20.1.2025

ANNEX II

Template for pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective, and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective may be aligned with the Taxonomy or not.

Product name: OP-World mutual fund

Legal person ID: FI0008807516

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It will make a minimum of sustainable investments with an environmental objective:___ %	☒ It promotes Environmental/Social (E/S) characteristics, and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of sustainable investments with a social objective:___ %	☐ It promotes E/S characteristics but will not make any sustainable investments

What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Fund promotes environmental and social characteristics by using exclusion, considering ESG factors as part of the investment process and setting a fund-specific minimum allocation for sustainable investments. The ESG factors refer to matters related to the environment, society or governance. In addition, the Fund's investments are regularly screened for violations of international standards using an external service provider's analysis.

Fund-specific minimum allocation: the Fund partly invests in companies that promote one or several UN Sustainable Development goals, conduct business using products and services that correspond to the EU Taxonomy's environmental goals or conduct green business, and do not cause significant harm to the environment and society, and practise good governance.

Exclusion: The Fund excludes from its active direct investments controversial weapon manufacturers, mining companies producing thermal coal, power companies using thermal coal, tobacco companies, and companies that have breached international standards, and where engagement has been unsuccessful. The list of exclusions is public. In addition to general exclusion rules, the Fund does not invest in companies for which more than 5% of turnover comes from coal, oil or gas exploration, distribution, refining and production and that do not have a clear and plausible strategy for transitioning from fossil fuels to more sustainable business models. Our analysis is based on OP Asset Management's climate model. The exclusion applies to fossil business companies that are not yet adapting to or have not adapted to the net zero path.

ESG integration: ESG factors are considered part of the investment process by using an external service provider's data and the ESG tool, developed internally by the OP Asset Management. Considering the ESG factors as part of the investment process means, for example, that the risks and opportunities related to the environment, society and governance are made transparent using selected indicators from each area.

Shareholders' meetings: The Fund votes in shareholders' meetings through a service provider in line with OP Fund Management Company Ltd's shareholder engagement principles that take responsibility aspects into account.

Violations of international standards: The Fund is regularly screened for non-compliances with international standards. In the event that a non-compliance is detected, an influencing process is begun with the company in question. The aim is to make non-compliant companies change their practices and begin to comply with international standards in their operations. If influencing proves fruitless, the company may be removed from the fund portfolio and placed on the exclusion list.

- *What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*

  The Fund uses the ESG rating as its sustainability indicator. This rating assesses how well a company manages essential risks and opportunities related to the environment, social responsibility and good governance in comparison to its peers. A weighted average of investments' ESG ratings is calculated for the Fund, and this is then compared to the corresponding weighted average of the benchmark index.

  Good governance is assessed using indicators that review the appropriateness of the target company's administrative organisation, the company's actions in relation to its personnel, and the target company's rewarding and taxation practices.

  We monitor and report on factors such as the investments' share of green revenue, carbon intensity and ESG risk rating, based on an external service provider's data.

- *What are the objectives of the sustainable investments that the financial product partly intends to make, and how does the sustainable investment contribute to such objectives?*

  The objective of sustainable investments by the Fund is to participate in activities that are in alignment with the EU Taxonomy or various environmental solutions, or which promote one or more UN Sustainable Development Goals (SDG) without harming other sustainability factors or objectives. Sustainable investments are determined using OP Asset Management's analysis model based on SDG and EU Taxonomy alignment data and green revenues data by external service providers. Under the model, the company must generate revenue from taxonomy-aligned business or revenue from environmental solutions such as renewable energy, energy efficiency, green construction, sustainable use of water resources, pollution prevention, or sustainable agriculture, or at least 20% of its revenue must be aligned with one or several UN Sustainable Development Goals (SDGs). With respect to UN Sustainable Development Goals, revenue (20% or more) involving the following goals is taken into consideration as part of environmental objectives: SDG 20 – clean water and sanitation; SDG 6 – affordable and clean energy; SDG 7 – industry, innovation and infrastructure; SDG 9 – sustainable cities and communities; SDG 11 – responsible consumption; SDG 12 – climate action; SDG 13 – life below water; SDG 14 – life on land. Revenue (20% or more) involving the following goals is taken into consideration as part of social objectives: SDG 20 – no poverty; SDG 1 – zero hunger; SDG 2 – good health and well-being; SDG 3 – quality education; SDG 4 – gender equality; SDG 5 – decent work and economic growth; SDG 8 – reduced inequalities; SDG 10 – peace, justice and strong institutions; and/or SDG 16 – partnerships for the goals.

