OP

Prospectus of OP Mutual Funds

15 March 2024

This prospectus contains information about the mutual funds managed by OP Fund Management Company Ltd. The prospectus is further supplemented by general and fund-specific rules. A Key Information Document has also been published for all of the funds managed by OP Fund Management Company Ltd. Investors are encouraged to read this fund prospectus and the relevant fund rules and Key Information Documents prior to making any investment decisions.

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1 General description of mutual fund operations

Responsible for managing the mutual fund, a fund management company pools capital invested by private individuals, institutions and foundations and invests this capital in a number of various securities and real property that together constitute a fund. Mutual funds are divided into fund units of equal size which entitle their holders equal rights to the fund's assets. The mutual fund is owned by those who have invested in it and the fund management company's role is to manage the fund.

In Finland, the fund business is subject to a licence and is supervised by the Financial Supervisory Authority. OP Fund Management Company Ltd's Funds invest their assets by following the principles of regulation governing investment funds and alternative investment funds, official regulations and of risk diversification based on the fund rules. The values of fund units may vary considerably due to the composition of their investments and the methods used in their management. A risk of changes in the value of the assets is associated with mutual fund investments, and the degree of risk depends on each fund's underlying investments and investment policy. For each mutual fund, the underlying investments and investment policy are described in Sections 2 (Characteristics of the fund) and 5 (Investing fund assets) of the fund's rules, as approved by the Financial Supervisory Authority, and in the relevant Key Information Document.

Bond funds invest their assets in fixed-income instruments whose return expectations are based on return potential in bond markets. Underlying investments may include debt instruments issued by governments, other public-sector entities and companies. Money market funds and long-term bond funds differ in terms of the interest-rate risk involved, in particular (see "Major risks associated with mutual funds").

The interest-rate risk exposure for money market funds is very low as a rule whereas that of long-term bond funds is high or even very high in most cases. While maturity may be several years in both fund categories, longer maturities are generally more common with long-term bond funds.

Equity funds invest their assets in equity markets and provide an alternative to direct equity investments.

Balanced funds invest their assets in both bond and equity markets, i.e. the portfolio manager may change the weight in the portfolio between equity and fixed-income instruments depending on the market situation and within the framework of the fund's rules.

Index funds invest their assets in equity baskets in accordance with their benchmark index. An index fund does not take a view on its equity selection, but rather buys equities with the same weight as they have in the index. The index weights and included equities are reviewed several times a year.

Special common funds are funds that may invests their assets extensively in various products. Their investment operations are partly regulated, but the Act on Alternative Investment Fund Managers defines how the operations must be organised and what information they must give to the relevant authorities and investors. In Finland, alternative investment funds can be offered to non-professional investors, if the fund manager has the relevant licence and a key information document has been drawn up for the fund in question. The Financial Supervisory Authority does not confirm the rules governing alternative investment funds. Alternative investment funds include, among others, hedge, property, equity, commodity or infrastructure funds.

2 OP Fund Management Company Ltd

OP Fund Management Company Ltd is responsible for managing the mutual funds referred to in this prospectus. OP Fund Management Company Ltd has a UCITS licence, granted by the Finnish Ministry of Finance on 28 October 2008, for mutual fund operations and related activities, as well as an AIFM licence, granted by the Financial Supervisory Authority on 5 December 2014, enabling the company to act as an alternative investment fund manager.

The fund management company acts in its own name on behalf of the mutual funds and exercises rights related to the assets of the funds. The fund management company covers liability risks with its own capital. Funds managed by OP Fund Management Company Ltd are registered in Finland, in compliance with EU regulation and alternative investment funds. The financial year of the Fund Management Company and the funds is one calendar year.

Basic information about OP Fund Management Company Ltd

Company name	OP Fund Management Company Ltd
Business ID	0743962-2
Registered	14 October 1987
Type of business organisation	Limited liability company (share capital: EUR 2,242,449.62)
Domicile	Helsinki, Finland
Address	Gebhardinaukio 1, FI-00510 Helsinki
CEO	Juha Takala,
Board of Directors	Harri Nummela, Director, Chair, OP Annina Tanhuanpää, Director, ESG and Corporate responsibility, OP Vesa Vanha-Honko (non-executive Board member) Member of Directors' Institute Finland

Auditors

KPMG Oy Ab, a firm of authorised public accounts, acts as OP Fund Management Company Ltd's and the funds' auditor.

Mikko Kylliäinen, Authorised Public Accountant, acts as the chief auditor.

Tiia Kataja, Authorised Public Accountant, acts as the deputy auditor.

Agents used by the fund management company In order to manage its mutual fund activities, the fund management company is entitled to use external management and advisory services, such as portfolio management, accounting and IT services as well as order reception services.

The Fund Management Company has outsourced the portfolio management of the funds to portfolio management entities mentioned in Appendix 18.1 to this brochure. Responsibility for the distribution of funds rests with various OP Financial Group's units, such as OP Asset Management Ltd and OP cooperative banks. OP Life Assurance Company Ltd acts as the distributor through the investments under insurance contracts it manages.

Services related to the management of the OP-Rental Yield special common fund, the OP-Public Services Real Estate special common fund and the OP-Forest Owner special common fund have been outsourced to Newsec Property Asset Management Finland Oy. Independent appraisers are used in real estate appraisals for these funds. The real estate appraisers for the OP Public Services Real Estate special common fund are CBRE Finland Oy and Catella Property Oy. The real estate appraisers for the OP-Rental Yield special common fund are Newsec Advisory Finland Oy, Retta Services Oy and CBRE Finland Oy. The real estate appraiser for forest estates is Oy Arbonaut Ltd. In addition, forest estates' timber trade and forest management have been outsourced to UPM Kymmene Corporation, Metsä Group (Metsäliitto Cooperative) and Silvat Metsätieto Oy.

Pay and remuneration policy of OP Fund Management Company Ltd

OP Fund Management Company complies with OP Financial Group's remuneration principles and pay policy. For more information, please go to www.op.fi > OP Financial Group > About us > Corporate governance > Remuneration.

The remuneration principles and pay policy apply to all OP Fund Management Company employees and persons with an executive contract, and they are approved annually by OP Cooperative's Supervisory Council and confirmed by OP Fund Management Company's Board of Directors. The Nomination and Remuneration Committee of OP Cooperative's Board of Directors assesses the implementation of the remuneration principles and the pay policy and related practices.

Remuneration complies with the regulation valid at each given time, and it meets regulatory requirements. This is reflected in the fact that remuneration does not encourage unnecessary risk-taking or actions that are against the client's best interests.

In addition to the terms and conditions of the remuneration schemes, regulatory compliance is ensured through the cooperation of businesses, Compliance, Risk Management and Internal Audit. Compliance and Risk Management are involved in the preparation of the remuneration principles, remuneration policy and remuneration schemes and in the determination of the supervisory practices related to remuneration processes. Internal Audit, for its part, annually assesses the remuneration schemes. Remuneration schemes are built in such a way that they encourage employees to act in accordance with OP Financial Group's Code of Business Ethics. The following aspects are taken into account in the regulatory compliance of remuneration:

- Determination of the remuneration schemes, monitoring of the actuals and acceptance and payment of bonuses must be performed independent of the person.
- Bonuses earned by a person in charge of control duties may not depend on the financial performance of the unit they control.
- A remuneration scheme may not encourage those covered by the scheme to act against the client's best interests.
- Targets set for the scheme must be in harmony with the risk management principles and promote sound risk management practices.

Furthermore, information on remuneration is available in OP Fund Management Company's financial statements and OP mutual funds' annual report.

Supervisory Authority

OP Fund Management Company Ltd and its mutual funds are overseen by the Financial Supervisory Authority, Snellmaninkatu 6, FI-00101 Helsinki, Finland. More detailed information is available at www.finanssivalvonta.fi.

3 Custodians

OP Säilytys Oy serves as custodian for the mutual funds managed by OP Fund Management Company Ltd. OP Säilytys Oy has concluded a sub-custodian contract with Citibank N.A. and Allfunds Bank International S.A. Additionally, in certain countries, sub-custodianship has been arranged through the co-operative partners of Citibank N.A. and Allfunds Bank International S.A.

OP Säilytys Oy
Business ID 2771050-4
Gebhardinaukio 1
FI-00510 Helsinki

Current information about the custodians and their sub-custodians is available, on request, from the fund management company.

3.1 Duties of the custodian and rights of the investor

The duty of the custodian is to ensure that the activities of the fund and the fund management company comply with the law, the rules of the funds and the provisions of the authorities, and to manage other tasks assigned to the custodian as specified in the Act on Common Funds and the Act on Alternative Investment Fund Managers. The custodian may, if necessary, utilise one or more sub-custodians.

The custodian ensures, to the best of its ability, that the assets of the fund are separate from the assets of the custodian or its sub-custodian in case of possible insolvency situations. Unless otherwise prescribed in regulation governing investment funds and alternative investment funds, official regulations or fund rules, the custodian must, irrespective of its negligence, compensate the Fund and its investor the loss of the mentioned financial instrument in custody based on the abovementioned laws. The custodian is liable to compensate for any loss which it has deliberately or through negligence caused to the fund by acting in a manner that violates the law and provisions or regulations issued by virtue thereof or by neglecting its responsibilities. Compensation for the loss shall not be provided, however, if the custodian can prove that the loss was caused by an unusual and unforeseeable external factor beyond the custodian's control, the consequences of which it could not have avoided by exercising due diligence.

The custodian is also not liable for any loss caused by some other reason, if its activities have been carried out with normal degree of diligence and unless otherwise provided by applicable and compelling legislation. The custodian is not liable, under any circumstances, for indirect losses caused to a fund manager, fund investor or any other party.

