species located in the vicinity that are different from the surrounding environment. In addition, the aim is to positively influence the state of the fund's forest nature by increasing the quantity and quality of deadwood, leaving retention trees and shelter thickets on harvesting areas, and diversifying tree species composition. In the fund's forests, harvest residues are aimed to be left in the forest as nutrients for new tree stands. The fund's objective is also to increase the share of deciduous trees in its forests towards 20% and to favour continuous cover forestry on fertile peatlands.

ACTIONS FOR SAFEGUARDING BIODIVERSITY AT STAND LEVEL

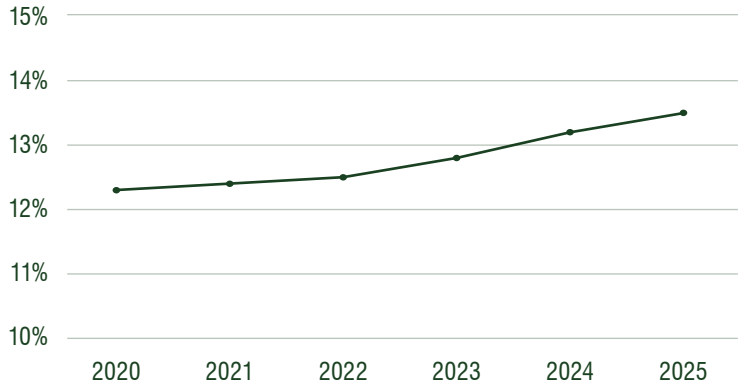


Native tree species form the basis for the biodiversity of forest ecosystems. Each tree species has species that are directly or indirectly dependent on it. In United Bankers' forest funds, forests are regenerated 100 percent with native tree species.

Deciduous trees support climate change adaptation

A diverse forest is productive even under changing climate conditions. The fund set the longer-term objective of doubling the share of deciduous trees in the forests it owns in Finland to 20%. Increasing the share of deciduous trees can improve biodiversity while simultaneously strengthening the timber production capacity and climate resilience of forests. Changes in the forest stand structure take time. The most important decisions for the stand structure are made during young stand thinning. When deciduous seedlings are left in the forest during the seedling stage, the forest naturally develops into a mixed stand. Deciduous trees can also be left to grow during forest thinning stage, but changing the structure of the forest is more challenging at this stage of development compared to the initial stand establishment stage. The fund has nevertheless succeeded in steadily increasing the share of deciduous trees in the forests it owns.

CHANGE IN THE SHARE OF DECIDUOUS TREES IN THE FUND'S FORESTS



Aspen is an important tree species for biodiversity. There are hundreds of species dependent on living and dead aspen. Species associated with aspen include, among others, Lobaria pulmonaria and Junghuhnia pseudozilingiana.

Deadwood is an important element for biodiversity

Deadwood is an important structural feature for the biodiversity of forest nature. Deadwood refers to dead or decaying wood, which is generated naturally, among other things, as trees age, in storms, forest fires, and as a result of diseases and insect damage. Deadwood can also be increased intentionally as part of active forest management.

There are species dependent on deadwood in almost all groups of organisms, in total approximately 5,000 species. In addition to biodiversity, deadwood is also important for achieving climate targets, as dead wood functions as a carbon storage.

The fund aims to increase the share of deadwood and develops methods suitable for measuring the amount of deadwood. The objective is to publish information on the development of the amount of deadwood during 2026.

Continuous cover forestry diversifies forest management

The fund aims to select the forest management methods best suited to each forest site. For the majority of the area, methods based on rotation periods are chosen due to both the characteristics of the forest and the objectives set for it. Continuous cover forestry is also part of the range of possible methods. Continuous cover forestry refers to a forest management method in which the forest continuously retains tree cover. Large harvesting areas are avoided and trees are removed gradually in smaller volumes. Continuous cover forestry enables the simultaneous development of different tree generations, which strengthens the forest's ability to adapt to changes caused by climate change, such as extreme weather events.

The transformation of an even-aged forest into an uneven-aged continuous cover forest can take several years, even decades, and may cause loss of income during this period. In addition, risk management is a challenge: continuous cover forestry may increase the forest's exposure to certain sources of damage and harvesting damage. At its best, however, continuous cover forestry is a productive and cost-efficient forest management model.

