

Lyra Financial Wealth
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Sustainability Report

2025



SUSTAINABILITY-RELATED DISCLOSURES

Lyra provides discretionary portfolio management and investment advice for its clients. The European regulatory framework governing sustainability issues in the financial market is called the SFDR, or the Disclosure Regulation. The regulation governs the provision of information throughout the EU with the aim of increasing comparability of investment options. The regulations assume that financial products must be classified for sustainability purposes, with products categorised as follows:

(Article 9) dark green products:	Financial instruments incorporating sustainability as a key investment objective in the products.
(Article 8) light green products:	Financial instruments promoting sustainability, but without having sustainability as an overriding objective.
Other products:	Financial instruments that do not fulfil the above mentioned criteria.

Under the Disclosure Regulation and for sustainability related purposes, discretionary portfolio management is not distinguished from a financial product. This document contains Lyra's sustainability disclosures that the company is required to publish on its website.

This document provides an overall description of how Lyra's consolidated discretionary portfolio management promotes environmental or social characteristics, as well as how these are achieved. Information regarding the discretionary management mandate at the account level is provided through reporting to each client.

SUMMARY

Promoting Sustainable Investments

Lyra's discretionary portfolio management is formally classified under the regulatory framework as a financial product. Our portfolios are classified as light green investments (Article 8), i.e. promoting environmental or social characteristics, but do not have sustainable investment as an objective. Our main objective however is the economic performance of the client's portfolio.

Environmental or Social Characteristics of the Financial Product

Lyra's management is based on a well-diversified portfolio of over 12,000 underlying holdings in a wide range of sectors and with global geographical exposure. As a result, Lyra has chosen to define the environmental or social characteristics we promote as follows:

- > The discretionary portfolio management promotes environmental and social characteristics through sustainable investments. This involves investments, primarily through funds, that are assessed to contribute to an environmental or social objective in line with the Global goals in Agenda 2030 and/or operations aligned with the EU Taxonomy. At least 15% of the weighted revenues of the portfolio management companies should contribute to at least one of the 17 global or social goals.
- > We require good corporate governance in the fund management companies through which we invest, as well as the presence of defined investment criteria within these companies.

Investment Strategy

Our investment strategy is founded on scientific research – we adhere to empirical evidence, which enhances the probability of achieving positive outcomes. Our selection of financial instruments is based on over 70 years of research conducted at the world's leading universities on the principles of optimal investment portfolio construction. Accordingly, our investment strategy emphasizes a well-diversified portfolio, encompassing a broad range of companies, industries and geographic regions.

The research underlying our investment strategy is based on extensive data spanning across long periods of time, ensuring well-established conclusions. Given that the new sustainability regulation is relatively new and limited solely to the European market, neither the time span nor the data volume is sufficient. As a result, we do not have enough research evidence to incorporate into our portfolios.

The research published to date has explored two different investment approaches – exclusion or engagement. Currently, there is no clear consensus on whether exclusion or engagement has a greater impact on the company level. Consequently, we have opted for a balanced approach, where fund companies partially exclude problematic sectors while retaining investments with poor ratings and seek to exert influence. Due to this, economic performance remains as our primary objective, but we also aim to promote sustainability through our investments.

Furthermore, our portfolios are globally diversified, meaning that significant portions of the portfolios are outside the EU/EEA. Since the regulation governing the calculation of environmental or social characteristics is European, we face an additional challenge as large parts of the portfolios lack reliable data and/or do not report in accordance with EU standards. Notable is also that the measurability of sustainability and its key performance indicators are not fully standardized, which complicates the monitoring and influence of investments.

Regardless of insufficient research or data limitations, Lyra as a company considers it of utmost importance to work towards the sustainable goals. We closely monitor research in this area, and as soon as it provides clear results on how we most effectively make an impact within the scope of our commitments to our clients, we will incorporate it in our processes.

Share of Investments

15% of our total portfolio shall contribute to one or several of the 17 Sustainable Development Goals.

An account of the main negative impacts of investment decisions on sustainability factors is provided in Appendix 1.

Monitoring of Environmental or Social Characteristics

Lyra continuously monitors the products included in our management. This involves reviewing both fund companies and underlying investments in the portfolio companies. Monitoring is conducted through information collected directly from fund managers, as well as through an external provider, Matter, which enables us to track quantitative data related to the investments.