Custodians offer depositary services and custodian services to both their internal and external clients. This may result in situations involving a conflict of interest between the custodial business activities and fund business activities as well as between the clients of those functions. Apart from the funds managed by the fund management company, the subcustodians also have other clients. Conflicts of interest may also arise between the sub-custodian's clients.

Custodial activities are conducted separately from fund activities. Custodial and fund activities are always conducted in a manner that is in keeping with the interests of customers.

The custodian conducts its custodial and related supervisory duties in a manner that is in keeping with the interests of the fund clients and separate from the fund business activities of the fund management company. In order to avoid and manage conflict of interest situations, the execution of custodial and fund activities have been properly separated from each other. The independence of the custodial function and efficient supervision of custodial assets of the clients have also been taken into consideration. Additionally, both functions must operate in accordance with market terms.

4 Subscription for and redemption of fund units

Mutual funds managed by OP Fund Management Company Ltd are intended as long-term investments. The subscription for, and redemption of, units in mutual funds managed by OP Fund Management Company Ltd can be performed at OP Financial Group's business locations during their opening hours. Customers who have signed an eServices Agreement can issue subscription and redemption orders online at op.fi or through the OP Telephone Service,
tel. 0100 0500.

A business day refers to a day on which banks are generally open in Finland (Business Day). The cut-off time refers to the time mentioned in fund-specific rules that determines which Business Day's value an issued order will be executed (Cut-off Time).

Subscriptions for, and redemptions of, fund units are executed at the fund's NAV (net asset value) of the Business Day, determined in accordance with the fund rules, if the fund management company has received the subscription or redemption order before the fund's Cut-off Time. Executing subscription orders also requires that the subscription amount be paid upon subscription or, with OP Fund Management Company's permission, by the time of subscription confirmation. If the fund management company receives an order after the Cut-off Time, it will be executed to the value of the banking day or of the following subscription date determined in the fund rules.

4.1 Accumulation and income units of funds and related payment of dividends

OP mutual funds may have both accumulation (growth) units (A units) and yield (income) units (B units). In addition, the fund may hold X units which are only available for subscription by OP funds and by certain investment portfolios of the OP Life Assurance Company Ltd. The Annual General Meeting (AGM) of the fund management company decides on the dividends distributed and paid to the holders of B units. The Fund Management Company seeks to distribute annual dividends specified in the Appendix 18.7 to this brochure on the value of each income unit of the unit class concerned as calculated on the last banking day of the previous year. Dividends will be paid no later than one (1) month after the fund management company's AGM into the bank accounts notified by the income unit holders, who have been entered 5 in the register maintained by the fund management company on the day AGM is arranged. Information on the date of the AGM is available to unit holders from the fund management company during its opening hours. If the holder of income units has failed to notify the fund management company of a bank account into which dividends can be paid, dividends which have not been collected within five years of its first collection day shall revert to the fund. Given that A units are accumulation (growth) units, the amount equalling the dividend distributed on B units will be capitalised into A units in such a way that the relative proportion of A units of the fund's assets increases and, thus, the value of A units will not change as a result of the distribution of dividends on B units.

The yield payable on income units are subtracted from the fund assets calculated for those units. The yield is paid to income unit holders, who have been entered in the fund management company's fund unit register on the day fund management company's AGM is arranged. The yield is paid to the bank account of the unit holder on the date determined by the AGM, which is no later than two (2) weeks from the record date.

4.2 Fund units

The Board of Directors of the fund management company may decide that the Fund shall have unit classes differing from each other in terms of their management fee. Unit classes may include both accumulation and income units. The Board of Directors of the fund management company decides on the minimum subscriptions of various unit classes, which are listed in the list of charges and fees.

4.3 Subscription and redemption fees

A subscription fee will be deducted from the subscription amount paid by the client to the fund and the remainder will be used to subscribe for fund units on behalf of the client. Any redemption fees are charged from the clients as they redeem fund units. The redemption fee is deducted from the value of the fund units to be redeemed and the remaining sum is credited to the account given by the client. Each fund has its own fund subscription and redemption fees. Subscription and redemption fees charged by each fund can be found, e.g., in the list of charges and fees at the end of this prospectus and online at www.op.fi.

4.4 Suspension of subscriptions and redemptions and restriction of redemptions

If required by a significant interest of the unitholders, the Fund Management Company may temporarily suspend Fund unit subscriptions and redemptions in situations specified in the Fund rules.

For example, the Fund Management Company may temporarily suspend the redemption of Fund units if a significant number of the trading venues used by the Fund have been closed or trading on them has been restricted.

The Fund Management Company may also restrict the number of redemptions for specific funds as specified in the fund rules. Because of the restrictions, the redemptions will either be postponed or expire to the extent they were not executed. If a redemption expires, and the investor later wants to redeem the part of the redemption order that was not executed due to the restriction, the investor must submit a new request for the redemption of the fund units.

4.5 Redemption on OP Fund Management Company Ltd's initiative

The Fund Management Company may, on its own initiative, redeem a unitholder's fund units if there is a weighty reason related to the unitholder for doing so. In addition, the reason must be connected with the fact that the unitholder's holdings in the Fund may give rise to obligations that the Fund Management Company cannot be reasonably required to fulfil. More detailed information on the grounds for redemption is available in OP fund's rules.

5 Fees charged to funds

The fund's management and custodial fees (fee %/365) are included in the fund's NAV (net asset value) calculated on each Business Day, and the client is not charged for them separately. These fees cover expenses incurred by the management company and the custodian as a result of managing the fund. Information on fund-specific management fees can be found, e.g., in the list of charges and fees at the end of this prospectus and online at www.op.fi.

5.1 Performance-based management fees

The OP-Alternative Portfolio and R2 Crystal funds utilise a performance-based management fee, which is fundspecific and determined as stipulated in each fund's rules. Information on performance-based management fees and their calculation can be found in the appended charges and fees, the Key Information Document and the fund's rules, in addition to this prospectus.

The funds apply, in accordance with Fund rules, a five (5) year reference period, which may prevent the charging of a performance-based management fee. In addition, a performance-based management fee may be charged even if the fund unit's value decreases during the review period. See below for examples of situations in which the Fund does or does not charge a performance-based management fee.

Example 1:

The Fund's value has grown by +10% in its first 12 months, and its benchmark index has grown by +8% in the same period. No performance-based management fee is charged, because the charging of such a fee only begins for each year after the Fund has been operating for twelve (12) months.

Example 2:

The Fund has been operating for two years. In its second year, its value performance is +10% and its benchmark index performance +8%. For its entire period in operation, the Fund's value performance is +14% and its benchmark index

performance is +16%. The Fund will not charge a performance-based management fee for its second year in operation, because its value performance was below its benchmark index performance over its entire period in operation (less than five years).

Example 3:

The Fund has been operating for three years. In its third year, its value performance is +10% and its benchmark index performance is +8%. For its entire period in operation, the Fund's value performance is +24% and its benchmark index performance is +20%. The Fund will charge a performance-based management fee for the third year, because its value performance over the last twelve (12) months and since its establishment has exceeded its benchmark index performance.

Example 4:

The Fund has been operating for six years. In its sixth year, its value performance is +10% and its benchmark index performance is +8%. For its entire period in operation, the Fund's value performance is +22% and its benchmark index performance is +20%. Its five-year value performance is +16% and its benchmark index performance is +18%. The Fund does not charge a performance-based management fee because its five-year value performance fell short of the benchmark index performance.

Example 5:

The Fund has been operating for two years. The value performance of the Fund in its second year in operation is –4% and that of the benchmark index –6% during the same period. For its entire period in operation, the Fund's value performance has been –10% and its benchmark index performance –8%. A performance-based management fee will not be charged because the Fund's value performance has fallen short of the benchmark index performance since the establishment of the Fund.

Example 6:

The Fund has been operating for two years. The value performance of the Fund in its second year in operation is –4% and that of the benchmark index –6% during the same period. For its entire period in operation, the Fund's value performance has been –8% and its benchmark index performance –10%. The Fund will charge a performance-based management fee for the second year, because its value performance over the last twelve (12) months has exceeded that of its benchmark index and since its establishment.

5.2 Inducements paid by OP Mutual Funds

As defined in regulation, an inducement is a brokerage fee, commission or a non-monetary benefit that one entity pays to another client of investment or ancillary services when the service is provided. Inducements used by OP Financial Group are sales commissions by nature. Other profit distribution items, non-monetary benefits, discounts or reception of investment research could also be regarded as inducements. Inducements exclude, for example, custody charges, service and switching fees or taxes and charges based on regulations or laws.

The management fee of OP Funds is paid to OP Fund Management Company Ltd. As a rule, 33% of the management fee received by OP Fund Management Company Ltd is returned to the fund's business locations, which include OP member cooperative banks, OP Private units and OP Asset Management Ltd. When business locations are selling OP Mutual Funds as part of an insurance product, 46% of the management fee for OP Mutual Funds will be refunded to OP Life Assurance Company Ltd. OP Life Assurance Company Ltd further refunds 33% of the management fees for OP Mutual Funds to the business locations.

6 Calculation and announcement of the fund units' net asset value (NAV)

The fund management company will calculate the NAV for fund units on every Business Day (Valuation Day). The fund's investments are valued at the closing price in the public price monitoring system. By 12 noon on the Business Day following the Valuation Day, the NAVs for fund units will be reported to Investment Research Finland, which will release this information to the media. The valuation of the The NAVs of the OP-Rental Yield Fund, OP-Public Services Real Estate Fund and OP-Forest Owner Fund are announced quarterly each year. The fund unit NAVs are available at OP Financial Group's offices and online at www.op.fi. The fund unit NAVs are also published on the website of Investment Research Finland at www.rahastoraportti.fi. A fund-specific list of any material errors occurred in the announcement of net asset values of OP mutual funds must be shown to unit holders at their request. This list is available for inspection at all business locations and OP Fund Management Company Ltd.