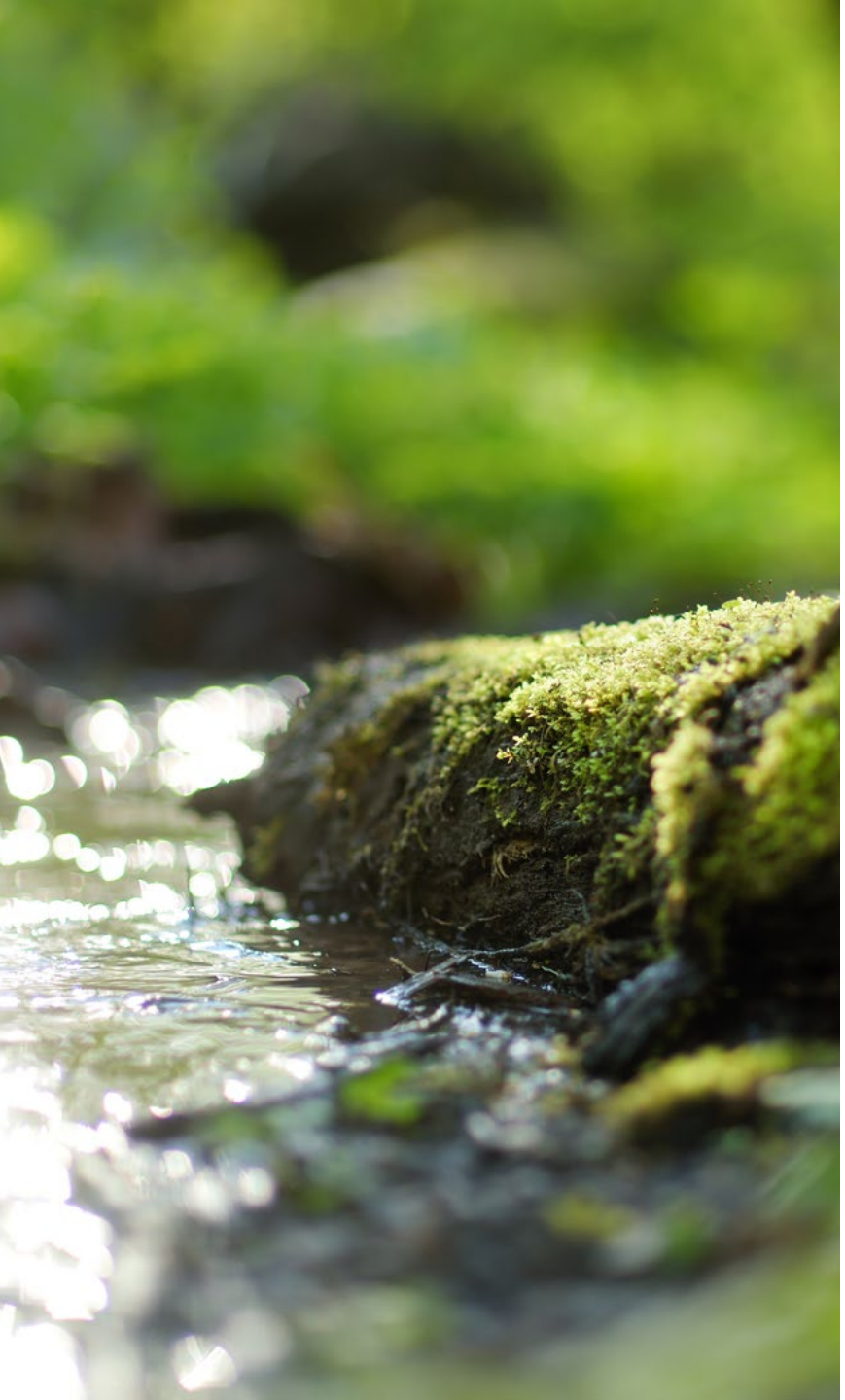
Due to uncertainties related to the method, the fund has defined that it applies continuous cover forestry only in areas where, based on research, it is particularly suitable. The fund's long-term objective is therefore to favour continuous cover forestry on fertile peatlands. Continuous cover forestry can have a positive impact on biodiversity, but the choice of method does not remove the need for nature management measures in commercial forests when aiming for biodiversity impacts. Continuous cover forestry supports the water balance of peatlands, reduces leaching into the environment, and strengthens the overall carbon balance of forests.