This information is considered during our monitoring and evaluation of our discretionary portfolio management. It is provided to clients annually as part of our continuous reporting of the sustainability efforts related to the client's specific portfolio.

The social or environmental characteristics that are prompted are selected partly through a qualitative process when selecting fund management companies, taking governance aspects into account (detailed below due diligence). Additionally, publicly available sustainability information is analysed in a purchased tool; currently, we focus on the percentage contribution to one or several of the global goals.

To ensure quality of data, we have selected a provider that focuses on data quality and transparency. Data for each holding is obtained from multiple sources to verify the accuracy of the information.

Since Lyra does not estimate any data on its own, a lower percentage is deemed to qualify as investments that meet our sustainability criteria. This is largely due to the fact that a significant portion of the holdings in our discretionary portfolios consists of companies based outside the EU/EEA, meaning they originate from jurisdictions that do not adhere to the European regulations governing these sustainability disclosures.

We do not have any limitations regarding methods or data.

Our Fund Managers' Due Diligence (DD)

We require that **the fund managers we invest in** are committed to adhering to, and have signed, the UN Principles for Responsible Investment (UNPRI), which encompasses six defined principles for responsible investments.¹ This ensures that there are processes and compliance mechanisms in place to monitor adherence to the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

We require that fund managers maintain good governance practices, which is assessed through a due diligence process of the fund managers and the information they provide. We expect a clear description and strategy outlining how the fund managers address ESG-related issues before the fund can be approved by our investment committee.

Our Due Diligence in Fund Selection

In addition to the information gathered from fund managers, we conduct quantitative analyses through our external service provider, as described above.

Engagement Strategies

As a small actor with a well-diversified portfolio, we have, in practice, a very limited ability to influence the investment objectives. As a result, we have not undertaken any active measures for engagement in the portfolio companies. However, we maintain an ongoing dialogue with the fund managers through which we invest and continuously monitor how they work with engagement dialogue and voting activities.

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Lyra has not selected a benchmark for comparison regarding sustainability-related disclosures.

¹ UNPRI is a global initiative to increase responsible behavior in ESG. Signatories of UNPRI have committed to integrate the following Principles into their operations and to report annually on the results of this work. The Principles are:

- to consider ESG issues into investment analysis and decision-making processes.
- to be active owners and incorporate ESG issues into ownership policies and practices.
- to strive for the fund company's funds to provide open and sufficient reporting on ESG issues.
- to promote acceptance and implementation of the UNPRI within the investment industry.
- to work together to enhance the effectiveness of implementing the UNPRI and
- to annually report on activities and progress towards implementing the Principles.

APPENDIX 1

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

Financial Market Participant

Lyra Financial Wealth AB, LEI 8945000L3AKEHPQK4Z90

Summary

Lyra Financial Wealth AB, LEI 8945000L3AKEHPQK4Z90 considers principal adverse impacts of its investment decisions on sustainability factors. The following statement is the consolidated statement on principal adverse impacts on sustainability factors of Lyra.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2024 to 31 December 2024.

Lyra provides discretionary portfolio management with separate strategies and investment policies and assesses that the investment decisions do have negative impacts on several sustainability factors.

The company has processes to limit adverse impact on sustainability factors such as climate, environment, human rights, anti-corruption, labour issues, and equality.

The company's strategies to identify and prioritize the adverse impact on sustainability factors are implemented through the criteria determined in the sustainability policy. The policy is taken into consideration when assessing new and existing funds. The latest version of the policy was approved by Lyra's CEO on the 30th of December 2024 and will be updated annually, where Lyra will account for how principal adverse impacts on sustainability factors are considered in the portfolio management.

To limit adverse impacts and sustainability risks, contribute to sustainable development, and create better conditions for achieving a good risk-adjusted return in the portfolio, the company will, through its selected fund managers, employ methods such as overweighting, underweighting, exclusion, and impact investing

Exclusion is applied on all article 8 funds the company invests in, which means that the funds will exclude companies whose products and services are deemed to have significant adverse impact on sustainability factors. These exclusions may differ depending on the fund, but generally, companies involved in controversial sectors with operations that could have irreversible impacts on certain sustainability factors will be excluded, as well as companies that violate international norms and conventions.