How do the sustainable investments that the financial product partly intends to make cause no significant harm to any environmental or social sustainable investment objective?

The sustainable investment analysis model by OP Asset Management is used to ensure that the company we invest in does not have business that is harmful for the environment or society. It is also verified that the company considers essential environmental and social factors in its operations at least at satisfactory level. The company we invest in cannot have identified extremely severe environmental or social violations or UN Global Compact violations.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Principal adverse impacts (PAI) are regularly analysed by screening investments against all PAI indicators listed in Annex 1, Table 1 of the SFDR RTS, as well as additional indicator #4 of Table 2 and additional indicator #14 of Table 3 using OP Asset Management's internal PAI tool based on data from an external service provider.

The following indicators must be considered:
Indicators applied for investment in companies as investment products: #1. Greenhouse gas emissions, #2. Carbon footprint, #3. Intensity of greenhouse gas emissions of companies we have invested in, #4. Responsibility related to companies that operate in the field of fossil fuels, #5. Share of the use and production of nonrenewable energy, #6. The intensity of energy consumption per area that has a significant climate impact, #7. Functions that have a negative impact on areas with sensitive biological diversity, #8. Emissions to water, #9. Amount of hazardous waste and radioactive waste, #10. Violations of the UN's Global Compact principles and the operating instructions for multinational companies issued by the Organisation for Economic Co-operation and Development (OECD), #11. Lack of processes and mechanisms to monitor that the UN Global Compact principles or the OECD's operating instructions for multinational companies are followed, #12. Wage differentials between genders not evened, #13. Gender diversity in the Board of Directors, and #14. Exposure to a risk related to controversial weapons (antipersonnel mines, cluster bombs, chemical weapons and biological weapons). Table 2 additional indicator #4. Investments in companies that do not have emissions reduction targets. Table 3 additional indicator #14. For severe human rights violations and cases.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors related to environmental, social and employee matters, respect for human rights, and anti-corruption and anti-bribery matters.

If the screening reveals companies with significant principal adverse impacts on sustainability in comparison to peers, and if the said PAI indicator is deemed essential for the investee company, the investee company will be monitored more closely and excluded if necessary, or a process to influence the company's behaviour can be started. Portfolio managers use the PAI tool to determine the values of the company and line of business, and this data is used when making investment decisions.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The OP Asset Management's sustainable investment analysis model is used to check whether a company in question has violated international standards (UN Global Compact and OECD guidelines for multinationals). If a violation is identified, the company cannot be determined as a sustainable investment.

Even in other investments, we do not make active direct investments in companies that have violated international standards and where engagement has been unsuccessful. The investments are screened each quarter for possible violations of international standards. If a norm violation is detected, the preferred option is to influence the company's behaviour. The second option is the discontinuation of the investment.

The EU Taxonomy sets out a "do no significant harm" principle by which taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take the EU criteria for environmentally sustainable economic activities into account. Said criteria are not integrated by other investments included in this financial product.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ **Yes** Principal adverse impacts (PAI) are regularly analysed by screening investments against all PAI indicators listed in Annex 1, Table 1 of the SFDR RTS, as well as additional indicator #4 of Table 2 and additional indicator #14 of Table 3 using OP Asset Management's internal PAI tool based on data from an external service provider.