6.1 Swing pricing

Due to subscriptions or redemptions of fund units, the fund manager may need to buy or sell securities or other investment instruments in order to invest funds received from subscriptions or to obtain cash to pay redemptions. The trading costs incurred by selling and buying are borne by all of the fund's shareholders.

Swing pricing is used to assign the fund's trading costs to shareholders who subscribe or redeem fund units. The aim of swing pricing is to ensure the equal treatment of shareholders.

6.1.1 Full swing pricing

In full swing pricing, the fund's net asset value (NAV) is adjusted upwards or downwards, using a swing factor, on each NAV date. If the fund records net asset inflows, the NAV is adjusted upwards using the swing factor to increase the fund's net asset value. If the fund records net asset outflows, the NAV is adjusted downwards using the swing factor to decrease the fund's net asset value.

Example A: Subscriptions to the Fund exceed redemptions on the NAV date

- The Fund's NAV equals the Fund's value less liabilities and divided by the number of fund units.
- In this example, the Fund's NAV, excluding the effect of full swing pricing, is EUR 100.00 per fund unit.
- The swing factor applied in this example is 0.500%. In this case, the NAV is adjusted upwards by 0.50%.
- The price of one fund unit on the date in question is EUR 100.50.
- All orders placed on this date are executed at this same value, including redemptions.

Example B: Redemptions from the Fund exceed subscriptions on the NAV date

- The Fund's NAV equals the Fund's value less liabilities and divided by the number of fund units.
- In this example, the Fund's NAV, excluding the effect of full swing pricing, is EUR 100.00 per fund unit.
- The swing factor applied in this example is 0.50%. In this case, the NAV is adjusted downwards by 0.50%.
- The price of one fund unit on the date in question is EUR 99.50.
- All orders placed on this date are executed at this same value, including subscriptions.

6.1.2 Partial swing pricing

In partial swing pricing, the fund's net asset value (NAV) is adjusted upwards or downwards, using a swing factor if a pre-

determined swing threshold is exceeded. If the fund's net asset inflows exceed the swing threshold, NAV is adjusted upwards using the swing factor to increase the fund's net asset value. If the fund's net asset outflows exceed the swing threshold, NAV is adjusted downwards using the swing factor to decrease the fund's net asset value.

Example A: Swing threshold exceeds due to subscriptions

- The Fund's NAV equals the Fund's value less liabilities and divided by the number of fund units.
- In this example, the Fund's NAV, excluding the effect of swing pricing, is EUR 100.00 per fund unit.
- More subscriptions than redemptions have been made in euros at the fund's value of the day, and the euro amount of subscriptions exceeds the swing threshold.
- The swing factor applied in this example is 1.00%. In this case, NAV is adjusted upwards 1.00%.
- The price of one fund unit on the date in question is EUR 101.00.
- All orders placed on this date are executed at this same value, including redemptions.

Example B: Swing threshold exceeds due to redemptions

- The Fund's NAV equals the Fund's value less liabilities and divided by the number of fund units.
- In this example, the Fund's NAV, excluding the effect of swing pricing, is EUR 100.00 per fund unit.
- More redemptions than subscriptions have been made in euros at the fund's value of the day, and the euro amount of redemptions exceeds the swing threshold.
- The swing factor applied in this example is 1.00%. In this case, NAV is adjusted downwards 1.00%.
- The price of one fund unit on the date in question is EUR 99.00.
- All orders placed on this date are executed at this same value, including subscriptions.

Adjusting the NAV benefits the fund and its unitholders.

For detailed, fund-specific information on full swing pricing, see the funds' rules and Key Information Documents. Fund-specific information on the use of swing factors is available in the annual and half-yearly reports for OP funds.

7 Tax implications of mutual funds

In accordance with Finnish tax legislation, mutual funds are tax-exempt organisations which thus do not pay income or wealth tax. Income from the client's mutual fund investments are subject to capital gains tax in the client's income taxation. Income comprises capital gain arising from the redemption of fund units or dividends paid to the investor by the fund. The Fund Management Company does not collect tax on capital gains but reports the client's fund unit redemptions and dividends received by the client to the Finnish Tax Administration. The Fund Management Company withholds tax on dividends received by the client.

If the fund unitholder is a client with limited tax liability in Finland, the Act on the Taxation of Non-residents' Income applies to the tax treatment of the fund's income. The tax at source withheld is 30 per cent or what is prescribed in bilateral tax treaties with Finland. The Fund Management Company withholds tax at source on dividends received by the clients with limited tax liability. The capital gain received by the client with limited tax liability is taxed in the country of residence of the client. For non-profit organisations, holding fund units, dividends and capital gains are exempt from tax. With respect to other organisations, relevant tax regulations are applicable.

7.1 Tax treatment of mutual fund investments

The incomes of private individuals and decedent's estates are classified as earned income and unearned income. Earned income includes wages and salaries, pension income and part of entrepreneurial and agricultural income. Earned income is taxed progressively, which means that the tax percentage rises as income increases. Unearned (capital) income includes, e.g., capital gains on the sale of shares and fund units, dividends distributed by mutual funds, rental income and a portion of entrepreneurial and agricultural income. Unearned income is taxed at 30%. Unearned income in excess of €30,000 is taxed at 34%. This information is based on the tax legislation valid on 1 November 2017.

7.2 Fund investors and capital income tax

Dividends paid by the mutual fund to the investor and any capital gain on the redemption of fund units constitute capital income. Dividends are paid only on the income units of mutual funds. No annual dividend is distributed on accumulation units, rather the accrued income is added to the capital. The return which the investor receives on accumulation units becomes subject to tax only in the event of a realised capital gain.

7.3 Mutual fund dividends

The fund management company deducts a withholding tax of 30% from the dividends distributed by the mutual fund in the case of natural persons and Finnish decedent's estates.

7.4 Capital gains and losses on mutual funds

Any capital gain on the redemption of mutual fund units is calculated by deducting the subscription price originally paid for the fund units from the redemption price. The redemption of fund units at a price lower than the purchase price results in a capital loss. Capital losses that may result when redeeming fund units may be deducted from capital gains realised during the tax year and the following five tax years. Furthermore, the investor may make a tax deduction for expenses relating to the purchase and sale of the units, i.e. the subscription and redemption fees charged.

Alternatively, the investor may make an imputed deduction, known as the deemed acquisition cost, in capital gains taxation. A total of 20% may be deducted as the acquisition cost if the units have been held for less than ten years, and 40% if the units have been held for a minimum of ten years.

If the combined sale prices for the tax year amount to a maximum of 1,000 euro, capital gains are exempt from tax. If the combined purchase prices for the tax year amount to a maximum of 1,000 euro, capital losses are non-tax deductible. This applies to all of the client's capital gains for the year in question, not only those on the sale of fund units. If sale prices or purchase prices exceed 1,000 euro for the year in question, the entire amount is subject to tax as usual.

7.5 Reports to the tax office

By the end of each January, the fund management company notifies the tax authorities of dividends and fund unit redemptions paid during the previous calendar year, the purchase prices and dates of the redeemed units, any expenses resulting from redemptions and subscriptions, and the number of fund units owned by each unit holder.

Investors must check their tax return forms pre-completed by the tax authorities and notify the tax authorities of any errors or omissions detected. Investors must state their capital gains and losses in this tax return form. In addition, investors must retain all documents related to their investments although these are no longer appended to tax returns.

8 Objectives of the funds' corporate governance

The goal of the shareholder engagement policy is to have a positive impact on the long-term value performance of investee companies of mutual funds by defining means of — and approaches to — fulfilling the (active) shareholder engagement policy, and to promote the shared interests of

unitholders of OP's mutual funds. The latter provision also entails that the interests of other parties, such as those of companies closely associated with the fund management company, are subordinated if they diverge from the unitholders' interests. The shareholder engagement policy of the fund management company is subject to approval by the fund management company's Board. The shareholder engagement principles are revised as required.

The shareholder engagement principles of mutual funds managed by OP Fund Management Company Ltd can be found on our web page at op.fi.

OP Fund Management Company Ltd publishes information, on the exercising of its voting rights during the financial year, in the funds' annual and half-year financial reports. In addition, we publish six-monthly reports on general meeting positions, related to mutual funds managed by OP Fund Management Company, on our web page at op.fi.

8.1 Corporate governance policy for the funds managed by

OP Fund Management Company The Board of Directors of OP Fund Management Company Ltd has authorised one member of the Board to decide on the exercise of voting rights at the AGMs and to issue, if necessary, more detailed instructions on the procedure to be applied at the AGMs. The Board member who will exercise the voting right is selected annually in a Board meeting following the meeting of the unit holders. The exercising of voting rights takes place independently from the parent company of the OP Fund Management Company Ltd. To ensure this, in particular, the decision of the Board member shall be issued as information in advance to the Board members appointed by the unit holders. The Board of Directors is provided, at least once a year, with a report on the implementation of the corporate governance policy.