Protection safeguards valuable natural sites

In forest nature, there are also many sites for which commercial use is not suitable or where it is not profitable. By protecting them, valuable natural sites and species habitats are safeguarded. Of the fund's forests, a total of 7,018 hectares are under protection or restricted use in accordance with the FSC certification criteria. Of this, half consists of sites strictly excluded from commercial use and half consists of so-called special sites, for which objectives have been set regarding the biodiversity of the forest ecosystem or the diversification of forest structure. In total, 10% of the FSC-certified forest area is either excluded from use or under restricted use.

In addition, the fund has also voluntarily protected areas that have special natural values. Protection measures are sought to be carried out in cooperation with other actors, such as local authorities or associations. Through its protection measures, the fund aims for additionality, meaning that the fund's participation in protection brings significant added value to natural values and to the conservation project.

Region	Area, ha	Year of establishment	Conservation basis
Central Finland	3.0	2022	Sphagnum fuscum bog, spruce-pine mire
Kainuu	33.0	2021	Old natural forest area, decaying wood
Kainuu	113.0	2021	Old pine forest and a natural swamp complex
Central Ostrobothnia	320.7	2021	A natural forest area adjacent to the Salamajärvi National Park
North Savo	4.7	2019	Mixed riverside forest
North Ostrobothnia	57	2023	Natural swamp complex
Kainuu	78.2	2024	Well-preserved barren pine fen and fen types
Päijät-Häme	4.7	2024	Old pine-dominated mixed woodland
	3,509		FSC sites under strict protection
	3,509		FSC sites with special management methods
Total	**7,632**		



Restoration promotes natural values also in commercial forests

In addition to measures that strengthen the nature in commercial forests and protection, biodiversity can also be strengthened through restoration. The objective of restoration is to improve the state of nature in areas that have been modified by humans in the past. Restoration is suitable for many types of habitats. The fund's objective is to target restoration to areas where restoring natural values produces the greatest ecological benefit and is economically reasonable.

In practice, restoration is easiest to implement in sites where the effects begin to be visible quickly after intervention and where significant benefits for nature can be achieved. For example, many peatland forests that were once drained for forestry use and have remained weak in tree growth are excellent sites for restoration. These areas are of low productivity from a forestry perspective, meaning that restoration does not imply a significant loss of harvesting income but rather the conversion of low-yield land into a strategic value factor. Restoration projects of peatland are expected to support the achievement of the fund's climate objectives also in the long term, as typically, in addition to improving biodiversity, the restoration of mires and peat production areas has positive impacts on water bodies and the climate that extends beyond the restored area.

In 2025, the fund finalised restoration projects that had been initiated in previous years. Typically, restoration projects are multi-year projects consisting of planning, implementation, and monitoring. No new projects were initiated during 2025. The implementation of the projects is carried out by the Licensing and Supervisory Authorities (LVV), operators specialised in restoration, as well as local private actors such as machinery contractors.

Region	Area, ha	Year started	Project description
South Savo	17.5	2024	Vuorijärvensuo – a significant drained mire habitat with an influence on groundwater, with species representative of seepage areas and the endangered woollywort moss. There have also been sightings of the Siberian jay in the area. The area contains several wooded mire habitat types, some of which have dried to become drained peatland forest. The main objective is to restore a more natural water balance in the area, allowing natural succession and species development, and safeguarding the environment of endangered species. Completed in 2025
North Ostrobothnia	8	2024	Restoration of a former peat production area as a wetland area
Kainuu	15	2024	Restoration of Teerisuo mire, aiming at positive climate impacts. Completed in 2025
South Savo	0.45	2023	Wetland establishment and erosion protection. Completed in 2024

Restoration of Vuorijärvensuo is an example of improving the state of nature

The 17.5-hectare Vuorijärvensuo bog in Vuoriniemi, Savonlinna, is a significant groundwater-influenced peatland. The area has plenty of groundwater discharge points, i.e. springs, and there are representative seepage species and, for example, endangered gauze moss. The site, which is now owned by United Bankers' UB Timberland Fund, was drained decades ago, which has since led to the bog drying up into forested peat soil and groundwater being discharged into the ditches and flowing along the ditches into Lake Vuorijärvi. In 2020, the Southern Savonia ELY Centre, with funding from the Ministry of the Environment's Helmi Programme, launched a restoration project for Vuorijärvensuo in collaboration with United Bankers. Restoration works were completed in 2025, and in 2026 the goal is to establish the area as a private conservation site.

