

# United Bankers Plc

**Operating Principles for Impact Management  
Disclosure Statement 1.12.2025**



## Contents

<b>3</b>	Disclosure Statement
<b>4</b>	United Bankers' timberland funds and Forest Industry Green Growth Fund I briefly
<b>5</b>	Principle 1: Define strategic impact objective(s), consistent with the investment strategy
<b>7</b>	Principle 2: Manage strategic impact on a portfolio basis
<b>10</b>	Principle 3: Establish the Manager's contribution to the achievement of impact
<b>11</b>	Principle 4: Assess the expected impact of each investment, based on a systematic approach
<b>14</b>	Principle 5: Assess, address, monitor, and manage potential negative impacts of each investment
<b>16</b>	Principle 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately
<b>17</b>	Principle 7: Conduct exits considering the effect on sustained impact
<b>18</b>	Principle 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned
<b>19</b>	Principle 9: Publicly disclose alignment with the Operating Principles for Impact Management and provide regular independent verification of the alignment
<b>20</b>	Contact information

# DISCLOSURE STATEMENT

---

## OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

United Bankers Plc hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the "Impact Principles").

This Disclosure Statement applies to the following assets of business lines (the "Covered Assets"):

- **UB Forest Industry Green Growth Fund, total portfolio**
- **UB Timberland Fund, total portfolio**
- **UB Nordic Forest Fund III, total portfolio**
- **UB Nordic Forest Fund IV, total portfolio**

The total assets under management in alignment with the Impact Principles is US\$ 923m as of 30.06.2025

The information contained in this Disclosure Statement has not been verified or endorsed by the Global Impact Investing Network ("the GIIN") or the Secretariat or Advisory Board. All statements and/or opinions expressed in these materials are solely the responsibility of the person or entity providing such materials and do not reflect the opinion of the GIIN. The GIIN shall not be responsible for any loss, claim or liability that the person or entity publishing this Disclosure Statement or its investors, Affiliates (as defined below), advisers, employees or agents, or any other third party, may suffer or incur in relation to this Disclosure Statement or the impact investing principles to which it relates. For purposes hereof, "Affiliate" shall mean any individual, entity, or other enterprise or organisation controlling, controlled by, or under common control with the Signatory.

1<sup>st</sup> of December 2025



**John Ojanperä**

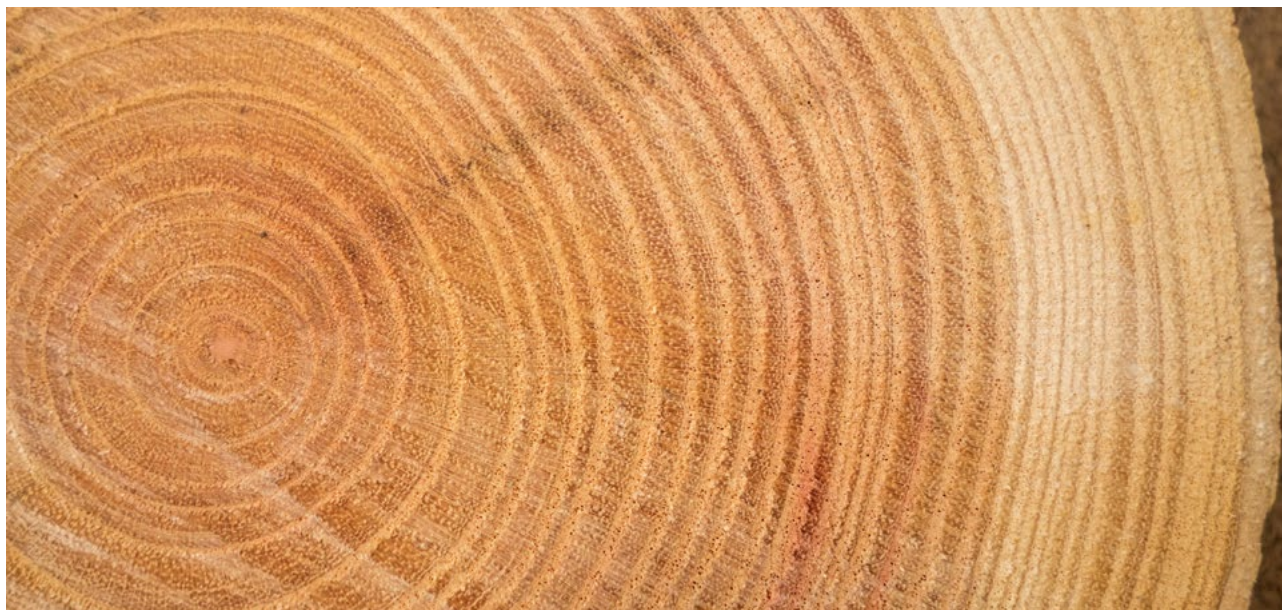
CEO

United Bankers Plc



## UNITED BANKERS' TIMBERLAND FUNDS AND FOREST INDUSTRY GREEN GROWTH FUND I BRIEFLY

---



United Bankers is a Helsinki-based financial services company. Founded in 1986, United Bankers began operations in securities brokerage. Today, the company's business areas include wealth management and capital markets services. United Bankers has been listed on the Nasdaq Helsinki First North Growth Market Finland since 2014 and moved to the main list of Nasdaq Helsinki in June 2020.

UB Fund Management Company focuses particularly on funds based on a variety of real asset investment strategies. In asset management, the company has specialised in globally diversified investment solutions, typically with a significant role for real assets. United Bankers has developed expertise in managing real asset investment strategies over several decades. The Nordic region's long-standing leadership in ESG issues has been key in shaping United Bankers' focus on sustainability and impact. United Bankers' Forest Industry Green Growth Fund I became a signatory to the Impact Principles in 2023, and in 2025 United Bankers re-signed the Impact Principles at the corporate level adding United Bankers' timberland funds to the covered impact assets.

United Bankers' timberland funds are alternative investment funds intended for professional and retail inves-

tors, offering a transparent and cost-effective opportunity to invest directly in forests in the wooded regions around the Baltic Sea. The funds generate stable and sustainable returns, while also promoting a positive climate impact through sustainable forestry practices. The investment strategies are designed to create long-term value at every stage of the investment process, utilising industry-leading solutions and expertise in forest property acquisition and management. UB Forest Funds are sustainable funds in accordance with Article 9 of the SFDR and are committed to making sustainable investments in line with the EU taxonomy. All forest properties owned by the funds are certified under PEFC™ and/or FSC® (FSC Finland C109750) forest management certifications.

UB Forest Industry Green Growth Fund I (UB FIGG) is a private equity fund investing in sustainable and resource-efficient forest and bio-based industries. Through its investments, the fund helps the forest and bio-based industries to develop solutions for climate change mitigation. UB FIGG invests in companies focused on the replacement of plastic and other fossil-based materials, the higher value and more efficient utilisation of wood and agricultural by-products, and the broader use of these raw materials in various intermediate and end products.