The tools for enacting the corporate governance include engagement at annual general meetings through attendance, proxy voting through the delivery of voting instructions to the selected AGMs in case of non-attendance, influencing the executives and boards of companies either alone or together with other investors, and discourse during ordinary meetings with company representatives and portfolio managers who make the investment decisions. The presentation of expectations and viewpoints in the various channels for public debate is also one means of implementing and communicating the corporate governance policy. The salaried employees of OP Fund Management Company Ltd should not seek to be members on the boards of any companies that serve as underlying investments. Transparency and open communications are the primary means to ensure that OP Fund Management Company Ltd only pursues the common interests of the unit holders. Furthermore, auditing activities and the supervision of the fund management company. by the Financial Supervisory Authority assure that the mutual fund activities are only being executed in keeping with the common interests of the unit holders. OP Fund Management Company Ltd particularly ensures that it and its corporate governance comply with the valid rules and regulations governing insiders.

8.2 Participation and voting at Annual General Meetings (AGMs)

OP Fund Management Company Ltd exercises, when necessary, voting rights at the AGMs of the companies that serve as underlying investments in the funds it manages. The fund management company will consider participation in an AGM upon consideration, firstly, of the content of the AGM agenda and the possibilities for influence at the meeting in question. The fund management company exercises its voting rights, particularly when the outcome of the vote could justifiably be expected to have a positive long-term impact on the value performance of the investments in the funds managed by the company.

The fund management company especially participates in the AGMs of companies in which the funds it manages have significant and long-term investments. Participation primarily concerns the annual general meetings of Finnish limited liability companies. The fund management company exercises its voting rights at AGMs, particularly when justified in terms of the interests of unit holders.

8.3 Informing parties on the exercise of voting rights

In the annual reports of the mutual funds, OP Fund Management Company Ltd publishes information regarding how voting rights have been exercised during the period in review.

9 Unit holders

At least once a year, the fund management company will send unit holders a portfolio report covering their fund unit holdings, any capital gains or losses on fund units sold and any dividends that may have been paid to them. Before subscription for a fund unit, investors have the right to receive, free of charge, the Key Information Document, the mutual fund prospectus, the latest annual report and a subsequent biannual report. These documents are available at OP Financial Group's offices and online at op.fi.

9.1 General meeting of unit holders

A general meeting of unitholders is not regularly held every year. A general meeting of unitholders must, however, be held if the Fund Management Company's Board of Directors deems it necessary, or if the auditor, an independent member of the Board of Directors or unitholders accounting for at least one twentieth (1/20) of all Fund units outstanding request in writing that said meeting be held to deal with a particular matter. In order to attend a meeting, the Fund's unitholders must register with the Fund Management Company in the manner mentioned in the notice of meeting no later than the deadline mentioned therein, which may be no earlier than five (5) days before the meeting.

10 Major risks associated with mutual funds

Each mutual fund's assets are kept separate from the assets of other mutual funds, the fund management company and the custodian. The fund management company's finances are completely separate from mutual fund assets, and such assets cannot be used to pay debts of the fund management company or the custodian. Funds cannot go bankrupt although their NAV may rise or fall depending on market conditions. Mutual fund investments involve, however, certain risks of which investors should be aware. For example, the investment policies of the funds can change over time or the funds may merge with other funds, whereby an investor's assets may no longer be managed in accordance with the same principles applied when the investment was originally made. If a change in investment policy requires changes in fund rules, each unit holder will be separately notified of the change. Similarly, in the case of fund mergers, unit holders are offered the opportunity to redeem their investments in the fund. A fund's past performance is no guarantee of future results. Risks associated with each individual fund are determined on the basis of the fund's investments and investment policy.

10.1 Market risks

10.1.1 Active risk

Active risk is the result of active portfolio management in relation to the benchmark index and it is manifested in how much the fund's value varies in relation to the benchmark index. According to active management, or active investing, the portfolio manager makes specific investments with the goal of outperforming an investment benchmark index. This usually means that investment weightings differ from the benchmark index. Portfolio managers overweight investments which they consider will yield a better return and underweight

investments with lower return expectations. Active portfolio management may result in the fund performance differing from the value performance of the benchmark index in both the short and the long term. Passive portfolio management, on the other hand, means investing according to the benchmark index, in which case the aim is to achieve a return equalling the benchmark index. Active risk can be measured with the help of, among other things, active share and tracking error indicators. The active share indicator measures how much the fund's investments differ from the benchmark index constituents. Tracking error in turn is calculated on the realised return differences of the fund and its benchmark index. It explains how much the fund's returns have differed from the return of the benchmark index.

10.1.2 Volatility risks

The fund's volatility refers to the rate at which the price of a fund unit moves up and down. If the investment's volatility increases, so does the probability of profit or loss.

10.1.3 Emerging market risks

Emerging markets are characterised by greater price fluctuations than in traditional, developed markets (e.g., the euro area securities market). Some of the countries in which the funds invest may be politically, economically and socially less developed than western countries, which may result in unexpected changes in these countries' markets. Some governments directly influence their national economies, which means that they may control their currencies, nationalise companies or restrict the outflow of assets from their country.

The national currencies of some of these countries are not freely exchangeable. In such markets, the funds may experience liquidity problems when exchanging the local currency for freely exchangeable currencies. The standards governing the financial statements, auditing and reporting of companies operating in some of the markets in which the funds invest may not necessarily be up to the level of equivalent standards in traditional, developed markets. These markets may undergo changes in their regulation and structures, which may weaken market liquidity and create uncertainty in the market. The systems used by the markets may also be less advanced than those used by traditional, developed markets.

In the event that a problem should arise, the court systems of some of the markets in which the funds invest will not necessarily function in a predictable manner. Taxation may involve uncertainty about the implementation of tax agreements and taxation may be subject to changes. Some of the markets have introduced regulation fairly recently and have not necessarily had to implement it at the practical level, nor, for example, have the rights of minority shareholders been safeguarded in the same manner as in developed markets. In addition, the economic development of certain markets may be highly dependent on the price development of various raw materials, oil or energy. Changes in the prices of raw materials and commodities may affect the general price performance in the securities market of these market areas.

10.1.4 Concentration risk

The fund can focus its investments largely in the securities market of a particular country, area, index or sector, whereby the fund investments can be subject to a significant concentration risk. A concentration risk makes a fund susceptible to stronger investment volatility.

10.1.5 Interest rate risk

The value of fund investments may be affected by an interest rate risk. Interest rate risk means that the value of fund investments may change as the general interest rate rises or falls. Changes in interest rates usually have a reverse effect on the fund's value, i.e., a rise in the interest rate has a negative effect on the present value of investments and vice versa. When interest rates are low, the risk of a rise in interest rates is higher than usual.

In general, the further into the future the cash flows related to an instrument are, the higher the interest rate risk will be. In terms of floating-rate instruments, the interest rate risk is usually determined up until the next interest rate adjustment day, whereby the interest risk rate for floating-rate investments is generally lower than for fixed-rate investments over the same period. Interest rate risk is measured by means of an effective duration. For example, an effective duration 2 means that if the interest rates rise by one percentage point, the present value of the fund investments will fall by 2 per cent.

10.1.6 Credit risk

The value of fund investments may be affected by a credit risk. Credit risk means that the value of the fund's investments changes as credit risk premiums increase or decrease in the securities market. Credit risk premiums refer to the risk premium of a bond issuer's debt instruments in relation to government bonds and notes. Changes in this premium usually have a reverse effect on the fund's value, i.e., its increase has a negative effect on the present value of investments and vice versa. A credit risk may also materialise as a result of the bankruptcy, insolvency or credit restructuring of an individual issuer. International credit rating agencies, such as S&P and Moody's, affirm credit ratings for the relevant instruments that endeavour to indicate the likelihood of a credit risk event, such as insolvency or bankruptcy. The values of investments that have received a weaker credit rating generally react more easily to general economic developments, and such instruments typically have, in crisis situations, a weaker liquidity and a higher volatility risk.

10.1.7 Equity market risk

Equity prices may increase or decrease due to changes in the general economic situation or changes affecting individual companies. The fund's value may vary substantially in the short or long term. A long-term investment horizon increases the probability of positive returns while reducing that of negative returns.

10.1.8 Real asset risk

Real assets refer to, e.g., investments in real estate, forests and infrastructure. Real assets are vulnerable to slightly different types of risks than those of traditional investment assets. Properties may remain empty, their value may drop, the legislation related to the properties may change or payment defaults may reduce the rental income received for the properties. Similarly, forests are vulnerable to natural phenomena, such as storms, forest fires and other natural phenomena. Additionally, factors related to forestry management, changes in forestry regulations or changes in the global demand for wood all affect the anticipated return from the forests. Real assets typically have poor liquidity as compared to other investment assets.

10.1.9 Style risk

Investment style refers to the idea that a fund invests in companies of a certain style or size and thereby the investment distribution may deviate from a wider-spectrum equity market. Such style funds may include those that invest in high-value, growth, high-dividend or small companies. This means that the fund's investment style affects the fund's value performance that may deviate significantly from the general value performance of the securities markets.

10.1.10 Currency risk

A fund's currency risk means that the value of non-euro investments fluctuates as a result of currency swings. If the fund's currency of denomination is the euro but the fund also has non-euro investments, changes in foreign exchange rates have an effect on the investment's value. Changes in foreign

currencies in relation to the euro affect the fund's value in such a way that, for example, if the USD becomes stronger against the euro, any USD-denominated investments in the fund will rise in value and vice versa.

10.1.11 Leverage risk

Traditionally, leverage refers to activities in which efforts are made to improve the investment yield by investing assets taken as debt. Any funds that are able to utilise leverage in their investment activities are vulnerable to leverage risk. In addition to borrowing, leverage can also be derived from the use of derivatives within investment activities. Leverage increases the volatility of a fund; in other words, under good market conditions, the value performance of the fund will be more favourable, but if operating under poor conditions, the value performance may become even weaker.

