

ANNEX II

Template 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 might be aligned with the Taxonomy or not.

Product name: OP-Low-carbon World

Legal entity identifier: FI400148226

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> 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 10 % of sustainable investments <ul style="list-style-type: none"> <input 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?

The Fund promotes environmental characteristics. The Fund aims to achieve carbon intensity which is at less than half that of the general world index's carbon intensity. This means that the Fund's investments place a greater weight on companies whose carbon intensity is lower in comparison to the rest of their sector.

Shareholders' meetings: The Fund votes in shareholders' meetings through a proxy service provider in line with OP Fund Management Company Ltd's shareholder engagement principles that take sustainability 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?***

The Fund's sustainability indicators to support investment decisions include carbon intensity.

Exclusion: The Fund excludes the following from its direct investments: tobacco manufacture, production and use of fossil energy, controversial weapon manufacture, and activities that violate UN Global Compact, such as child labour and corruption.

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

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 partially intends to make and how does the sustainable investment contribute to such objectives?***

Those investment options whose business promotes one or more UN Sustainable Development Goals (SDG) without harming other sustainability factors or goals are considered sustainable investments. Sustainable investments are determined using OP Asset Management's analysis model which is based on an external service provider's SDG and sustainability data.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The OP Asset Management's sustainable investment analysis model 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 material 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) on sustainability factors are regularly analysed by screening all investments for their PAI indicators. If screening reveals target companies with significant principal adverse impacts on sustainability factors in comparison to its peers and if the said PAI indicator is deemed material for the target company, the target company will be monitored more closely and excluded, if necessary. Also, a process to influence the company's behaviour can be started.

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

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

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 not 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 into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

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) on sustainability factors are regularly analysed by screening all investments for their PAI indicators. If screening reveals target companies with significant principal adverse impacts on sustainability factors in comparison to its peers and if the said PAI indicator is deemed material for the target company, the target company will be monitored more closely. In the future, information on the PAI factors will be highlighted in the Annual Report, as laid down in Article 11(2) of the Disclosure Regulation (SFDR).



No



What investment strategy does this financial product follow?

The Fund's investment strategy seeks diversified equity market returns while keeping the carbon footprint at less than half that of the widely diversified global equity index.

The Fund invests mainly on companies whose carbon intensity is lower than that of their peers in the sector.

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's investment strategy seeks diversified equity market returns while keeping the carbon footprint at less than half that of the widely diversified global equity index.

Exclusion: The Fund excludes the following from its direct investments: tobacco manufacture, production and use of fossil energy, controversial weapon manufacture, and activities that violate UN Global Compact, such as child labour and corruption.

- *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 good governance practices of the investee companies?*

Analysing the target company's governance is an important part of the investment process. To us, good governance is a key foundation for any company's financial success, regardless of the industry. When assessing governance, some of the areas considered include the appropriateness of the target company's administrative organisation, the target company's actions in relation to its personnel, and the target company's remuneration and taxation practices. 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.

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



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

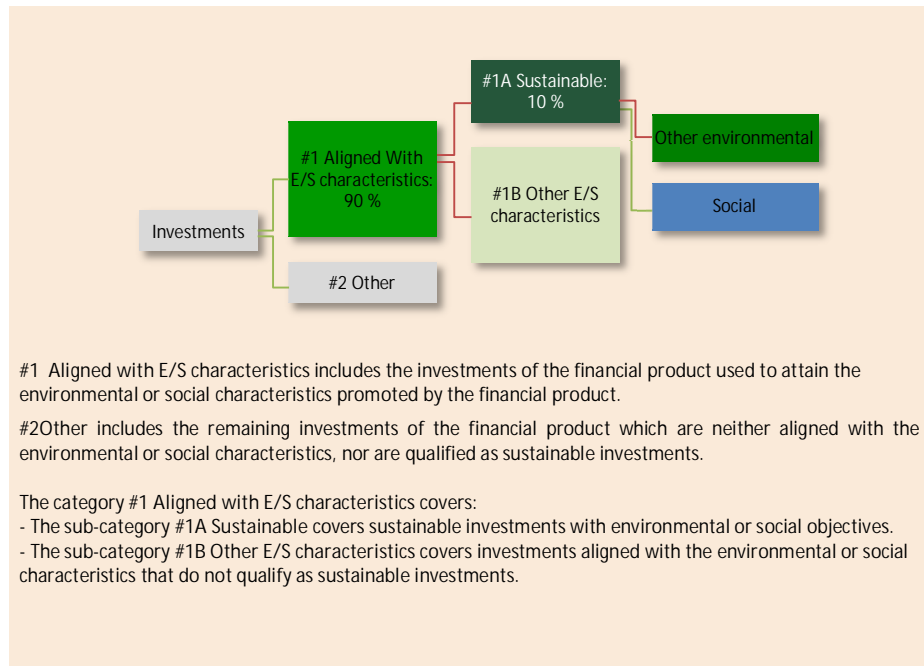
Taxonomy-aligned activities are expressed as a share of:

- turnover reflecting the share of revenue from green activities of investee companies
- capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- operational expenditure (OpEx) reflecting green operational activities of investee companies.

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. 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.



How does the use of derivatives attain 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.

account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



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

The Fund might include 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?

Yes:

In fossil gas In nuclear energy

No

Investment targets will only start reporting in compliance with the EU classification system from 2023. The percentages of the funds' investments according to the EU classification system have not yet been calculated, as the reported data has not been available. For this reason, we cannot yet know whether the possible gas or nuclear energy investments of the financial products are in accordance with the EU classification system.

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

The Fund does not commit to a minimum share.



¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where 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 Commission Delegated Regulation (EU) 2022/1214.

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

The Fund might include 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 few investment options in line with the EU Taxonomy are available, and there is a limited amount of reported information on compliance with the EU Taxonomy. The Fund makes sustainable investments that might 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 socially sustainable investments?

The Fund makes sustainable investments that might have an environmental or a social goal. No minimum shares are set for these goals.



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 in order to hedge against the risk of adverse market movements, to replace direct investments and to otherwise promote effective portfolio management. Sustainability data might not be available for possible derivatives.



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?

Yes

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- *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 Low Carbon Leaders Net USD. The benchmark index considers low-carbon in two ways: by considering carbon intensity and fossil reserves. The benchmark index excludes companies with high carbon intensity and companies that own the greatest fossil reserves. It aims to reduce carbon intensity by 50% in relation to corresponding general market index.

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

The Fund responds to the methods of the benchmark by committing to ensuring that the Fund's weighted carbon intensity remains lower than that of the benchmark.

With active investing, the Fund seeks to outperform its benchmark index in the long term. The Fund mainly takes notable active risk and it may differ significantly from the composition, weights and risk level of the benchmark index.

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

The Fund's benchmark index differs from corresponding general market index in that it excludes companies with high carbon intensity and companies that own the greatest fossil reserves.

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

● www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-thematic-indices.pdf.



Where can I find more product specific information online?

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

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