As part of this process, Lyra ensures that the funds we invest are UNPRI signatories and that they have a well-developed corporate governance framework. By signing the UNPRI, these funds commit to the following six principles:

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

To limit the adverse impact on climate, environment, people, and society, the company will, through our choice of funds, exclude certain investments based on specific criteria. At a minimum, companies associated with the following products and services to the greatest extent will be avoided:

- > Companies with revenue from controversial weapons
- > Companies with revenue from nuclear weapons

Lyra strives to invest in funds that have a positive impact on the environment, by overweighting (underweighting) companies that contribute to decreased (increased) carbon emissions (PAI1.1 scope 1 and PAI1.2 scope 2).

Although the company aims to exclude products and services mentioned above, Lyra's investments will still have an adverse impact on the majority of indicators listed appendix 1 (Table 1). However, by excluding the aforementioned products and services, the adverse impact will be limited for some indicators e.g. indicators 1, 4, 10, 11 and 14. These indicators can be prioritised by the company.

Sustainability data is sourced from a third-party supplier that provides data at the company level. Data includes emissions and other environmental related indicators, as well as assessments of social factors and corporate governance. The supplier collects data directly from the company's annual and sustainability reports, NGOs, academia, and government sources. In 2023, the sustainability values were based exclusively on reported data from each company. From 2024 onwards, estimated data is also included for companies where such reporting is unavailable. This methodological change means year-over-year comparisons may be misleading.

Table 1. Description of the Principal Adverse Impacts on Sustainability Factors

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES							
Adverse sustainability indicator	Metric	Impact 2024 incl. estimates for companies with missing data	Impact 2023 excl. estimates for companies with missing data	Explanation	Actions taken, and actions planned and targets set for the next reference period		
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions Tonnes CO ₂ e per mEUR EVIC	76,47	57,4	This metric provides what is required for exact measurement for the EU-defined PAI, by capturing scope 1 emissions: the GHG emissions generated from sources owned or controlled by investee companies. Includes estimated data.		Aiming to reduce
					Weight coverage excl. estimates		
					2024	2023	
					79,29%	76,38%.	
		Scope 2 GHG emissions Tonnes CO ₂ e per mEUR EVIC	32,0	16,2	This metric provides what is required for exact measurement for the EU-defined PAI, by capturing scope 2 emissions: the GHG emissions generated from the generation of purchased electricity, heat or steam consumed by investee companies. Includes estimated data.		Aiming to reduce
					Weight coverage excl. estimates		
					2024	2023	
					79,29%	75,22%.	
		Scope 3 GHG emissions Tonnes CO ₂ e per mEUR EVIC	341	378	This metric provides what is required for exact measurement for the EU-defined PAI, by capturing the scope 3 emissions of investee companies: emissions generated from the extraction and production of purchased materials and fuels; the transportation of goods in vehicles not owned or controlled by investee companies; the use of sold products or services; the end-of-life treatment of sold products; and outsourced activities, franchising, and investment. Includes estimated data.		
					Weight coverage excl. estimates		
					2024	2023	
					79,29%	75,07%	

		Total GHG emissions Tonnes CO ₂ e per mEUR EVIC	449	448	<p>This metric provides an exact measurement for the EU-defined PAI, by capturing the aggregated Scope 1, 2, and 3 GHG emissions generated by investee companies. Includes estimated data.</p>	Aiming to reduce
					Weight coverage excl. estimates	
					2024	2023
					79,29%	74,81%
	2. Carbon footprint	Carbon footprint Tonnes CO ₂ e per mEUR EVIC	449	448	<p>Weight coverage excl. estimates</p>	Aiming to reduce
					2024	2023
					79,29%	74,81%
	3. GHG intensity of investee companies	GHG intensity of investee companies Tonnes CO ₂ e per mEUR Revenue	1077	966	<p>This metric provides an exact measurement for the EU-defined PAI, by capturing the GHG emission intensity of investee companies, i.e. all of the GHG emissions generated directly and indirectly by investee companies annually relative to their revenue. Includes estimated data.</p>	Aiming to reduce
					Weight coverage excl. estimates	
					2024	2023
					86,12%	82,23%
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	15%	10,9%	<p>This metric provides an exact measurement for the EU-defined PAI, by capturing investee companies that derive any revenues from the exploration, mining, extraction, distribution, or refining of oil, natural gas, and coal. Includes investee companies involved in the financing of fossil fuel projects and expansions.</p>	Aiming to reduce
					Weight coverage excl. estimates	
					2024	2023
					14,99%	11,13%
	5.1 Share of non-renewable energy consumption	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	62,4%	29,02%	<p>This metric provides a partial measurement for the EU-defined PAI, by capturing the share of non-renewable energy consumption relative to the total energy consumption of investee companies. Renewable and non-renewable energy shares are self-reported by companies as per CDP disclosures.</p>	Aiming to reduce
					Weight coverage excl. estimates	
					2024	2023
					14,83%	43,18%
	5.2 Share of non-renewable energy production	Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	13,3%	13,93%	<p>This metric provides a partial measurement for the EU-defined PAI, by capturing the share of non-renewable production relative to the total energy production of investee companies. Renewable and non-renewable energy shares are self-reported by companies as per CDP disclosures.</p>	Aiming to reduce
					Weight coverage excl. estimates	
					2024	2023
					8,07%	23,49%