10.2 Liquidity risk

Liquidity risk associated with the Fund refers to a situation in which the Fund's investments cannot be converted into cash within a desired period and/or at a reasonable price. Liquidity risk is high when trading in the securities is slow and the trading volume is low. If a security is bought or sold at such a time, the value of the Fund unit may decrease, especially if the trading volume is large. Liquidity risk may also materialise if trading in securities becomes impossible because of a stock exchange being temporarily shut down, for example. In addition to the Fund's price performance, the materialisation of liquidity risk may affect the Fund's ability to seize other investment opportunities or delay the redemption of Fund units.

Liquidity risk especially concerns bond investments with a lower credit rating, shares in companies with a low market value, instruments issued in developing markets, hedge funds and real assets such as real estate and forests. Liquidity risk increases, especially in the case of real asset funds, because trading in real asset instruments is quite infrequent.

If large redemption orders are placed coincidentally for real asset funds, it may be impossible to sell the assets at normal market prices.

It may also become necessary to temporarily suspend redemptions of real asset funds in situations specified in the rules to ensure the equal treatment of unitholders or if required by a significant interest of unitholders. Restrictions to redemptions may also be necessary if this is in the interest of unitholders.

10.3 Operational risks

Operational risks refer to risks caused by external factors, technology, or inadequate operation of staff, organisation or internal processes, etc. These risks may be realised, for example, in operating disturbances of IT systems concerning custody and clearing, which may have negative effects on, for example, the trading of securities in which fund assets have been invested.

10.3.1 Force Majeure risks

Force Majeure risks refer to factors which are independent of any contracts and are unpredictable and cause insuperable consequences, posing a risk of incontinuity of operations, for which the contracting parties cannot typically be held responsible. Force Majeure risks may include natural catastrophes, riots, strikes and wars. In case of the realisation of a Force Majeure risk, the prices of securities within the fund's portfolio may be significantly affected or it may become difficult for the fund to trade in securities

10.3.2 Political risks

The markets in which the fund invests may involve political risks, which may result in a market risk that affects the fund's value. Such political risks may include wars and sudden changes in the economic policy or political environment in the relevant market area, possibly resulting in unexpected changes in the price of securities in which the fund invests. The markets in which the fund has invested may involve political risks, which may be realised as an operational risk for the fund in the form of sanctions, such as tax consequences, foreign exchange control and difficulties in repatriating funds. These factors may affect the price of securities in the portfolio or delay the redemption of fund units.

10.3.3 Clearing and settlement risk

Clearing and settlement risks arise if the counterparty to the securities trade does not follow the conditions agreed, while the other party does. These risks are particularly great in intercontinental securities and currency transactions, as clearing may take place in different time zones. Clearing and settlement risks associated with emerging securities markets are greater than those of developed securities markets owing to, among other things, differences and lack of sophistication in trading practices.

10.4 Counterparty risk

Counterparty risk refers to a situation in which the counterparty to a contract is unable to fulfil the contractual obligations due to, for example, payment defaults or bankruptcy. The fund exposes to counterparty risk when it trades in non-standardised derivative contracts or if it is engaged in securities lending or if it has repurchase agreements. If a payment default should occur, it may take the fund several days to terminate an agreement, during which time the value of the investments may drop considerably and, in addition, the compensation paid to the fund may be significantly limited, or in the worst case scenario, may not be paid by the counterparty at all.

Collateral is useful as a means of limiting counterparty risk. In connection with a payment default of the counterparty, it is possible, however, that the value of the secured collateral will be insufficient to cover the entire counterparty risk. This situation is possible if, for example, the collateral has been incorrectly priced, its value has decreased or its liquidity has weakened.

10.5 Sustainability risks

A sustainability risk means an environmental, social or governance event or circumstance that, if realised, could have a negative material impact on the value of an investment.

Material sustainability risks may in the long run affect the financial performance of investments and, thereby, the obtained return. The potential impact of sustainability risks on returns depends on a number of factors, including the investment horizon and geographical and sector diversification. Changes that investors must prepare for, such as climate change, will pose risks to certain sectors while opening up opportunities for others.

Systemic sustainability risk involves events with far-reaching impacts and against which diversification is ineffective. Climate change is one example of a systemic sustainability risk. In the case of climate change and its impacts, uncertainty is created by the difficulty of anticipating changes in natural conditions and the unpredictability of socioeconomic developments affecting the degree of exposure and vulnerability to such changes. The complexity of sustainability risks and the many ways in which human activity and natural conditions are connected makes the outlook even less predicable. With respect to climate risks, we have identified transition risks and physical risks. Transition risks concern the possible ineffectiveness of investments in combating climate change or promoting the transition and adaptation to a low-carbon economy. Physical risks refer to damaging natural phenomena resulting from.

11 Methods used to calculate the total risk of the funds

OP Fund Management Company Ltd uses the Value-at-Risk (VaR) method for calculating the total risk of the funds in accordance with the guidelines issued by CESR and ESMA. The VaR indicates the greatest loss that investments may experience, at a certain confidence level and time horizon, given normal market conditions. The VaR does not, however, tell anything about the amount of the expected loss, if the loss exceeds the confidence level used in the calculation. The VaR does not either necessarily react if the fund's investments are strongly leveraged. For this reason, it would be wise to supplement the VaR with indicators that tell something about leverage.

OP Fund Management Company Ltd calculates the VaR daily on the basis of one year's history data with a 99 per cent confidence level and holding period of 20 business days. Depending on the fund in question, the Value-at-Risk framework complies with either a relative or absolute approach. The approach is determined in advance and is permanent for the fund. Both approaches calculate the VaR in the same way for all fund positions.

Absolute Value-at-Risk approach

The absolute Value-at-Risk approach is used for funds whose investment policy is determined by its absolute return target and absolute risk level. The figure is calculated by comparing the VaR of the fund's investments with the value of the fund. The fund's VaR may not exceed 20 percent of the fund's value.

Relative Value at Risk approach

The relative Value at Risk approach is used for funds whose investment policy and risk level is determined by a generally known reference index. The figure is calculated by comparing the VaR of the fund's investments with the VaR of the benchmark portfolio. The fund's VaR may not be more than double the benchmark portfolio's VaR. Appendix 18.5 contains the calculation method for total risk, possible benchmark portfolio and target leverage level for all the funds managed by OP Fund Management Company Ltd. The leverage level has been calculated in accordance with the CESR guidelines. The annual reports of the funds also present the essential calculations, including the minimum, maximum and average utilisation rate for the VaR limit. Furthermore, the annual reports state the actual leverage level.

12 Calculation principles of key performance indicators

OP Fund Management Company Ltd publishes fund-specific key performance indicators in the fund prospectuses and in the annual reports, in accordance with the recommendation of the Finnish Association of Mutual Funds and the decree 231/2014 of the Ministry of Finance. The publications are available at op.fi. The uniform reporting procedures of the key performance indicators increase the comparability of funds. Fund-specific key performance indicators are reported in the annual report and in the half-yearly report. The following key performance indicators of OP Funds are reported: Volatility, Active Share, Tracking Error, Sharpe ratio, Turnover rate, Ongoing costs and Fund trading costs.

12.1 Volatility of returns

Investing in securities entails the volatility of the investment's market value, so the investment's value may rise and fall. When the value fluctuates, some uncertainty is involved in the return on the investment, called risk. Volatility, that is, the fluctuation of annual return, describes how great the risk is. The high volatility ratio means that there is likely a high risk for uncertainty for the variability of the fund unit's returns, and vice versa. The volatility of a fund unit is calculated in annual reports and other reviews.

12.2 Active Share

The Active Share indicator measures how much the portfolio's holdings differ from the benchmark index constituents. The greater the indicator, the more the shares selected by the fund and their weights differ from the shares and weights of the benchmark index. The Active Share indicator is mainly calculated for equity funds that have a benchmark index. The Active Share indicator is shown as percentages. It describes the portion of the fund's portfolio that differs from the benchmark index allocation. Active Share is the indicator of active portfolio management. The larger the indicator, the more the portfolio's equities and/or their weights differ from the index allocation, and the more actively the fund's investment has been managed. Certain funds, such as Nordic country-specific equity funds, are actively managed and their investment universe is concentrated. The degree of concentration usually restricts the attainable Active Share indicator.

12.3 Active risk/Tracking Error, %

Tracking Error, on the other hand, explains how much the fund unit's return differs relative to the benchmark index. If the investments in the portfolio differ greatly from the the benchmark index allocation, there is a greater likelihood that also the return on the investment is above or below the benchmark index return. If, on the other hand, the fund's Tracking Error is small, it is likely that also the unit's return tracks the benchmark index relatively accurately.

The Tracking Error is calculated on the realised return differences of the fund and its benchmark index. It explains how much the fund's realised returns have deviated from the returns of the benchmark index.

12.4 Sharpe ratio

The Sharpe ratio is a ratio used for measuring the fund unit's income and risk. The larger the ratio, the more returns the investment has generated in relation to its risk. The value of the Sharpe ratio is the difference between the fund unit's return and risk-free income, divided by volatility.

12.5 Portfolio turnover rate, %

The portfolio turnover rate indicates the average turnover of securities in a fund during one year. The higher the turnover rate, the more the fund has traded in addition to the turnover due to the subscriptions and redemptions of fund units. A small turnover rate indicates that the cash flow has mainly directed the fund's trading. If the cash flow of the fund is greater than the combined value of securities bought and sold, the turnover rate is negative.

The portfolio turnover rate formula is as follows = (Amount 1 – Amount 2) / M*100. Amount 1 = total purchases and sales of securities, amount 2 = total subscriptions and redemptions of fund units. M= the average total value of daily calculated net assets. The turnover rate is calculated on the maximum history of one year.