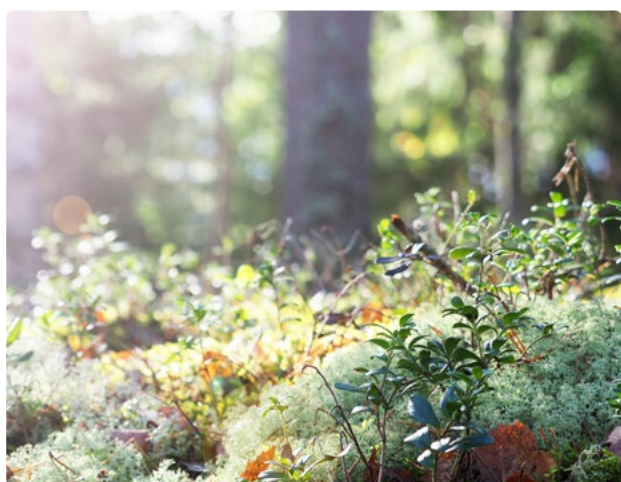
## PRINCIPLE 1:

### Define strategic impact objective(s), consistent with the investment strategy

---

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

United Bankers' timberland funds aim to mitigate climate change by making sustainable forest investments. Additionally, the timber growing in the funds' forests can support the transition toward a circular economy. The funds are also committed to enhancing biodiversity in commercial forests. The investment approach is systematically implemented through each funds' investment policies and accompanying ESG criteria.



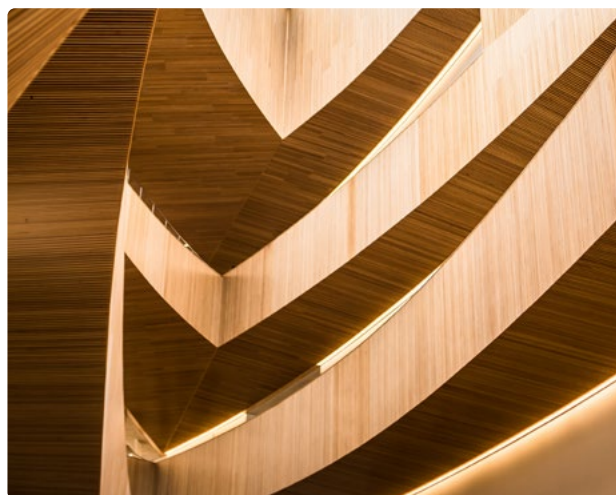
The funds invest in forest assets with the objective of sequestering atmospheric carbon dioxide through sustainable forest management, including carbon storage in trees, soil, and wood products. Utilizing timber from these forests can also partially substitute for fossil fuels and other carbon-intensive materials. When timber harvest levels remain below the rate of forest growth, these forests function as carbon sinks. The funds are committed to managing their forests to ensure their ongoing role as long-term carbon sinks.

Sustainable forest management provides an effective mechanism for removing existing atmospheric carbon, contributing significantly to the objectives of the Paris Agreement, and enhancing biodiversity in commercial forests compared to conventional local practices. The funds employ long term carbon balance modelling to guide their forestry practices, with the intention of achieving greater carbon sequestration than conventional methods. All activities align with EU taxonomy requirements for forest management and climate change mitigation. Additional biodiversity criteria for enhancing commercial forest biodiversity are defined in the funds' forest management practices.

The funds' strategies support climate change mitigation efforts and advance multiple United Nations Sustainable Development Goals (SDGs), most notably Goal 13: Climate Action, Goal 15: Life on Land, and Goal 9: Industry, Innovation, and Infrastructure. Achievement of the funds' sustainability targets is monitored regularly using detailed carbon balance calculations, which are disclosed through comprehensive reporting. All calculations, modelling, and reporting adhere to evolving industry best practices. Annual disclosures encompass figures on forest carbon sequestration rates ( $\text{tCO}_2/\text{ha}/\text{year}$ ), total forest carbon stocks ( $\text{tCO}_2$ ), areas under FSC and PEFC certification rates, and protected forest zones, and biodiversity-related indicators suitable to each area and forest type. Strategic impact objectives, including climate impact are continually operationalized and aggregated at the portfolio level to ensure the funds deliver on their sustainability mandate.

[UB Forest Industry Green Growth Fund I](#) is a private equity fund dedicated to investments in the forest and bio-based industries, with an emphasis on sustainability and resource efficiency. The fund targets companies that develop alternatives to plastic and other fossil fuel-based materials, enhance the value and efficient utilization of wood and agricultural side streams, and broaden the application of these renewable raw materials across various intermediate and end uses. The fund's overarching theory of change ("ToC") posits that improving efficiency and expanding the use of sustainable wood and other bio-based resources to replace fossil-based solutions will generate positive climate outcomes, thereby facilitating progress toward a more sustainable and climate-friendly economy.

The fund pursues both minority and majority stakes in unlisted European companies operating within the forest and bio-product sectors, with a preference for those demonstrating growth potential and substantial sustainability impact. The investment approach is systematically implemented through the fund's investment policy and accompanying ESG policy. Companies are selected based on their capacity to provide viable alternatives to fossil-based materials and advance the efficient use of wood and agricultural by-products. Invest-



ments are structured to achieve environmental and social objectives – such as climate change mitigation, displacement of fossil materials, improved resource efficiency, and advancement of the circular economy – alongside financial returns. The fund actively aligns its portfolio with several UN Sustainable Development Goals, tracking outcomes against defined impact metrics such as avoided greenhouse gas emissions. Strategic impact objectives, including climate impact (as measured by avoided GHG emissions), are continually operationalized and aggregated at the portfolio level to ensure the fund delivers on its sustainability mandate.

## PRINCIPLE 2: Manage strategic impact on a portfolio basis

---

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognising that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

**United Bankers' timberland funds:** The strategic impact is at the core of the performance of the funds and inherently linked to the investment strategy. The investment strategy defines, that in selecting the investments the fund puts emphasis on targets where the fund finds forest properties with sound timber growth, climate and biodiversity potential suitable to the buy and build strategy of the fund.

