

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-Sustainable World

Legal entity identifier: FI4000210539

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
Yes	No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____ % <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input checked="" type="checkbox"/> 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 50% of sustainable investments <ul style="list-style-type: none"> <input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____ %	<input type="checkbox"/> 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 sustainability characteristics by positive selection and negative restrictions.

Using positive selection, it is possible to identify those companies which manage essential sustainability risks and opportunities better than other companies in the same industry. Sustainability screening is based on three components: the environment, society, and corporate governance (ESG). When selecting investment options, we use MSCI's analysis as a source. This analysis uses various sustainability metrics to assess corporate responsibility. These metrics cover issues such as employee treatment, safety at work, supply chain responsibility, greenhouse gas emissions and pollutants, use of water, the carbon footprint of products, biodiversity, compositions of boards of directors and corruption. These details are then used to determine the ESG rating, based on which it is possible to implement positive selection.

Negative limitations are used to limit and exclude certain sectors and operations from the Fund's investment options:

- Products and services hazardous to health or causing addiction: The Fund does not invest in products or services that are hazardous to health or cause addiction. This category includes alcohol and tobacco production, and gambling companies.
- Other social and societal topics: the Fund does not invest in weapon manufacture, adult entertainment production and activities that violate UN Global Compact, such as child labour and corruption.
- Environment: the Fund excludes nuclear power producers and 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.

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.

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

Several metrics related to the investments' sustainability are monitored monthly, including the ESG risk category, the share of green revenue and carbon intensity. The ESG risk category indicates how well portfolio companies manage risks and opportunities related to the environment, social aspects and good governance relative to their sector. In contrast, the share of green revenue represents the environmental impact of the products and services of portfolio companies. It indicates how large a share of portfolio companies' revenue comes from environmentally positive products and services. Carbon intensity illustrates portfolio companies' climate impact relative to their economic activities.

Exclusion: The Fund excludes the following from its direct investments:

- Products and services hazardous to health or causing addiction: this category includes alcohol and tobacco production, and gambling companies.
- Other social and societal topics: weapon manufacture; adult entertainment production; and activities that violate UN Global Compact, such as child labour and corruption.
- Environment: The Fund does not invest in companies for which more than 5% of revenue 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.

In addition to the exclusion criteria above, the Fund does not invest in companies referred to in Commission Delegated Regulation (EU) 2020/1818, Article 12.1 (a) to (g). For example, fossil companies, this means that if a company receives at least a certain percentage of its income from the exploration, extraction, collection, distribution, production or refining of fossil fuels, they will not be invested in. The limit is 1% for coal, 10% for oil-based fuels and 50% for gaseous fuels. In addition, in accordance with the same regulation, companies that receive at least 50% of their income from such electricity generation whose greenhouse gas intensity is more than 100 grams of CO₂e per kWh will be excluded.

As for non-compliance with international standards, the Fund is screened every quarter. In the event that a non-compliance is detected, an influencing dialogue is begun with the company in question. If influencing is impossible or unsuccessful, the company is excluded from the investment universe. We use an external service provider for screening non-compliance with standards.

● *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). Regarding UN Sustainable Development Goals, revenue (20% or more) involving the following goals is considered 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 1 – no poverty; SDG 2 – zero hunger; SDG 3 – good health and wellbeing; SDG 4 – quality education; SDG 5 – gender equality; SDG 8 – decent work and economic growth; SDG 10 – reduced inequalities; SDG 16 – peace, justice and strong institutions; and/or SDG 17 – partnerships for the goals.

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.

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 in which we invest does not have business that is harmful for the environment or society. It also ensures that the company's operations take at least satisfactory account of environmental and social factors. In addition, it ensures that a company with products or services that promote environmental or social objectives as defined above does not, however, cause harm to corresponding objectives at the same time through its other activities. This covers any exposure to fossil revenue, as well as any international violations of standards related to the environment or social sustainability. In addition, it ensures that the company does not receive more than 5% of its revenue from alcohol, tobacco, gambling or adult entertainment. Furthermore, the company cannot receive any revenue from handguns, controversial weapons or nuclear weapons. In addition, assessments of environmental and social sustainability of MSCI's ESG Rating model are used. The company's score for environmental or social sustainability cannot be below two (on a scale of 1 to 10), provided that environmental or social sustainability is material for the company.