12.6 Ongoing costs, %

The ongoing costs ratio includes the actual management fee charged from the fund's assets during the 12 months preceding the end of the review period, and other costs that are charged from the value of the fund over the year. However, the ratio does not take into account the performance-based fee or trading costs. They are indicated separately. Ongoing costs describe the share of the fund management company's fees in the value of the fund. Ongoing costs refer to the figure converted into annual terms, where all the fees charged from the fund's assets are added together. Ongoing costs do not include the fund's performance-based management fee or trading costs. Their impact on the fund's value has been indicated in OP Mutual Funds' Annual Report.

12.7 Fund trading costs, %

The fund trading costs are reported for the period of 12 months before the end of the review period. The indicator describes how the fees for trading with the fund and to brokers, charged from the fund's assets, impact the value of the fund on an annual level. The trading costs are indicated as percentages of the fund's average market value during the review period (the last 12 months).

The trading costs of the fund are calculated in such a way that the combined trading costs of the fund (EUR), are divided with the fund's average market value during a corresponding period. With respect to fixed-income investments of bond funds or balanced funds, trading costs cannot be reported separately, because the trading costs/brokerage fees of fixed-income investments are included in the trading prices

13 Special features of certain funds

Investments made in the People's Republic of China through Chinese stock exchanges are vulnerable to general emerging market risks (section 10.1.3.), but they are also vulnerable to specific risks that affect China. The Chinese economy is in transition from a planned economy towards one that is more market-driven, and investments in China are sensitive to changes in local legislation. Trading with Chinese A shares is possible either directly within the Chinese stock exchanges, such as the Shanghai (SSE) or Shenzhen (SZSE) Stock Exchanges, or via the Hong Kong Stock Exchange (SEHK). Foreign investors can only trade on the Shanghai or Shenzhen Stock Exchanges if they possess a Qualified Foreign Institutional Investor (QFII) license issued by the People's Republic of China. Chinese equities can also be traded with the help of the Stock Connect program, which is a mutual market access program. The Stock Connect program enables a foreign investor to trade in select securities on the Shanghai or Shenzhen Stock Exchanges via the Hong Kong Stock Exchange.

Trading in Chinese securities is limited by strict legislation and, for example, both trade volume and share holding time are tightly regulated. This may have an effect on the fund's ability to efficiently implement its investment strategy and on the price of the securities, particularly if the investments should need to be realised quickly. The QFII license may also be revoked or certain shares may be removed from the scope of the Stock Connect program. Securities acquired through the Stock Connect program are marked in the local registries as being owned by Hong Kong Securities and Clearing Corporation Limited (HKSCC), even though the beneficiary is actually a foreign investor. According to local legislation, HKSCC must separate Stock Connect shares from the general assets that are divided among debtors, but the legislation remains quite underdeveloped in certain aspects, and the system hasn't been tested in practice, so there is a risk that the fund would not receive full compensation for its investments if a payment default situation should occur.

The Stock Connect program allows trading only on those days when the Chinese and Hong Kong markets are open and when the banks in these markets are open for clearing and settlement. Days on which the Stock Connect program cannot be utilised for trading pose a volatility risk for the fund's investments.

Securities within the Stock Connect program are quoted in offshore renminbi (CNH), whereas shares within the Chinese stock exchanges are quoted in onshore renminbi (CNY). Therefore, any trade done through the Stock Connect program exposes the investor to currency risk between these two currencies.

14 Socially responsible investment

In its investment activities, OP Fund Management Company considers sustainability risks in a manner that is most suitable for each asset class. How we consider ESG and sustainability in our processes is described in more detail in theprinciples of responsible investing, which are available online at www.op.fi/responsible-investing.

Information given in advance to the client (ESG) forms part of this fund prospectus. However, for the sake of clarity, this information has been published in connection with other fund-specific information (such as the Key Information Document) about the funds that are in line with Article 8 or 9 of the ESG Disclosures Regulation. Fund-specific information published on the websites supplements the above information.that can be found at op.fi/private-customers/savings-and-investments/funds/supplementary-sustainability-data

There is no widely accepted measurement method or model to calculate the impact of sustainability risks on the return of the financial products. For the time being, OP Financial Group does not carry out accurate assessments of the impact of sustainability risks on the return of available financial products. The general view is that the magnitude of the potential impacts on returns, inflicted by sustainability risks, depends on various factors, such as the investment's time horizon, geographical breakdown and industry breakdown.

14.1 Exclusionary screening

The funds exclude, from their active direct investments, controversial weapon manufacturers, mining companies producing thermal coal, power companies using thermal coal, and firms that have violated international norms and where engagement has been unsuccessful. The list of exclusions is public and is available online at www.op.fi/responsible-investing.

14.2 Monitoring of international norm violations

International norms, such as the UN Global Compact, define the minimum level for responsible business. In its active direct investment funds, OP Asset Management exercises influence in companies that are considered to have violated international norms. The aim is to make non-compliant companies change their practices and begin to comply with international norms in their operations. Companies that do not respond to influencing may be added to the list of exclusions. Certain funds apply a stricter policy that automatically excludes companies that violate international norms without OP first attempting to influence the company.

14.3 ESG Integration

ESG integration refers to the use of ESG data in the analysis of investments. Portfolio managers have ESG research at their disposal; that is, information and analysis on risks related to the environmental, social and governance factors of companies and industries, and how the companies manage these risks. The information is utilised in a manner that is most suitable for each fund product. For example, some funds emphasise companies with better ESG assessment and exclude companies with poorer ESG assessment.

14.4 General meetings of shareholders

OP Fund Management Company participates in shareholders' meetings in Finland and abroad, in accordance with the shareholder engagement principles, which take into account the responsibility perspectives.

14.5 Owner engagement

Responsibility factors affect our decisions on which companies we invest in. After an investment decision, it is also important that we play a role in the development of the company regarding both responsibility and financial matters as the owner of the company's securities. Public owner policies that take responsibility factors into account lay a solid foundation for responsible investment. They can be exercised alone or jointly with other investors at shareholders' meetings,

by engaging directly with companies or through thematic engagement.

14.6 Assessment of external asset managers

OP Fund Management Company has set minimum criteria that external asset managers must comply with regard to ESG factors. Additionally, the annual review of external asset managers reveals how the external asset managers take the sustainability risks into account in their investments.

14.7 Consideration of principal adverse sustainability impacts (PAI)

Sustainability factors refer to environmental, social and employee matters, respect for human rights and anti-corruption and anti-bribery themes. Companies included in the portfolio may have adverse impacts on sustainability factors through their economic activities. Most funds consider the principal adverse sustainability impacts (PAI) by screening investments using the key climate, environmental and social impacts indicators.

Article 9 Funds under the Sustainable Finance Disclosure Regulation	Minimum proportion of sustainable investments in the fund	Minimum proportion of taxonomy-aligned investments in the fund	Considera-tion of prin-cipal adverse sustainability impacts	OP Funds investing in companies that generate positive effects on the environment and/or society and human well-being.
OP-Climate	75.00%	3.00%	✔	The objective of the fund is to achieve net zero emissions in accordance with the Paris Agreement by investing in companies whose operations provide solutions to the climate change problem. The benchmark index will achieve net zero emissions by 2050 by steadily reducing emission intensity over time at a rate of 10% year on year. The objective of the fund is to achieve net zero emissions by 2050, and the fund tracks the long-term emissions reduction targets of the benchmark index referred to below. In the short term, the fund may deviate from these emissions reduction targets and invest in companies whose emissions are high, for example, if these companies have clear targets in line with the Paris Agreement and the products and services of the companies provide solutions to the climate change problem. Companies whose fossil fuel exposure is 50% or more are excluded from the fund. The fund's benchmark index is the MSCI World Climate Paris Aligned Index. Compared to the general market index, the index has a greater weight on companies whose products and services provide solutions to the climate change problem. In addition, the index selects companies whose exposure to transition and physical risks caused by climate change are smaller than the general market index. The portfolio manager selects the companies and makes qualitative assessments on ESG criteria and ensures that the companies invested in do not cause significant harm to environmental and social objectives. To support investment decisions, the fund uses both internal and external ESG analyses to identify the key ESG risks of investments and monitor the compliance of companies with the principles of good governance. In addition to our generally applied exclusion criteria, the total exclusion of tobacco and a partial (50%) exclusion of fossil fuels ensure the avoidance of major risks associated with these operations. The funds are screened regularly 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. If influencing proves fruitless, the company may be placed on the exclusion list.
OP-Clean Water	75.00%	3.00%	✔	The objective of the fund is to make sustainable investments in companies that have a positive impact on the availability of clean water worldwide. Water themes are considered with a holistic approach that emphasises the selection and monitoring of investment instruments and shareholder engagement. The fund invests in companies that create solutions to challenges in water availability and treatment and in companies that operate within their value chains. The investments are focused on both companies that promote environmental sustainability (water infrastructure companies, water technology, and materials manufacturers) as well as companies that provide solutions for water pollution prevention, measurement, recycling, and wastewater treatment. The benchmark index for the fund is the S&P Global Water NTR index. It supports the objective of the OP-Clean Water fund to invest in companies that provide solutions to ensure the availability and sufficiency of clean water worldwide. The index consists of 50 liquid companies. The index has a balanced diversification, both globally and within water related businesses, and includes both water utilities and infrastructure companies and companies that provide water equipment and materials. The index has been developed for this theme and has no actual general parent index. The portfolio manager selects the companies and makes qualitative assessments on ESG criteria and ensures that the companies invested in do not cause significant harm to environmental and social objectives. To support investment decisions, the fund uses both internal and external ESG analyses to identify the key ESG risks of investments and monitor the compliance of companies with the principles of good governance. In addition to our generally applied exclusion criteria, the total exclusion of tobacco and a partial (50%) exclusion of fossil fuels ensure the avoidance of major risks associated with these operations. The funds are screened regularly 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. If influencing proves fruitless, the company may be placed on the exclusion list.