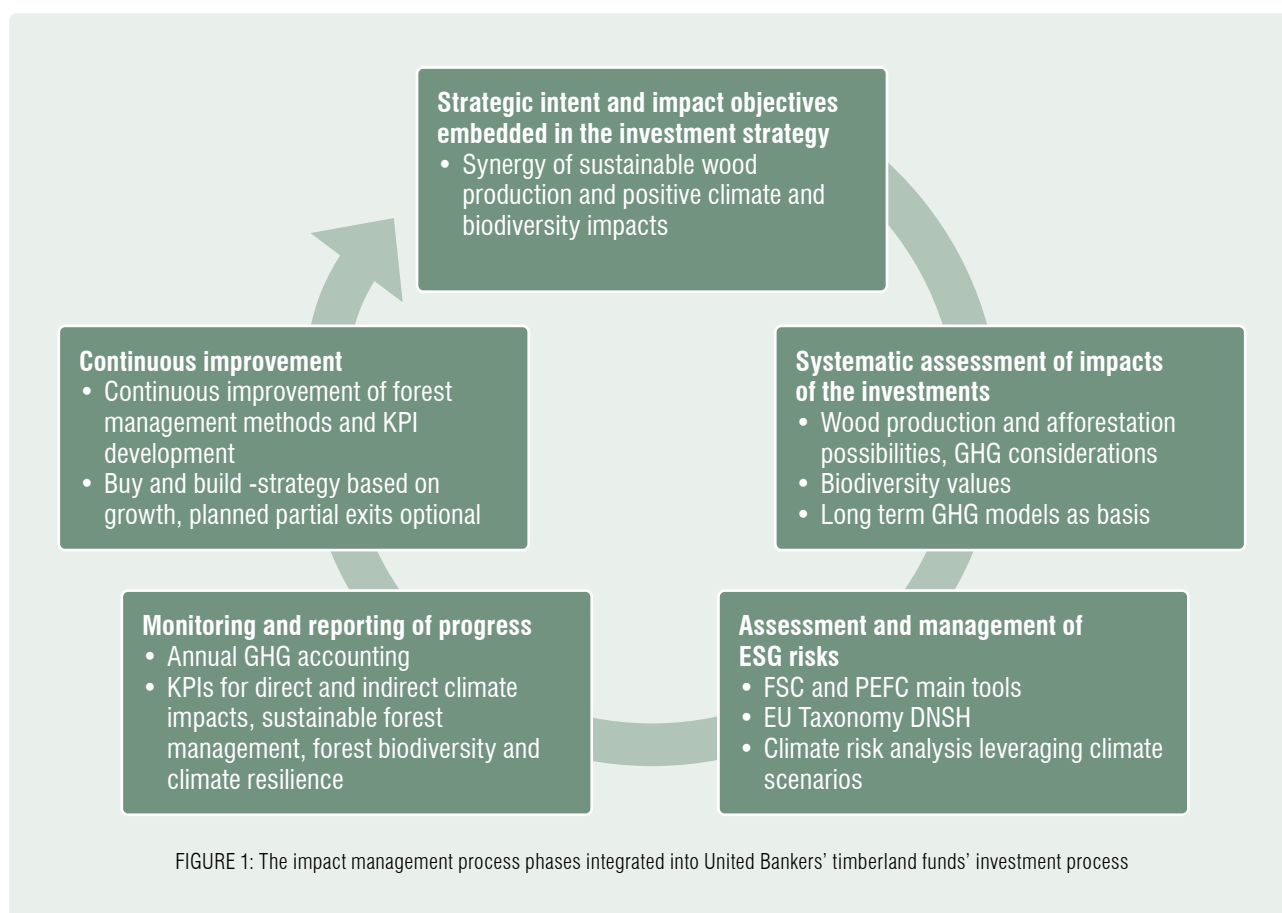
Impact management is integrated into the investment policy and the investment process of United Bankers' timberland funds:

- At the start of the investment process, each potential investment - usually an individual forest property or group of forest properties - is assessed from the viewpoint of forest growth, impact potential and ESG risks. The aim is to investigate whether the potential investment is in line with the fund's strategic goals and whether significant and clear environmental risks are involved. Potential targets not meeting the fund's criteria are discarded. Based on the preliminary screening the potential investments are further evaluated in a due diligence process, and the fund manager selects the suitable ones to the portfolio. In this phase economic factors are considered alongside impact potential.
- The overall strategic impact objectives and ESG risk management of the forest funds are implemented in active management of the forest properties by the fund and its carefully selected contractors. The funds' forest management criteria including full FSC and PEFC certification, specific measures to safeguard and promote biodiversity in commercial forest, and site-spe-

cific forest management planning in line with long term carbon balance modelling, are the key to delivering the desired impacts. Forest management of the funds comply with FSC and PEFC certification criteria and the EU Taxonomy criteria for Forest Management and Climate Change Mitigation.

- United Bankers' timberland funds monitor the impact performance of their portfolios regularly. Climate impacts are monitored by annual carbon balance accounting based on forest inventory data and data on annual logging and forest management activities. Biodiversity impacts are monitored using several biodiversity indicators based mainly on forest inventory data. ESG risks are monitored through data on materialized risks such as storm damages, results of forest certification audits, and periodic portfolio level risk assessments. The portfolio level strategic impacts and risks are monitored on an annual basis by the Investment Committee of each fund and reported annually to the investors.
- United Bankers' timberland funds aim at continuous improvement in impact management and portfolio performance. In case of exits or significant partial exits (sale of large groups of forest properties), potential effects on portfolio impact potential are considered.
- Impact with an emphasis on environment is in the core of United Bankers' timberland funds' investment thesis, and ESG and impact aspects are integrated to the annual performance reviews of the fund managers alongside with financial indicators.





**UB Forest Industry Green Growth Fund I:** The strategic impact is at the core of the performance of the fund and inherently linked to the investment strategy. The investment strategy defines, that in selecting the investments the fund puts emphasis on targets where the fund finds efficient use of natural resources, new technologies for substituting fossil raw materials, high growth, and/or other specific opportunities for high returns. The investment strategy also states, that in selecting the investments, emphasis is placed on sustainability factors, including for example substitution of fossil-based materials and climate change mitigation (GHG net impact), so defining the overall strategic impact objectives of the fund portfolio.

The prospective investees of the fund are companies focused on plastic and other fossil fuel-based material replacements, higher value and more efficient use of wood and agricultural raw material side streams, and greater use of these raw materials across a wide range of intermediate and end uses. Thus, the success of their business plans is inherently linked to their ability to

generate positive climate and environmental impacts. This way the financial performance and the strategic impact performance of the fund are inseparable and included in the incentive system of the fund.