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 applicable to companies: #1. Greenhouse gas emissions, #2. Carbon footprint, #3. Intensity of greenhouse gas emissions, #4. Responsibility related to companies that operate in the fossil fuels sector, #5. Share of operations focused on use and production of nonrenewable energy, #6. Intensity of energy consumption with a significant climate impact, by sector #7. Activities with a negative impact on biodiversity-sensitive areas, #8. Emissions into 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 for monitoring compliance with the UN Global Compact principles or the OECD's operating instructions for multinational enterprises, #12. Unclosed wage gaps between genders, #13. Gender diversity on 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 incidents.

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 engagement to influence the company's behaviour. The second option is 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?

OP-Sustainable World is a balanced fund which invests its assets in global equity and fixed income markets. The fund applies unusual weightings and restrictions in its investments, . It does not invest in certain products, services or operations that can be considered hazardous to health or be addictive. Investment in certain operations regarded as socially, societally or environmentally harmful has also been restricted. We update our criteria for exclusion whenever required as a result of developments in the operating environment.

We also analyse companies' practices from the sustainability perspective. Only companies that rank among the best in their sectors in terms of environmental, social and governance aspects on the whole can be admitted to the Fund.

The Fund's investments in fixed income instruments may account for 30–70% of the Fund's value and those in equity-linked instruments for 30–70%. The fund may use derivative instruments to hedge against market movements, to replace direct investments and to otherwise promote effective portfolio management. Derivatives are chiefly used to manage equity and interest rate risks.

As a rule, the focus of fixed income investments is on fixed income instruments issued by public-sector entities and companies with a good credit rating. The limit of a good rating is BBB or similar. To a limited extent, the Fund may also invest its assets in fixed income instruments issued by issuers with a lower credit rating or by non-rated issuers. The Fund mainly makes its fixed income investments in fixed income instruments issued by public-sector entities and companies in Europe and the OECD countries.

The Fund's benchmark index is a combination of several indexes. The composition of the benchmark index is described in the fund prospectus. With active investing, the fund seeks to outperform its benchmark index in the long term. The fund will take significant active risk, and it may differ significantly from the composition, weights and risk level of the benchmark index.

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?*

The Fund excludes investments as stated above under "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?"

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

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

- *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.

Assessments of governance include examining the appropriateness of governing structures and the general risk management of ESG factors within the company. 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.



Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

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 50% minimum allocation to sustainable investments. Sustainable investments are defined using the sustainable investment model by OP Asset Management.

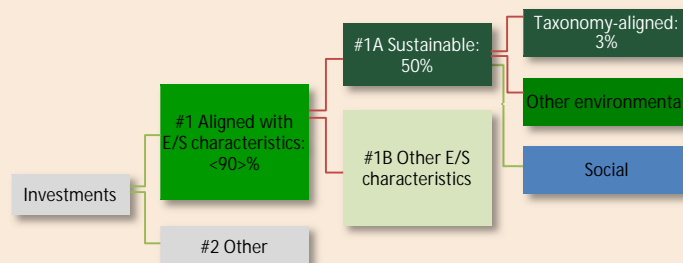
At least 3% of the Fund's investments are aligned with the EU Taxonomy. As the investments themselves do not yet report on whether they are aligned with the EU Taxonomy, the minimum

proportion is based on a third-party service provider's estimates of the EU Taxonomy alignment of investment.

The minimum allocation to environmental and social characteristics, sustainable investments, and investments that are aligned with the EU Taxonomy are calculated as average proportions of the Fund's

net asset value.

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.



#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 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 Taxonomy¹?

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.

☐ 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.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. Because there is no appropriate method to determine the alignment of government bonds with the EU Taxonomy, alignment with the EU Taxonomy is presented in the first graph relative to all investments under the financial product, including government bonds, whereas the second graph only presents alignment relative to investments under the financial product other than government bonds.*



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

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 may use derivative instruments to hedge against market movements, to replace direct investments and to otherwise promote effective portfolio management. Sustainability data may be unavailable on the derivatives invested in, but derivatives are assessed to ensure that the minimum safeguards are fulfilled.



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