The purpose of the restoration of Vuorijärvensuo has been to return the peatland's hydrology to pre-drainage conditions. Many restoration measures have been carried out in the area, such as filling ditches to retain water in the swamp area, dams to direct the flow of water, and restoring flows to natural routes. In addition, the natural features of the ditches in the area have been restored. The measures have been aimed at restoring the original peatland nature, improving the ecological status of aquatic habitats and curbing the nutrient load of Lake Vuorijärvi. In other words, the measures have had a positive impact on several different habitats.

Vuorijärvensuo is an excellent example of how restoration can have a positive impact on nature. In practice, restoration is easiest to implement in sites where the effects show quickly after the measures have been taken, and in sites with significant nature benefit potential. Peatland forests such as Vuorijärvensuo, which were once drained for forestry use and whose tree growth has remained weak, are often suitable sites for restoration. These areas are of low value in terms of forestry, which means that restoration does not mean a significant sacrifice of timber revenue but instead transforms underperforming land into a strategic ecological asset.


Photo: Vesa Kontio

Sustainability risks are assessed as part of investment decisions

Sustainability risks refer to environmental, social or governance-related events or conditions that, if realised, could have potentially material negative impacts on the value of an investment. Integrating sustainability risks into the fund's investment and ownership activities is expected to reduce sustainability risk exposure and thereby also the overall risk of the fund, and to have a positive effect on the fund's return potential.

The fund's portfolio management assesses the sustainability risks of investment targets as part of the investment decision-making process in line with United Bankers' Principles of Responsible Investment and the fund's own sustainability principles that complement them. In practice, the fund takes sustainability risks into account in its investment strategy and operations, for example by adhering to the principles of sustainable forest management in accordance with FSC and PEFC certifications and other industry best practices, through which the aim is to ensure the well-being of forest nature and profitable forest management also in the long term. The sustainability risks assessed by the fund include, for example, risks related to biodiversity and climate resilience, which can be assessed by identifying habitats that are valuable from a biodiversity perspective, the share of deciduous trees, drought-prone areas, or areas at risk of storm damage. Identified sustainability risks are included in forest management plans prepared for each site.

EU indicators for describing adverse sustainability impacts

The fund also considers Principal Adverse Impact (PAI) indicators that are defined in EU-level sustainability regulations. These are used for describing adverse sustainability impacts in the fund's operations, to the extent that the indicators are applicable to a forest fund. Many of the PAI indicators apply to corporate investments, not to direct investments in forest properties. More detailed information on the indicators can be found in the RTS periodic disclosures on the fund's website.

Identification and management of climate risks as part of portfolio management

Climate change may have a direct impact on the value and condition of forest properties and timber markets and, through them, the cash flow generated by the fund investment. Climate risks can be divided into two main types according to their nature. Physical risks describe natural disasters and extreme weather events resulting from the progression of climate change. They are typically categorised, based on their time horizon, into acute risks (e.g. wildfires and floods) and chronic risks (e.g. rising average temperatures). Transition risks, in turn, describe market-based risks arising from actions by people and societies transitioning towards at a low-carbon economy, and can relate to, for example, regulation, technology, markets, and reputational impacts.

Climate risk analysis is part of the fund's active portfolio management. The fund's portfolio management team analyses transition risks such as timber market developments and future regulatory changes in the sector. Physical climate risks and their impacts are also included in forest management and associated plans. In the fund's investment criteria, for example, sites that are particularly susceptible to climate risks such as forest damage are excluded from the investment universe. The fund actively monitors forest damages and the sustainability risks related to them both from a climate perspective and for other reasons. For example, hunting clubs operating on the fund's forest lands have a contractual obligation to report observed forest damages to the fund. In addition, FSC and PEFC certifications are important tools for managing sustainability risks. The fund is currently mapping methods by which technology can be used to monitor the condition of forests in real time and to detect already realised or potential forest damages at an early stage.