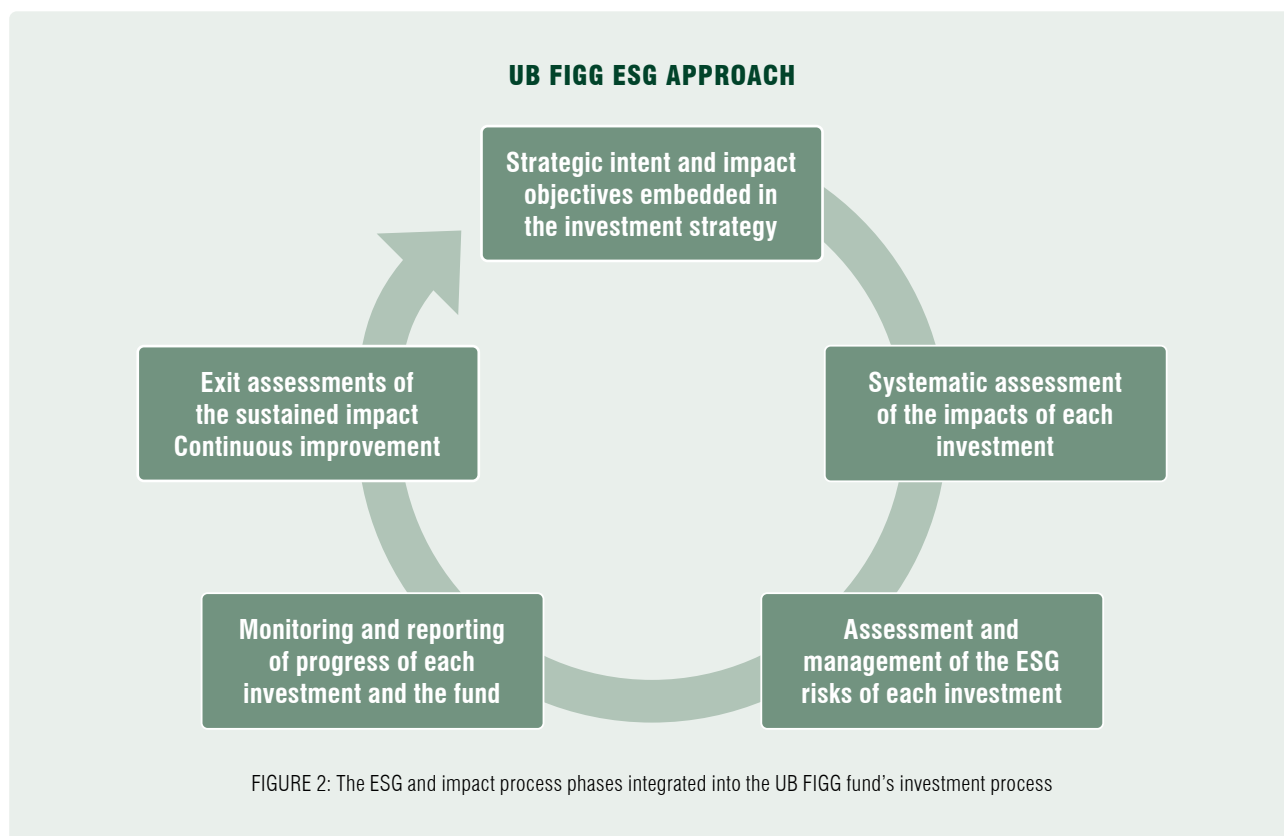
Impact management is integrated into the investment policy and the investment process of UB FIGG:

- At the start of the investment process, each potential investee is preliminarily assessed from the viewpoint of impact potential and ESG risks. The aim is to investigate whether the potential investment is in line with the fund's strategic goals and whether significant and clear environmental risks are involved. The UB FIGG impact screening tool is used to assess the impact potential, and the results are summarised in the initial impact score. The initial impact score maps potential types of impacts, their extent, the importance of UB FIGG contribution to reaching the desired impacts, and the risks which could limit the desired impacts.



- Based on the preliminary screening the potential investees, which are in line with the fund's strategic goals and indicate a high Initial impact score, the impact potential and ESG risks are evaluated in more detail during the due diligence process. Potential investees that indicate only modest impact potential are discarded.
- The overall strategic impact objectives of the fund are implemented in practise by defining impact targets and measuring the impacts of each investment during the due diligence phase. As the impact potential can greatly vary in the fund's investment target universe of the forest and bio-based industries, investee-level impact estimates and impact targets are defined and implemented. In investment opportunities, where the potential investee's activities are included in the EU Taxonomy, EU Taxonomy substantial contribution criteria are used as a reference regarding the significance of the potential impacts. Additionally, the Advisory Board's industry and technical expertise can be leveraged in assessing the impact potential of specific technologies and markets.

- Based on the detailed analysis conducted during the due diligence phase, the potential investment is brought to the consideration of the Investment Committee. The Investment Committee considers the strategic, impact, ESG and financial aspects in the investment decisions.
- The main strategic impacts of the fund's investments are aggregated at the portfolio level. The portfolio level strategic impact is monitored on an annual basis by the Investment Committee and reported annually to the investors together with impact information on each investment.
- There are no formally structured, standard ESG aspects in annual performance reviews. Impact / ESG with an emphasis on environment is in the core of the fund's investment thesis and all operations and is evaluated throughout the investment process and portfolio management through the above-described processes.



### PRINCIPLE 3:

## Establish the Manager's contribution to the achievement of impact

---

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels.<sup>1</sup> The narrative should be stated in clear terms and supported, as much as possible, by evidence.

**United Bankers' timberland funds:** The contribution of United Bankers' timberland funds is assessed on basis of additionality. In United Bankers' timberland funds the fund actively manages forest portfolios, and the forest management criteria set by the fund define the strategic impact potential of the funds. The strategic impacts of the funds are generated by applying climate- and biodiversity smart forest management practices, which yield positive additional impacts in comparison to conventional forest management. The impacts and the additionality of United Bankers' timberland funds contribution is tracked annually through the fund's impact indicators. For this purpose, selected indicators of the funds can be compared to data from conventionally managed forests.

Additionality can also be qualitative. This means value added through United Bankers' timberland funds experience in forest management and sustainability can contribute in a demonstratable and significant manner to the successful development of the sustainability characteristics of the forests.

**UB Forest Industry Green Growth Fund I:** The contribution of UB FIGG is assessed on basis of additionality. Additionality can be financial, providing niche financing specialised to the relatively early-stage sustainable and resource efficient forest and bio-based industry companies. UB FIGG's proxy indicator for financial additionality is the company's qualitative experience on the importance of UB FIGG in achieving the desired financing. In addition, UB FIGG takes into account the possible catalytic role by mobilising additional financing for the project from third parties as an industry niche expert.

Additionality can also be qualitative. This means value added through UB FIGG's experience with respect to forest industry, specific sub sectors, geographies, and project types that can contribute in a demonstratable and significant manner to the successful development of the investee's business. Examples include forest industry know-how and contacts both in mechanical and chemical forest industry, expertise in financing and sustainable finance regulation, and support to the investees' sustainability work. UB FIGG's proxies for qualitative additionality are the company's qualitative assessment of UB FIGG's contribution, and statistics on the time spent by the UB FIGG team and UB FIGG-appointed board members sparring with the investee companies.

<sup>1</sup> For example, this may include improving the cost of capital, active shareholder engagement, specific financial structuring, offering innovative financing instruments, assisting with further resource mobilisation, creating long-term trusted partnerships, providing technical/market advice or capacity building to the investee, and/or helping the investee to meet higher operational standards.