Article 9 Funds under the Sustainable Finance Disclosure Regulation	Minimum proportion of sustainable investments in the fund	Minimum proportion of taxonomy-aligned investments in the fund	Consideration of principal adverse sustainability impacts	OP Funds investing in companies that generate positive effects on the environment and/or society and human well-being.
OP-Sustainable Wellbeing Fund	75.00%	3.00%	✔	The aim of the Fund is to make sustainable investments in companies that have a significant positive impact on sustainable social wellbeing. The Fund typically invests in companies that develop health and wellbeing services, solutions related to the availability of education, financing and digital services, the circular economy, sustainable traffic and infrastructure solutions, the availability of apartments, improved nutrition, and sustainable agriculture, for example. Companies that are in line with the Fund's sustainable investment goals also include companies which are exemplary employers in terms of selected social and equality questions and which otherwise pass OP's sustainable investment analysis. The Fund's benchmark index is the MSCI ACWI ESG Screened index. The index excludes companies that are associated with controversial, civilian and nuclear weapons as well as tobacco, palm oil and arctic oil & gas or derive revenues from thermal coal power and the extraction of oil sands. Companies that are not in compliance with the United Nations Global Compact principles or are involved in serious norm violations or certain biodiversity-related norm violations are also excluded from the index. The index targets a minimum 30% reduction in carbon intensity relative to the parent index, MSCI ACWI. The portfolio manager selects the companies and makes qualitative assessments on ESG criteria and ensures that the companies invested in do not cause significant harm to environmental and social objectives. To support investment decisions, the fund uses both internal and external ESG analyses to identify the key ESG risks of investments and monitor the compliance of companies with the principles of good governance. In addition to generally used screening criteria, companies associated with fossil fuels are partially excluded (if the company's exposure to fossil fuels through products, services or customers is 50% or more). The exclusionary screening ensures that major risks related to the listed activities are avoided. The Funds are screened regularly for non-compliances with international norms. In the event that a non-compliance is detected, an influencing process is begun with the company in question. If influencing proves fruitless, the company may be placed on the exclusion list.
OP-Forest Owner	100.00%	10.00%	✔	OP-Forest Owner is a special common fund investing in forests. With sustainable investment, it is possible to achieve positive impacts on climate change, biodiversity and human wellbeing. The forest that is invested in acts as a carbon sink, binding greenhouse gas emissions from the atmosphere. The wood raw material sourced from forests replaces fossil products, which in turn reduces the use of fossil raw materials that cause greenhouse gas emissions. In a sustainable investment, in the long term, the tree stand grows quicker than the felling of forests, which increases the forest carbon sink. A sustainable investment promotes the construction of fossil-free electricity production, and forests are leased for wind and solar power generation. When forests are felled, preserving biodiversity is taken into account. In a sustainable investment, forestry operations are restricted in valuable habitats, endangered species are taken into account, water conservation is ensured, and structural features promoting biodiversity in forests are increased. In a sustainable investment, forest areas are excluded from commercial use and forest conservation areas are established. Operations comply with current legislation, PEFC and FSC certification systems, and the Fund's own sustainability procedures. In a sustainable investment, it is ensured that others are allowed to access the forest. The public right of access is promoted, and it is ensured that trails and structures can be created in forests as agreed. The Fund aims to make only sustainable investments. Forest investments and investments in forestry companies are considered sustainable if they enable either directly or through business operations the increase of the carbon sink and promote biodiversity and recreational use of forests in the long term (10 years). The quantity of carbon sinks, the number of certified forest areas, the number of forest areas outside the scope of commercial use, and the number of wind farm lease agreements are used as sustainability indicators.

Article 8 Funds under the Sustainable Finance Disclosure Regulation	Minimum proportion of sustainable investments in the fund	Minimum proportion of taxonomy-aligned investments in the fund assessed	Consideration of principal adverse sustainability impacts	OP funds promoting environmental and social sustainability by excluding companies that engage in business harmful to the environment and society and by selecting and placing greater weight companies that take ESG factors into consideration more effectively than benchmark companies.
OP-Brave Fund OP-Conservative Fund OP-Moderate Fund OP-Private Strategy 25 Fund OP-Private Strategy 50 Fund OP-Private Strategy 75 Fund OP-Private Fixed Income Strategy Fund OP-Private Equity Strategy Fund	10,00 % 5,00 % 10,00 % 5,00 % 10,00 % 10,00 % 5,00 % 10,00 %	0,00 % 0,00 % 0,00 % 0,00 % 0,00 % 0,00 % 0,00 % 0,00 %	✔ ✔ ✔ ✔ ✔ ✔ ✔ ✔	The fund promotes environmental and social characteristics by integrating the analysis and monitoring of sustainability factors in their investment process, both at the fund level and by screening the funds' underlying assets. The analysis and monitoring consist of exclusions aimed at limiting exposure to certain industries, as well as the consideration of climate factors and active ownership as part of asset managers' investment processes. The fund mainly invests in funds that promote environmental and/or social characteristics or whose aim is to invest sustainably.
OP-Asia Index OP-America Index OP-Europe Index OP-World Index OP-Nordic Countries Index	5.00% 5.00% 5.00% 5.00% 5.00%	0.00% 0.00% 0.00% 0.00% 0.00%	✔ ✔ ✔ ✔ ✔	The funds promote environmental and social characteristics by taking companies' greenhouse gas emissions into account and using exclusions. The funds track the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of greenhouse gas emissions compared to the equivalent all-share index and excludes controversial and harmful industries and companies that have violated international standards.
OP-Target 2 OP-Target 3 OP-Target 4	10.00% 10.00% 10.00%	0.00% 0.00% 0.00%	✔ ✔ ✔	Companies that are among the best in their sector in terms of ESG issues are selected for inclusion in the funds. The funds exclude a wide range of harmful and controversial industries, including tobacco, alcohol, gambling, weapons, adult entertainment and nuclear energy. Neither do the funds invest in companies that are involved with child labour or corruption. We monitor and report on factors such as the investments' share of green revenue, carbon intensity and ESG risk category based on data received from an external service provider. The funds' benchmark indices do not correspond to the funds' investment policy with respect to ESG features.
OP-Bond Prima OP-Bond Yield OP-Inflation-Linked Bond	0.00% 0.00% 0.00%	0.00% 0.00% 0.00%	✔ ✔ ✔	The Fund excludes countries with significant adverse impacts on society from its investments. The average values of the sustainability indicators of the Fund's investments are regularly monitored. The Fund uses sustainability indicators, such as countries' greenhouse gas emission intensity, and various social indicators that provide information on income gaps, corruption and fundamental rights.
OP-Euro OP-Yield OP-Corporate Bond OP-US Corporate Bond OP-EMD Hard Currency Corporate IG OP-High Yield OP-Fixed Income Portfolio OP-Real Asset Companies OP-Finland	10.00% 10.00% 10.00% 10.00% 0.00% 5.00% 5.00% 20.00% 30.00%	0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 3.00% 0.00%	✔ ✔ ✔ ✔ ✔ ✔	In negative screening, the funds first use a general exclusion list and then exclude other harmful and controversial sectors. The funds don't invest in tobacco companies nor in companies involved in unconventional oil and gas extraction. The funds' investment analysis uses both an external provider's ESG analysis and OP Asset Management's ESG analysis model. Assessment of good governance forms an integral part of our investment analysis. 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. The benchmark indexes selected for our funds don't follow the same ESG investment policy as our funds.
OP-America Small Cap OP-America Value Firm OP-Europe Value Firm OP-Europe Dividend Firm OP-Europe Small Cap OP-Emerging Markets Equity	10,00 % 10.00% 10.00% 10.00% 10.00% 10.00%	0.00% 0.00% 0.00% 0.00% 10.00% 0.00%	✔ ✔ ✔ ✔ ✔ ✔	In negative screening, the funds first use a general exclusion list and then exclude other harmful and controversial sectors. The funds do not invest in companies involved full-time in unconventional oil and gas extraction. The investment analysis uses an external provider's ESG analysis. The ESG score of the Fund is monitored, and the aim is to ensure that it is better than that of the benchmark index. Assessment of good governance forms an integral part of our investment analysis. 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. The benchmark indexes selected for our funds do not follow the same ESG investment policy as our funds.
OP-Sustainable World	30.00 %	3.00 %	✔	Companies that are among the best in their sector in terms of ESG issues are selected for inclusion in the fund. The fund excludes a wide range of harmful and controversial industries, including fossil fuel production and use, tobacco, alcohol, gambling, weapons, adult entertainment and nuclear energy. Neither do the funds invest in companies that are involved with child labour or corruption. We monitor and report on factors such as the investments' share of green revenue, carbon intensity and ESG risk category based on data received from an external service provider. The fund's benchmark index does not correspond to the fund's investment policy with respect to ESG features.