	6. Energy consumption intensity per high impact climate sector	Energy consumption per high impact climate sector Annual GWh per mEUR revenue of investee companies	0,61	0,5	This metric provides an exact measurement for the EU-defined PAI, by capturing the energy consumption intensity of investee companies in high impact climate sectors, as defined by the EU. Sectors are classified under the NACE classification.	
		Sector A – Agriculture, forestry and fishing	0,00	-	Weight coverage excl. estimates	
		Sector B – Mining and quarrying	0,09	-	2024	2023
		Sector C – Manufacturing	0,30	-	58,79%	54,25%
		Sector D – Electricity, gas, steam and air conditioning supply	0,14	-		
		Sector E – Water supply; sewerage, waste management and remediation activities	0,00	-		
		Sector F – Construction	0,00	-		
		Sector G – Wholesale and retail trade; repair of motor vehicles and motorcycles	0,01	-		
		Sector H – Transportation and storage	0,06	-		
		Sector L – Real estate activities	0,00	-		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	4,41%	4,61%	This metric provides a proxy measurement for the EU-defined PAI, by identifying companies whose activities are likely to cause adverse impacts on biodiversity in key sensitive areas where they operate. This identification process utilizes location-specific data from production facilities with a high impact on nature, which is then integrated with maps highlighting areas of high biodiversity value and/or cultural significance. It should be noted that due to limitations in data availability, this metric does not cover all industry sectors.	
					Weight coverage excl. estimates	
					2024	2023
					4,41%	4,69%
Water	8. Emissions to water	Emissions to water generated by investee companies, expressed as a weighted average Tonnes per mEUR EVIC	<0,01	<0,01	This metric provides a partial measurement for the EU-defined PAI, by capturing investee companies that emit 26 priority substances out of the 45 defined by the EU, measured in tonnes equivalent. Tonnes equivalent measures how dangerous the chemical is by multiplying oral toxicity weight by tonnes released or transferred.	
					Weight coverage excl. estimates	
					2024	2023
					6,47%	6,98%

Waste	9. Hazardous waste and radioactive waste ratio	Hazardous waste and radioactive waste generated by investee companies, expressed as a weighted average <small>Tonnes per mEUR EVIC</small>	21,4	13,0	This metric provides a partial measurement for the EU-defined PAI, by only capturing the tonnes of hazardous waste emitted by investee companies- i.e. the quantity of waste which has hazardous properties in gaseous, liquid or solid form for which no further use is foreseen or considered.		
					Weight coverage excl. estimates		
					2024	2023	
					42,56%	41,58%	
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	5,79%	6,05%	This metric provides a proxy measurement for the EU-defined PAI, by capturing investee companies that have been involved in allegations of severe human and/or labour rights impacts within the last 4 years.		
					Weight coverage excl. estimates		
					2024	2023	
					5,79%	6,16%	
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	9,92%	9,89%	This metric provides a partial measurement for the EU-defined PAI, by capturing investee companies without policies to monitor compliance with human and labour rights, or without grievance mechanisms through which workers and external individuals and communities can raise complaints or concerns, including but not limited to human rights issues.		
					Weight coverage excl. estimates		
					2024	2023	
					9,92%	10,07%	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	18,27%	7,88%	This metric provides an exact measurement for the EU-defined PAI, by capturing the average unadjusted gender pay gap of investee companies, i.e. the percentage difference in the average wage per unit of time for men compared to women.		
					Weight coverage excl. estimates		
					2024	2023	
					46,13%	38,39%	