## PRINCIPLE 4:

### Assess the expected impact of each investment, based on a systematic approach

---

For each investment, the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact<sup>2</sup> potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact?<sup>3</sup> The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations.

In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards<sup>4</sup> and follow best practice.<sup>5</sup>

**United Bankers' timberland funds:** The impact framework of UB timberland funds is based on a theory of change (ToC) that guides the strategic impact work of each fund. The ToC is a causality framework based on academic and non-academic research and literature, expert opinions, and analytical thinking. The framework encompasses spheres of impact (company/people/environment) and dimensions of impact (direct, indirect, broader). The ToC of United Bankers' timberland funds is used to guide the assessment of investments' anticipated impact to the market and customers, selecting key indicators for which baselines are established, and annual monitoring and reporting of impacts.

On this basis, the impact measurement process of each fund is designed to identify, document, and monitor the impacts of the fund portfolio. The impact analysis and indicator selection process of the fund includes the analysis of the expected impact magnitude, beneficiaries of the impacts (in case of climate impacts beneficiaries are always global), United Bankers' contribution, and the possible risks of not reaching the desired impacts based on ex-ante expectations (Figure 4).

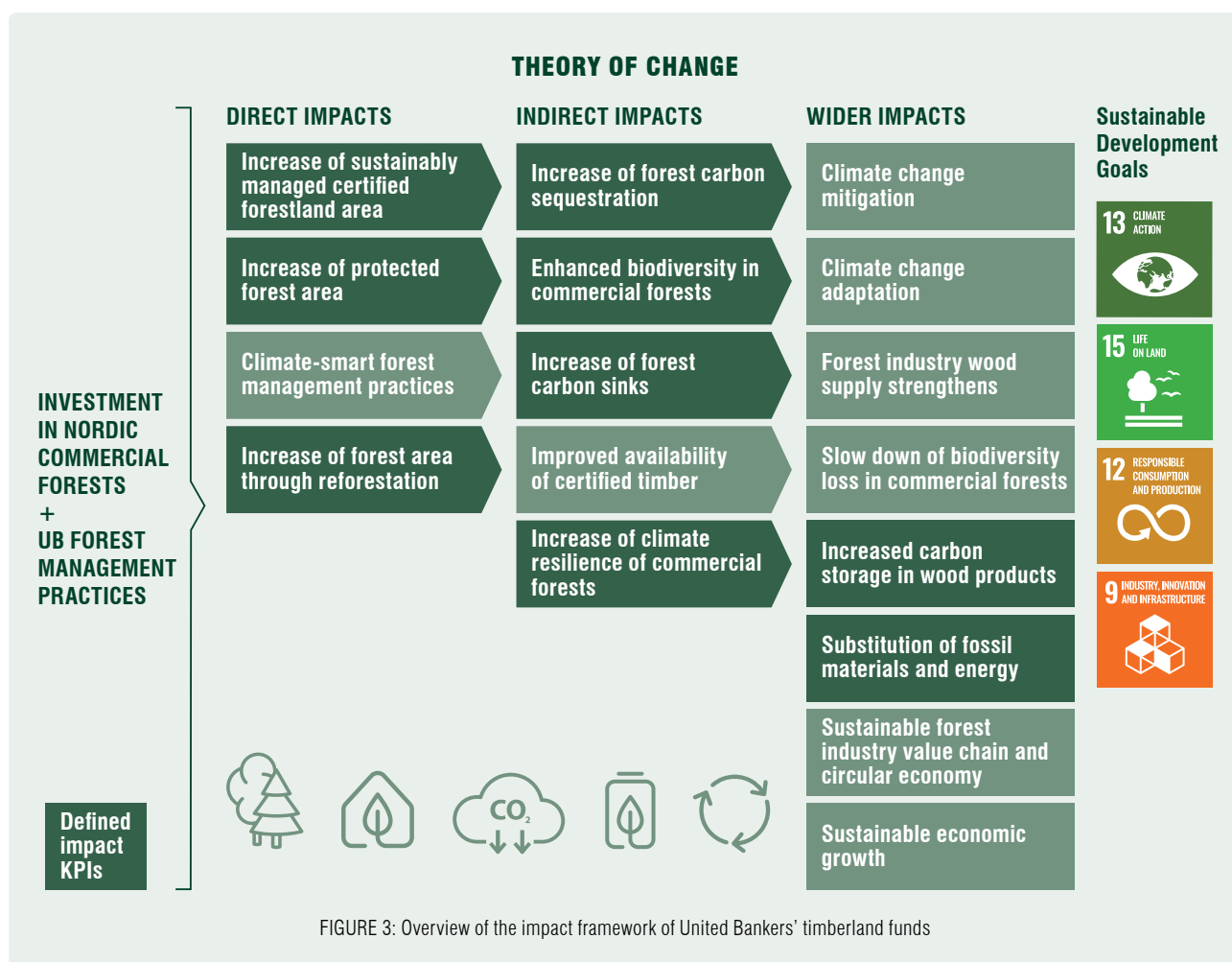
The impact indicators for the fund portfolio are selected to align with the portfolio strategic impact goals of climate change mitigation, the enhancement of biodiversity, and target Sustainable Development Goals. GIIN's IRIS+ metrics, and the EU Taxonomy definitions have been used to aid this process. The impact indicator data updates are collected on an annual basis mainly based on forest inventory data of each fund portfolio.

<sup>2</sup> Focus shall be on the material social and environmental impacts resulting from the investment. Impacts assessed under Principle 4 may also include positive ESG effects derived from the investment.

<sup>3</sup> Adapted from the Impact Management Project ([www.impactmanagementproject.com](http://www.impactmanagementproject.com)).

<sup>4</sup> Industry indicator standards include HIPSO (<https://indicators.ifipartnership.org/about/>); IRIS ([iris.thegiin.org](http://iris.thegiin.org)); GIIRS (<http://b-analytics.net/giirs-funds>); GRI ([www.globalreporting.org/Pages/default.aspx](http://www.globalreporting.org/Pages/default.aspx)); and SASB ([www.sasb.org](http://www.sasb.org)), among others

<sup>5</sup> International best practice indicators include SMART (Specific, Measurable, Attainable, Relevant, and Timely), and SPICED (Subjective, Participatory, Interpreted & communicable, Cross-checked, Empowering, and Diverse & disaggregated), among others.