The assessment and management of climate risks are continuously developed within the fund. In 2024, an external forestry expert organisation prepared a comprehensive climate risk scenario analysis for the fund's assets. The analysis reviewed the exposure of the fund's forests to chronic and acute physical climate risks over a 30-year period under different climate scenarios (SSP1–2.6 and SSP5–8.5). The assessment is in accordance with the "Do No Significant Harm" criteria of the EU taxonomy criteria for forest management. Based on the assessment, identified climate risk management measures are actively utilised in the planning and implementation of the fund's forest management, as well as at a strategic level in the management of the fund as part of the fund's risk management.

Safeguarding human rights in forest management and timber harvesting value chains

The fund seeks to ensure that human rights are adhered to in all its operations. The fund requires its partners to operate in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Consideration of human rights is strongly embedded in the selection of partners, and key actors are assessed to minimise risks. The objective is to ensure compliance with international norms by requiring selected partners to comply at a minimum with United Bankers' Supplier Code of Conduct.

In 2025, the fund adopted an operating model prepared by the Association for Sustainable Forestry (KMY ry), intended for PEFC-certified operators, for ensuring the fulfilment of employer obligations in contracting and subcontracting. The purpose of the operating model is to ensure compliance with statutory obligations in the long subcontracting chains of the forest sector. The backgrounds and operating principles of partners are always examined before cooperation begins. In addition, all work uses skilled labour to ensure quality and occupational safety, and that applicable regulations and guidelines are followed.

Cooperation with local actors plays an important role

Social sustainability is also considered and promoted by actively engaging with local communities. The fund collaborates with key stakeholders, such as hunting clubs, local entrepreneurs and community groups. The activities of local entrepreneurs are taken into account in the fund's operations to avoid actions that could complicate or adversely impact their business. United Bankers' forest funds have a direct and indirect impact on local employment. The fund has an active approach to forestry and all forestry work is carried out by professionals. The fund has also entered into land lease agreements for the development of wind power.

Hunting clubs are a key stakeholder, as they control moose population size and thereby prevent moose damage. The clubs also report possible wind and snow damage, which helps reduce losses. A reasonable land rent is charged from the clubs.

In Finland, the public access rights "everyone's right" grants those staying in Finland the opportunity to move in nature and freely forage certain natural products, such as berries and mushrooms. The fund's forests are also open to those enjoying nature year-round. The opportunity to move and gather food in privately owned forests strengthens Finns' connection to nature, outdoor skills, and is an important part of national emergency preparedness.

THE FINNISH FORESTRY FOUNDATION

The fund provides support for the Finnish Forest Foundation through voluntary sales promotion fees paid on timber sales. The Finnish Forest Foundation finances communication for forest owners, the forest industry, and other groups deriving their livelihood from forestry. The Foundation's objective is to safeguard the operating conditions of forestry and the forest industry, increase the use of wood and wood-based products, and finance social and economic research in the sector.

The fund’s sustainability work is continuously developed

Cooperation with the scientific community and stakeholders

United Bankers engages in regular dialogue with the scientific community and follows the latest research in the field. In 2026, a joint research project by the Natural Resources Institute Finland and several actors will commence, in which the occurrence of threatened species in commercial forest sites will be surveyed. Some of the project’s sample plots will be located in the fund’s forests.

Stakeholders in the forest sector provide valuable information on industry developments and are important partners in development projects. United Bankers’ forest team meets representatives of stakeholders regularly and participates in industry events. Going forward, the objective is to expand stakeholder dialogue to new groups and to make meetings more systematic than before.

Development projects to strengthen biodiversity

The preparation of United Bankers’ biodiversity roadmap continues in 2026. Natural capital sits at the core of the strategy. In addition to high-level guidelines, the roadmap will set targets and define measures for the preservation and strengthening of biodiversity, as well as develop and define metrics for demonstrating impacts on biodiversity. The roadmap preparation provides an opportunity to deepen engagement on the nature theme and to increase the understanding of the importance of biodiversity within the organisation and among investors.

United Bankers also began drafting its restoration guidelines in 2025. The fund is preparing new restoration projects and, through them, gathering experience on effective restoration practices, collaboration models, and the measurement of biodiversity units such as habitat hectares. As the market develops, the fund may consider opportunities to participate in the commercialisation of biodiversity benefits.

Contact information

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