	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	31,3%	21,7%	This metric provides a partial measurement for the EU-defined PAI, by capturing the average ratio of non-male to male at the highest governance level of investee companies.		
					Weight coverage excl. estimates		
					2024	2023	
					74,25%	69,56%	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,93%	0,87%	This metric provides an exact measurement for the EU-defined PAI, by capturing investee companies involved with cluster munition, anti-personnel mine, and nuclear weapons manufacturing that were divested by NBIM and NZ SuperFund.		
					Weight coverage excl. estimates		
					2024	2023	
					0,93%	0,88%	
INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS							
Adverse sustainability indicator		Metric	Impact 2024 incl. estimates for companies with missing data	Impact 2023 excl. estimates for companies with missing data	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Environmental	15. GHG intensity	GHG intensity of investee countries Tonnes CO ₂ e per mEUR GDP.	147,4	10,3	This metric provides a partial measurement for the EU-defined PAI, by only capturing investee countries Scope 1 GHG emissions intensity. Scope 1 terrestrial emissions were calculated by converting investee countries' carbon, methane, and nitrous oxide emissions to CO ₂ equivalents using the 100-year Global Warming Potential (GWP) values.		
					Weight coverage excl. estimates		
					2024	2023	
					5,27%	3,75%.	
Social	16. Investee countries subject to social violations	Countries subject to EU and/or UN sanctions expressed as weighted share of portfolio.	0,0%	0,25%	This metric provides a proxy measurement for the EU-defined PAI, by capturing investee countries currently subjected to sanctions by the European Union and/or United Nations Security Council. The metric does capture sanctions imposed by individual nation states.		
					Weight coverage excl. estimates		
					2024	2023	
					0%	0,25%	

INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport, or manufacture of fossil fuels.	NA	NA	Lyra had no direct investment in real estate in 2023.	
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets.	NA	NA	Lyra had no direct investment in real estate in 2023.	
Other indicators for principal adverse impacts on sustainability factors						
No other indicators						
<p>Description of policies to identify and prioritise principal adverse impacts on sustainability factors</p> <p>The company's strategies to identify and prioritize the adverse impact on sustainability factors is implemented through the criteria determined in the sustainability policy.</p> <p>The policy is taken into consideration when assessing new and existing funds. The latest version of the policy was approved by Lyras CEO in December 2023 and will be updated annually where Lyra will account for how principal adverse impacts on sustainability factors are considered in the portfolio management.</p> <p>In order to limit the adverse impact, as well as to limit sustainability risks in its entirety; contribute to a more sustainable development and at the same time create better conditions to obtain a good risk-adjusted return in the portfolio; the company will, via the selected fund managers it is investing through, use the methods of overweight, underweight, exclusion and impact.</p> <p>For all article 8 funds that the company invests in exclusion is applied, meaning that the funds will exclude companies whose products and services are deemed having significant adverse impact on sustainability factors. These exclusions can differ depending on the fund, but on an overall level will exclude companies deemed involved in controversial sectors where the operations might potentially be of irreversible character for some sustainability factors and companies that go against international norms and conventions.</p>						
<p>Engagement policies</p> <p>As a smaller entity with a well-diversified portfolio (and consequently limited voting power), we have a minimal practical ability to influence the investment objects. Therefore, we have not undertaken any active measures for engagement with the portfolio companies. However, we maintain an ongoing dialogue with the fund management companies through which we invest and regularly monitor how they conduct engagement dialogues and voting.</p>						
<p>References to international standards</p> <p>UNPRI</p>						
<p>Historical comparison</p> <p>Due to increased access to data from 2022 to 2023 where a larger number of weightings are covered and the fact that some of the normalisation methods have changed, Lyra finds it irrelevant to draw any significant conclusions between the reports from previous years. Notably, the Scope 1 and Scope 2 GHG emissions have been reduced which is expected due to our strategy.</p>						