WHAT Investment intent	HOW MUCH Impact KPIs	WHO End beneficiaries	CONTRIBUTION UB timberland funds difference	RISK Impact risk
<ul style="list-style-type: none"> <li>What are the outcomes that the portfolio company is contributing to?</li> <li>How important are the outcomes?</li> </ul>	<ul style="list-style-type: none"> <li>Depth</li> <li>Scale</li> <li>Duration</li> <li>Measurable impact KPIs linked to impact intentionality and SDG goals</li> </ul>	<ul style="list-style-type: none"> <li>Who benefits from the effect?</li> </ul>	<ul style="list-style-type: none"> <li>How does the effect compare and contribute to what would likely occur anyway?</li> </ul>	<ul style="list-style-type: none"> <li>Which risk factors are significant?</li> <li>How likely is it that the outcome is not reached?</li> </ul>

FIGURE 4: Elements of the portfolio impact analysis of United Bankers' timberland funds

**UB Forest Industry Green Growth Fund I:** The impact framework of UB FIGG is based on ToC to guide the strategic impact work of the fund. The ToC is a causality framework based on academic and non-academic research and literature, expert opinions, and analytical thinking. The framework encompasses spheres of impact (company/people/environment) and dimensions of impact (direct, indirect, broader). The ToC of UB FIGG is used to guide the assessment of investments'

anticipated impact to the market and customers, selecting key indicators for which baselines are established, and annual monitoring and reporting of impacts.

On this basis, the impact measurement process of the fund is designed to identify, document, and monitor the impacts of each investment made by the fund before, during and at the exit of each investment. The impact analysis and indicator selection process include the

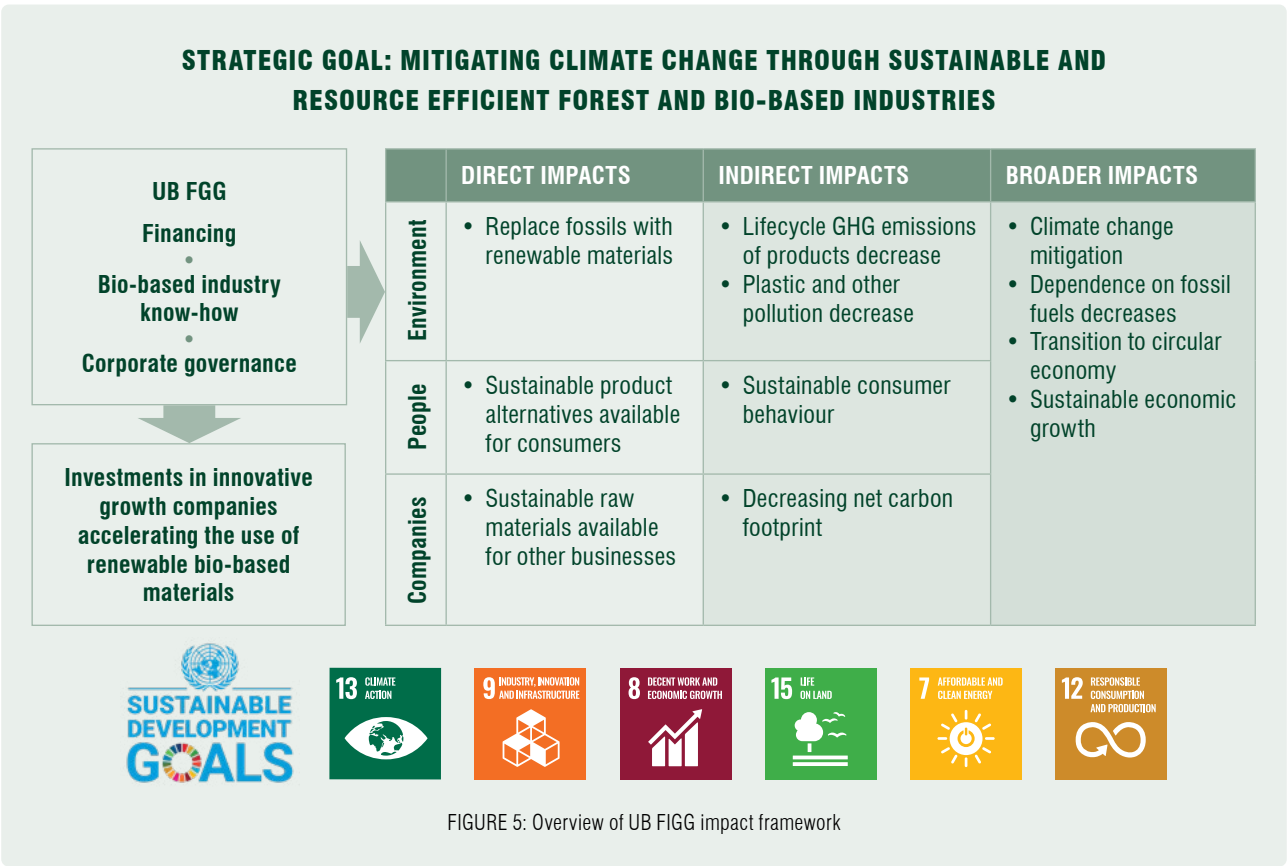


analysis of the investment intent, expected impact magnitude, beneficiaries of the impacts, UB FIGG contribution, and the possible risks of not reaching the desired impacts based on ex-ante expectations (Figure 6).

The impact indicators for each investment are selected to align with the portfolio strategic impact goal of climate change mitigation and target Sustainable Development Goals, as well as the most prominent intended impacts of the activities of the investee company. GIIIN's IRIS+ metrics, and when applicable the EU Taxonomy definitions, are used to aid this process. In addition, the Advisory Board's in-depth technical and sector knowledge can be leveraged when analysing the significance

of the impacts of each investment – for example in comparison to other technical alternatives.

The selected one to four principal impact indicators per investment, and the results of the impact analysis are included in the Investment memo prepared for the Investment Committee to review and approve for each investment. These principal impact indicators of each investment are also included in the quarterly investor reporting, and in the more in-depth annual reporting. The impact indicator data updates are collected on an annual basis from each investment through UB FIGG impact and ESG monitoring questionnaire.



WHAT Investment intent	HOW MUCH Impact KPIs	WHO End beneficiaries	CONTRIBUTION UB FIGG difference	RISK Impact risk
<ul style="list-style-type: none"> <li>What are the outcomes that the portfolio company is contributing to?</li> <li>How important are the outcomes?</li> </ul>	<ul style="list-style-type: none"> <li>Depth</li> <li>Scale</li> <li>Duration</li> <li>Measurable impact KPIs linked to impact intentionality and SDG goals</li> </ul>	<ul style="list-style-type: none"> <li>Who benefits from the effect?</li> </ul>	<ul style="list-style-type: none"> <li>How does the effect compare and contribute to what would likely occur anyway?</li> </ul>	<ul style="list-style-type: none"> <li>Which risk factors are significant?</li> <li>How likely is it that the outcome is not reached?</li> </ul>

FIGURE 6: Elements of UB FIGG investment impact analysis

## PRINCIPLE 5:

### Assess, address, monitor, and manage potential negative impacts of each investment

For each investment, the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG)<sup>6</sup> risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice.<sup>7</sup> As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

**United Bankers' timberland funds:** The investment policies and the associated ESG policies of the United Bankers' timberland funds, [United Bankers' principles for Responsible investment](#), and United Bankers Principles for identification and consideration of the Principal Adverse Impacts of investments detail the funds' basic ESG Safeguards criteria and processes for managing the potential negative impacts of the investments.