The following indicators must be considered:
Indicators applied for investment in companies as investment products: #1. Greenhouse gas emissions, #2. Carbon footprint, #3. Intensity of greenhouse gas emissions of companies we have invested in, #4. Responsibility related to companies that operate in the field of fossil fuels, #5. Share of the use and production of nonrenewable energy, #6. The intensity of energy consumption per area that has a significant climate impact, #7. Functions that have a negative impact on areas with sensitive biological diversity, #8. Emissions to water, #9. Amount of hazardous waste and radioactive waste, #10. Violations of the UN's Global Compact principles and the operating instructions for multinational companies issued by the Organisation for Economic Co-operation and Development (OECD), #11. Lack of processes and mechanisms to monitor that the UN Global Compact principles or the OECD's operating instructions for multinational companies are followed, #12. Wage differentials between genders not evened, #13. Gender diversity in the Board of Directors, and #14. Exposure to a risk related to controversial weapons (antipersonnel mines, cluster bombs, chemical weapons and biological weapons). Table 2 additional indicator #4. Investments in companies that do not have emissions reduction targets. Table 3 additional indicator #14. For severe human rights violations and cases.

If the screening reveals companies with significant principal adverse impacts on sustainability in comparison to peers, and if the said PAI indicator is deemed essential for the investee company, the investee company will be monitored more closely and excluded if necessary, or a process to influence the company's behaviour can be started. Portfolio managers use the PAI tool to determine the values of the company and line of business, and this data is used when making investment decisions.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

In addition to the general exclusion list of OP Asset Management, the Fund does not invest in companies for which more than 5% of turnover comes from coal, oil or gas exploration, distribution, refining and production and that do not have a clear and plausible strategy for transitioning from fossil fuels to more sustainable business models. Our analysis is based on OP Asset Management's climate model. The exclusion applies to fossil business companies that are not yet adapting to or have not adapted to the net zero path.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

The Fund does not have a binding minimum amount for reducing the scope of the investments. The investment strategy involves exclusion criteria based on which the investment universe is reduced.

- *What is the policy to assess the good governance practices of the investee companies?*

Analysing the target company's governance is an important part of the investment process. For us, good governance is a fundamental pillar for any company's financial success, regardless of sector. To identify controversies, all companies are regularly screened for international standard violations. This ensures the detection of serious controversies related to governance identified in the external service provider's analysis. If a controversy is detected in the investee company, investing is possible only if an influencing dialogue is launched. If influencing is unsuccessful or impossible, the company is excluded from the investment universe.

In assessing the governance of investee companies, the analysis examines the appropriateness of the company's governing structures and general risk management related to ESG factors. In our view, the company's ability to manage ESG risks also provides a comprehensive view of the company's level of governance. When the investee company is assessed with regard to whether it fulfils our sustainable investment criteria, governance is evaluated even more extensively. The assessment also includes an estimate of the investee company's actions related to employees and practices concerning remuneration and taxation. In assessing good governance, we use an external service provider's analysis and our own qualitative analysis if no external data is available. We screen the funds regularly to check them against the criteria of good governance. Minimum limits apply for these criteria.

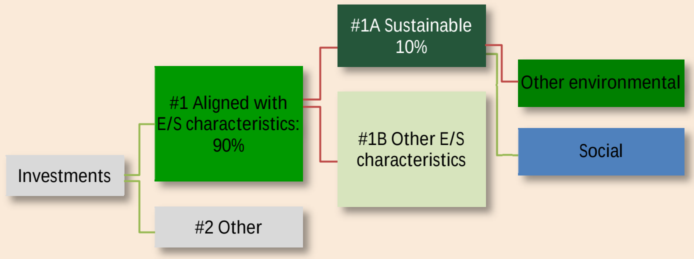
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The Fund promotes environmental and social characteristics by using exclusion, considering ESG factors as part of the investment process and setting a fund-specific minimum allocation for sustainable investments. At least 90% of the Fund's investments promote ESG factors. Category "Other environmental" includes investments that are sustainable in accordance with the SFDR regulation's Article 2(17) by promoting the UN Sustainable Development environmental goals, and category "Social" includes investments that are sustainable in accordance with the SFDR regulation's Article 2(17) by promoting the UN Sustainable Development social goals. In addition, the Fund reserves the right to invest in cash, derivatives and other investments for which sustainability data is not necessarily available ("#2 Other"). Such investments are used to manage the Fund's liquidity and market risks, among other purposes. For investments in category "#2 Other", we cannot guarantee that ESG factors have been considered in the same manner as for category "#1" investments.