Management of negative impacts is integrated into the investment processes of United Bankers' timberland funds in three ways: 1) the assessment, monitoring and reporting of ESG risks, 2) the assessment, management, and reporting of the Principal Adverse Impact ("PAI") indicators, and 3) alignment of the fund processes with the EU Taxonomy DNSH (do no significant harm) and minimum safeguards criteria.

At the start of the investment process, each potential investee is preliminarily assessed from the viewpoint of impact potential and ESG risks. The aim is to investigate whether the potential investment is in line with the fund's strategic goals and whether significant and clear environmental risks are involved. At this stage potential investment targets including too high ESG risks that cannot be effectively mitigated through site-specific forest management activities implemented by the fund, are excluded from the investment process.

During the investment portfolio ESG risks are monitored through implementation of the FSC and PEFC responsible forest management certifications. The criteria of these certifications include management of basic ESG risks in forestry, including for example OHS matters, community matters, legality of land tenure, and basic biodiversity and climate considerations. In addition, the funds monitor ESG risks, for example emerging climate risks, through periodic portfolio-level assessments that guide future portfolio construction and forest management criteria setting.

The operations of the United Bankers' timberland funds are designed to align with the EU Taxonomy DNSH -criteria for forest management and climate change mitigation, and the Minimum Safeguards criteria regarding good governance human rights matters. Compliance with these criteria is embedded in the investment policies and processes of the funds to ensure alignment. The funds for example require that contractors of the funds respect human rights and align with good governance practices in line with United Bankers' Supplier Code of Conduct. The contractors are also subject to United Bankers' supplier monitoring.

Monitoring of the overall ESG risks of the investments is carried out at least annually. Reporting on the ESG risks is included in the reporting of United Bankers' timberland funds to the investors.

<sup>6</sup> The application of good ESG management will potentially have positive impacts that may or may not be the principal targeted impacts of the Manager. Positive impacts resulting from ESG matters shall be measured and managed alongside with, or directly embedded in, the impact management system referenced in Principles 4 and 6.

<sup>7</sup> Examples of good international industry practice include: IFC's Performance Standards ([www.ifc.org/performancestandards](http://www.ifc.org/performancestandards)); IFC's Corporate Governance Methodology ([www.ifc.org/cgmmethodology](http://www.ifc.org/cgmmethodology)), the United Nations Guiding Principles for Business and Human Rights ([www.unglobalcompact.org/library/2](http://www.unglobalcompact.org/library/2)); and the OECD Guidelines for Multinational Enterprises (<http://mneguidelines.oecd.org/themes/human-rights.htm>).

**UB Forest Industry Green Growth Fund I:** The investment policy and the associated ESG policy of the fund, [United Bankers' principles for Responsible investment](#), and [United Bankers Principles for identification and consideration of the Principal Adverse Impacts of investments](#) detail the fund's basic ESG Safeguards criteria and processes for managing the potential negative impacts of the investments. Management of negative impacts is integrated into the UB FIGG investment process in two ways: 1) the assessment, management, and reporting of ESG risks, and 2) the assessment, management, and reporting of the Principal Adverse Impact ("PAI") indicators.

At the start of the investment process, each potential investee is preliminarily assessed from the viewpoint of impact potential and ESG risks. The aim is to investigate whether the potential investment is in line with the fund's strategic goals and whether significant and clear environmental risks are involved. At this stage the potential investments are screened for ESG risks, and an initial ESG risk categorisation based on the [IFC Environmental and Social Categorization framework](#) is produced.

For potential investments showing promising strategic impact potential and potentially manageable ESG risks, ESG risks and compliance with UB FIGG ESG

safeguards (available upon request) are assessed in more detail during the due diligence -phase. In line with United Bankers' principles for Responsible investment, in addition to so-called traditional ESG risks, the assessment also includes assessment of human rights risks and climate risks. In these assessments, alignment with UNGP principles and TCFD framework are observed.

Based on the due diligence findings, all UB FIGG investments associated with medium to high environmental and social risks and adverse impacts are, over a reasonable period of time, required to implement management and mitigation actions to align their operations with UB FIGG requirements and relevant international standards. The higher the risks are, the more stringent the UB FIGG requirements become. The required actions and criteria are included in a time-bound action plan included in the investment agreement. UB FIGG supports the investees in meeting the requirements of the action plans as necessary, and monitors compliance through regular communications on an ongoing basis.

Monitoring of the overall ESG risks of the investments is carried out at least annually. Reporting on the ESG risks is included in the Fund reporting to the investors.

## PRINCIPLE 6:

### Monitor the progress of each investment in achieving impact against expectations and respond appropriately

---

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action.<sup>8</sup> The Manager shall also seek to use the results framework to capture investment outcomes.<sup>9</sup>

**United Bankers' timberland funds:** During the investment period United Bankers' timberland funds monitor and measure the impact indicators described under Principle 4 for each fund portfolio. The regular impact monitoring at investee takes place at least annually.

Climate impacts are monitored by annual carbon balance accounting based on forest inventory data and data on annual logging and forest management activities. Biodiversity impacts are monitored using several biodiversity indicators based mainly on forest inventory data. ESG risks are monitored through data on materialized risks such as storm damages, results of forest certification audits, and periodic portfolio level risk assessments.

The portfolio level strategic impacts and risks are monitored on an annual basis by the Investment Committee of each fund and reported annually to the investors. The impact results of United Bankers' timberland funds are published annually in annual responsible investment report of each fund, which encompasses impact figures findings at aggregate portfolio level.

**UB Forest Industry Green Growth Fund I:** During the investment period UB FIGG monitors and measures the impact indicators described under Principle 4 for each investment in the portfolio of the fund. The regular impact monitoring at investee takes place at least annually. The relevant indicators and timing of the reporting are attached to the investment agreements.

UB FIGG principally requests data from its investee companies through an online system, and the data collection is accompanied with face-to face or online discussions with the investee companies to deepen the understanding regarding the investee needs, challenges, and opportunities. Based on the data and discussions, UB FIGG supports the investees in developing their business and achieving the desired impacts. In cases where the investee company has not met the expected targets, UB FIGG team contacts the investee to discuss the root causes and possible problems and follows up with continuous monitoring.

The UB FIGG impact results are published annually in UB FIGG annual report to the investors. The annual report encompasses impact figures findings at aggregate portfolio level and on investee level. UB FIGG Investment Committee carries out monitoring of the fund's strategic impacts in connection to the review processes of the fund's annual reporting.

<sup>8</sup> Actions could include active engagement with the investee; early divestment; adjusting indicators/expectations due to significant, unforeseen, and changing circumstances; or other appropriate measures to improve the portfolio's expected impact performance.

<sup>9</sup> Outcomes are the short-term and medium-term effects of an investment's outputs, while the outputs are the products, capital goods, and services resulting from the investment. Adopted from OECD-DAC ([www.oecd.org/dac/](http://www.oecd.org/dac/)).



## PRINCIPLE 7:

### Conduct exits considering the effect on sustained impact

---

When conducting an exit<sup>10</sup>, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

**United Bankers' timberland funds:** United Bankers' timberland funds include both open-end and closed-end funds. In closed-end funds there is an exit process or several partial exit processes at the end of the term of the fund. In open-end funds, only partial exits are conducted in case a fund desires to exit a portion of its portfolio. In all larger exit processes (no single forest property sales), United Bankers' timberland funds conduct an evaluation of the exits impact on the portfolio performance and impact goals and seeks to establish how the unit in question has contributed to the funds' impact goals. The evaluation of ESG risks and impacts are included in the Investment Committee materials and meetings regarding the exit. This includes reflection upon ESG risks and impacts, and the analysis of key impacts achieved. Considerations on whether the future owner of the forest properties will continue climate- and biodiversity-smart, certified (FSC and/or PEFC) forest management practices are also included.

**UB Forest Industry Green Growth Fund I:** UB FIGG is a closed-end fund. The investment period of the fund is 5 years, and the fund's term is 10 years, both calculated as anniversaries of the start date of the fund. During the initial years of operation, the fund focuses on fundraising and making investments and will exit very few investments per year.

In all exit processes, the UB FIGG conducts an evaluation of the portfolio company's performance regarding the impact goals set for the portfolio company and how the portfolio company has contributed to the fund's goals. The goal is that the company will continue to deliver positive impacts through its products and/or activities also after exit. In addition, the portfolio company's performance regarding ESG activity and ESG risk management is evaluated. These assessments are used to develop the fund's future activities.

The evaluation of ESG risks and impacts are included in the Investment Committee materials and meetings regarding the exit ("exit memo"). In the exit memo UB FIGG reflects on the achievements against set targets/estimates and considers the future direction of the company. This includes reflection upon ESG risks and impacts, the analysis of key impacts achieved, their comparison to the original targets/estimates from the initial investment approval due diligence phase. Additionally, analysis of the development of ESG risks during the investment and comparison to the initial understanding regarding ESG risks in the initial investment approval and due diligence phase will take place. The exit procedures will be continuously developed further.

<sup>10</sup> This may include debt, equity, or bond sales, and excludes self-liquidating or maturing instruments.

## **PRINCIPLE 8:**

### **Review, document, and improve decisions and processes based on the achievement of impact and lessons learned**

---

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

**United Bankers' timberland funds:** United Bankers' timberland funds manage their impact and seek continuous improvement in their operations on primarily on portfolio level, as the large forest portfolios of each fund consist of thousands of small single forest properties (each individually too small for meaningful assessment of climate and/or biodiversity impacts).

All United Bankers' timberland funds periodically monitor the impacts and ESG risks of their portfolios. Portfolio performance is compared against market- and global trends, and latest forest- and climate science and similar, to seek opportunities for improvement of the forest management practices, impact indicator development and processes of the funds. For example, continuous development of forest carbon modeling methods is followed closely, and the funds seek to use state of the art modelling as basis of their impact management. Additionally, in all larger exit processes (no single forest property sales), United Bankers' timberland funds conduct an evaluation of the exits impact on the portfolio performance and impact goals and seeks to establish how the unit in question has contributed to the fund's impact goals.

Continuous development on portfolio level impact management is tasked to UB forestry team and UB ESG team, together with the investment team of each fund. The Investment Committee of each fund is regularly presented with lessons learned based on the realised impacts and ESG risks of each portfolio, and use the findings are used to inform future investment decisions and development of the processes and policies of each fund. Most significant lessons learned are documented in the annual reporting of each fund.

**UB Forest Industry Green Growth Fund I:** When planning and executing an exit, UB FIGG will write an exit memo based each investment. In the exit memo UB FIGG will reflect on the achievements against set targets/estimates and consider future direction of the company. In addition to financial performance and other business considerations, the memo includes a section for investment ESG risks and impacts where key impacts are presented and compared to the original targets/estimates from the initial investment approval due diligence phase. Additionally, the development of ESG risks during the investment is reflected upon and compared to the initial understanding regarding ESG risks in the initial investment approval and due diligence phase.

The exit memo and proposal are processed and decided upon in the Investment Committee of the fund. The Investment Committee will gather lessons learned based on the realised impacts and ESG risks of each investment and use these findings to inform future investment decisions. The lessons learned are documented in the Investment Committee memos. Based the Investment Committee recommendations, proposals for improving fund processes may be considered to refine the investment policies, investment process, and related practices and strategies of the fund.

As the operations of UB FIGG mature, the exit procedures and practices related to lessons learned will be further developed.

## **PRINCIPLE 9:**

### **Publicly disclose alignment with the Operating Principles for Impact Management and provide regular independent verification<sup>11</sup> of the alignment**

---

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

This Disclosure Statement serves as United Bankers Plc's testimony to its alignment with the Impact Principles. This Disclosure Statement applies to the following assets of business lines (the "Covered Assets"):

- **UB Forest Industry Green Growth Fund, total portfolio**
- **UB Timberland Fund, total portfolio**
- **UB Nordic Forest Fund III, total portfolio**
- **UB Nordic Forest Fund IV, total portfolio**

United Bankers Plc became a Signatory to the Impact Principles in June 2025. Independent verification has not yet been conducted. The first verification is planned for 2027. The verification will be conducted in accordance with OPIM verification requirements.

<sup>11</sup> The independent verification may be conducted in different ways, i.e., as part of a financial audit, by an independent internal impact assessment committee, or through a portfolio/fund performance evaluation. The frequency and complexity of the verification process should consider its cost, relative to the size of the Fund or institution concerned, and appropriate confidentiality.

## Contact information

---

### UNITED BANKERS PLC

Aleksanterinkatu 21 A  
00100 Helsinki, Finland  
+358 9 2538 0320

#### **Seela Sinisalo**

Head of ESG and Impact  
+358 40 595 5924  
[seela.sinisalo@unitedbankers.fi](mailto:seela.sinisalo@unitedbankers.fi)

### UB FOREST FUNDS

#### **Kari Kangas**

Director, Forest Investments  
+358 40 090 3133  
[kari.kangas@unitedbankers.fi](mailto:kari.kangas@unitedbankers.fi)

### UB FOREST INDUSTRY GREEN GROWTH FUND

#### **Matti Lehtipuu**

Managing Partner  
+358 40 525 5103  
[matti.lehtipuu@unitedbankers.com](mailto:matti.lehtipuu@unitedbankers.com)