The Fund has a 10% minimum allocation to sustainable investments. Sustainable investments are defined using the sustainable investment model by OP Asset Management.

The minimum allocation to environmental and social characteristics, as well as the minimum allocation to sustainable investments, is calculated as average proportions of the Fund's net asset value.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which neither promote the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:
- The sub-category #1A Sustainable covers sustainable investments with environmental or social objectives.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives achieve the environmental or social characteristics promoted by the financial product?

The aim of using derivatives is not to promote environmental or social characteristics.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules. Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund may contain investment options which are in line with the EU Taxonomy, but the Fund does not commit to a certain minimum number of investments in line with the EU Taxonomy

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ in fossil gas ☐ in nuclear energy

☐ No

Investee companies will not begin reporting on alignment with EU Taxonomy until 2023. The percentages of investments that align with EU Taxonomy has not yet been calculated due to the fact that the reported information has not been available. Because of this, we do not know for the time being whether the potential investments in fossil gas and nuclear energy of the financial products align with EU Taxonomy.

- *What is the minimum share of investments in transitional and enabling activities?*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy when they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in the Commission Delegated Regulation (EU) 2022/1214.

The Fund does not commit to a minimum share.

are sustainable investments with an environmental objective and which do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund may contain investment options which are in line with the EU Taxonomy, but the Fund does not commit to a certain minimum number of investments in line with the EU Taxonomy Currently, only a few investment options in line with the EU Taxonomy are available, and there is a limited amount of reported information about compliance with the EU Taxonomy. The Fund makes sustainable investments that may have an environmental or a social goal. No separate minimum shares are set for these goals, but their total amount should always be at least the minimum share of sustainable investments specified for the Fund.

What is the minimum share of sustainable investments with a social objective?

The Fund makes sustainable investments that may have an environmental or a social objective. No minimum shares are set for these objectives.

What investments are included under “#2 Other”, what is their purpose, and are there any minimum environmental or social safeguards?

The Fund’s investments are mainly direct equity investments. The Fund may also invest its assets in exchange traded derivatives and OTC derivative contracts to hedge against the risk of adverse market movements, to replace direct investments and to otherwise promote effective portfolio management. Sustainability data may not be available for derivatives, but the fund’s derivatives are estimated to fulfil the minimum safeguards.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Fund's benchmark index is the MSCI ACWI Screened index.

Benchmarks are indexes used measure whether the environmental or social characteristics promoted by the financial product are attained.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

  The Fund's benchmark index is the MSCI ACWI Screened index. The Fund's benchmark index is indicate and does not restrict the Fund's choice of investee companies. The Fund's choice of investee companies is restricted by the exclusion criteria described above.

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

  The composition of the benchmark index does not determine the composition or weightings of the Fund.

- *How does the designated index differ from a relevant broad market index?*

  The benchmark index differs from the equivalent market index in that it takes the intensity of companies' greenhouse gas emissions into account by maintaining the index level's greenhouse gas emission intensity at least 30% lower than in the equivalent general market index. The index also excludes companies and industries based on the following criteria:

  The Fund does not invest in companies that are associated with the production of controversial weapons, weapons for civilian use, or palm oil or tobacco companies. The Fund also does not invest in companies with more than 5% of their net sales consisting of the production of coal, unconventional oil or gas, coal-based energy, or the production of oil and gas in the Arctic region. The Fund also excludes companies that have violated international standards (UN Global Compact) and companies which have committed very severe ESG violations.

- *Where can the methodology used for the calculation of the designated index be found?*

  www.msci.com/index-methodology

Where can I find more product-specific information online?

More product-specific information can be found on the website:

op.fi/private-customers/savings-and-investments/funds/supplementary-sustainability-data