Article 8 Funds under the Sustainable Finance Disclosure Regulation	Minimum proportion of sustainable investments in the fund	Minimum proportion of taxonomy-aligned investments in the fund assessed	Consideration of principal adverse sustainability impacts	OP funds promoting environmental and social sustainability by excluding companies that engage in business harmful to the environment and society and by selecting and placing greater weight companies that take ESG factors into consideration more effectively than benchmark companies.
OP-Low-carbon	30.00%	0.00%	✔	The fund seeks diversified equity market returns while keeping the carbon footprint at less than half that of a widely diversified global equity index. In its investments, the fund excludes companies whose production causes excessively high emissions in proportion to revenue. In addition to general exclusion rules, the fund excludes companies with business in fossil fuels or tobacco. The fund's benchmark index is the MSCI ACWI Low Carbon Leaders Net index. We monitor and report on factors such as the investments' share of green revenue, carbon intensity and ESG risk category, based on data received from an external service provider.
OP-Public Services Real Estate	20.00%	20.00%	✔	The Fund promotes environmental and social characteristics by providing healthy and safe facilities for social use in the public and private sectors. The investment products offer comfortable, practical and modern work environments for the nursing, education and service sectors, for example. The Fund favours low-carbon options and energy-efficient solutions. In selecting investments, we place emphasis on the sustainability of the properties' location and analyse the accessibility and convertibility of the properties. The sustainability indicators monitored include the average energy class, the use of renewable energy in properties, the amount of wood construction and new construction involving demolition, the number of beds in nursing facilities, and the number of certified properties.
OP-Rental Yield	20.00%	20.00%	✔	The Fund promotes environmental and social characteristics by supporting sustainable urbanisation in the form of infill development and by favouring energy-efficient solutions. In selecting investments, we place emphasis on locations that enable access to services on foot or by bicycle or public transport. The Fund enables the construction of healthy new homes and a high-quality alternative to home ownership. The sustainability indicators monitored include the average energy class of properties, the use of renewable energy in properties, the number of homes built in the properties invested in, and the number of certified properties.

Other funds				The investments included in these funds don't integrate the EU's criteria for environmentally sustainable economic activities. However, these funds integrate sustainability risks using the methods below.					
Consideration of sustainability risks in other OP Funds	Minimum proportion of sustainable investments in the fund	Minimum proportion of taxonomy-aligned investments in the fund assessed	Consideration of principal adverse sustainability impacts	Exclusionary screening	Monitoring of international norm violations	ESG integration	General meetings of shareholderst	Shareholder engagement	Assessment of external asset managers
OP-Alternative Portfolio	0.00%	0.00%							✔
OP-Brave	10.00%	0.00%							✔
OP-China	0.00%	0.00%		✔	✔		✔	✔	✔
OP-Conservative	5.00%	0.00%							✔
OP-EMD Local Currency	0.00%	0.00%		✔	✔			✔	✔
OP-EMD Hard Currency Sovereign	0.00%	0.00%		✔					
OP-Emerging Asia	0.00%	0.00%		✔	✔		✔	✔	✔
OP-Emerging Middle Class	0.00%	0.00%		✔	✔		✔	✔	✔
OP-Finland Index	0.00%	0.00%	✔				✔		
OP-Finland Small Cap	0.00%	0.00%	✔	✔	✔	✔	✔	✔	
OP-High Yield America	0.00%	0.00%		✔	✔			✔	✔
OP-India	0.00%	0.00%		✔	✔			✔	✔
OP-Japan	0.00%	0.00%		✔	✔		✔	✔	✔
OP-Japan Stars	0.00%	0.00%		✔	✔		✔	✔	✔
OP-Moderate	10.00%	0.00%							✔
OP-Private Equity	0.00%	0.00%		✔		✔			✔
OP-Private Equity Strategy	10.00%	0.00%							✔
OP-Private Fixed Income Strategy	5.00%	0.00%							✔
OP-Private Strategy 25	5.00%	0.00%							✔
OP-Private Strategy 50	10.00%	0.00%							✔
OP-Private Strategy 75	10.00%	0.00%							✔
OP-Tactical Portfolio	0.00%	0.00%							✔
OP-World	0.00%	0.00%							✔
R2 Crystal	0.00%	0.00%							✔

15 Indices utilised by OP Index Funds

The emulated benchmark index of the **OP-Asia Index Fund** is MSCI Asia Pacific ESG Screened. You can view the composition and investment policy of the index on the index provider's website at www. msci.com.

The fund emulates its benchmark index using the partial physical emulation model. For reasons of cost-efficiency, the fund seeks to emulate its index through an optimised sample, i.e., it will not necessarily invest in all equities included in the index. In addition, a portion of the index corresponding to a small cash component is emulated synthetically. Share index futures and exchange-traded funds (ETF) can be used to enhance portfolio management. The anticipated active risk of the fund, as measured by tracking error, is 0–0.5%.

The magnitude of the active risk is influenced by the following factors, among others: the management fee, transaction costs, trading costs, large assignments, taxes, index balancing, non-liquid shares and the reinvestment of dividends. The benchmark index of the **OP-America Index Fund** is MSCI North America ESG Screened. You can view the composition and investment policy of the index on the index provider's web site at www. msci.com.

The fund emulates its benchmark index using the partial physical emulation model. For reasons of cost-efficiency, the fund seeks to emulate its index through an optimised sample, i.e., it will not necessarily invest in all shares included in the index. In addition, a portion of the index corresponding to a small cash component is emulated synthetically. Share index futures and exchange-traded funds (ETF) can be used to enhance portfolio management.

The anticipated active risk of the fund, as measured by tracking error, is 0–0.5%.

The magnitude of the active risk is influenced by the following factors, among others: the management fee, transaction costs, trading costs, large assignments, taxes, index balancing, non-liquid shares and the reinvestment of dividends.

The benchmark index of the **OP-Europe Index** Fund is MSCI Europe ESG Screened. You can view the composition and investment policy of the index on the index provider's website at www.msci.com. The fund emulates its benchmark index using the partial physical emulation model. For reasons of cost-efficiency, the fund seeks to emulate its index through an optimised sample, i.e., it will not necessarily invest in all equities included in the index. In addition, a portion of the index corresponding to a small cash component is emulated synthetically. Share index futures and exchange-traded funds (ETF) can be used to enhance portfolio management.

The anticipated active risk of the fund, as measured by tracking error, is 0–0.5%.

The magnitude of the active risk is influenced by the following factors, among others: the management fee, transaction costs, trading costs, large assignments, taxes, index balancing, non-liquid shares and the reinvestment of dividends. The benchmark index of the **OP-World Index Fund** is MSCI World ESG Screened. You can view the composition and investment policy of the index on the index provider's website at www. msci.com.

The fund emulates its benchmark index using the partial physical emulation model. For reasons of cost-efficiency, the fund seeks to emulate its index through an optimised sample, i.e., it will not necessarily invest in all equities included in the index. In addition, a portion of the index corresponding to a small cash component is emulated synthetically. Share index futures and exchange-traded funds (ETF) can be used to enhance portfolio management.

The anticipated active risk of the fund, as measured by tracking error, is 0–0.5%.

The magnitude of the active risk is influenced by the following factors, among others: the management fee, transaction costs, trading costs, large assignments, taxes, index balancing, non-liquid shares and the reinvestment of dividends. The benchmark index of the **OP-Nordic Countries Index** Fund is MSCI Nordic Countries ESG Screened. You can view the composition and investment policy of the index on the index provider's website at www.msci.com.

The fund emulates its benchmark index using the physical emulation model. In addition, a portion of the index corresponding to a small cash component is emulated synthetically. Share index futures and exchange-traded funds (ETF) can be used to enhance portfolio management. The anticipated active risk of the fund, as measured by tracking error, is 0–0.5%.

The magnitude of the active risk is influenced by the following factors, among others: the management fee, transaction costs, trading costs, large assignments, taxes, index balancing, non-liquid shares and the reinvestment of dividends.

The benchmark index of the **OP-Finland Index** Fund is Nasdaq OMX Helsinki Benchmark Cap. You can view the composition and investment policy of the index on the index provider's website at http://www.nasdaqomxnordic.com.

The fund emulates its benchmark index using the physical emulation model. In addition, a portion of the index corresponding to a small cash component is emulated synthetically. Share index futures and exchange-traded funds (ETF) can be used to enhance portfolio management.

The anticipated active risk of the fund, as measured by tracking error, is 0–0.5%.

The magnitude of the active risk is influenced by the following factors, among others: the management fee, transaction costs, trading costs, large assignments, taxes, index balancing, non-liquid shares and the reinvestment of dividends.

16 Liability limitation clauses of the index providers

MSCI will not take part in the management or marketing of mutual funds mentioned in this fund prospectus nor will it be liable for any securities or indices upon which these mutual funds are based. MSCI indices are owned by MSCI and cannot be emulated or used for any purpose other than those authorised by MSCI. MSCI does not provide any guarantees for its indices.

17 Investment processes applied by the funds

The objective of the investment processes is to create added value in relation to the benchmark index of the fund or to the range of investment products within the theme for the fund.

The following are typical investment processes involved in company selection as part of active portfolio management. The investment portfolios of individual funds may comprise one or more functionalities.

- Quantitative and qualitative analysis of individual companies to survey the possibilities of sectors and businesses to create added value. The selected portfolio investments are all characterised by an excellent growth potential (Fundamental Equities process).
- In-depth analysis of the basic factors related to individual companies whose basic factors are strong and whose valuation is attractive considering their potential.

Focused selections within the investment portfolio result in concentrated positions in the portfolio structure (Focused Equities process).

- Analysis of individual companies to identify businesses that are characterised by positive earnings growth, a strong cash flow and attractive dividend policy. The selected portfolio investments are characterised by a high and very predictable dividend yield that reflects the stability of the underlying business activities (Stable Equities process).
- Analysis of individual companies to locate businesses characterised by a clear undervaluation in relation to both book value and profitability. The selected portfolio investments are characterised by a strong financial standing and good prospects. (Value process).

Investment processes based on active analytics are applied alongside the investment processes that are applied to company selection in traditional active portfolio management.

Active analytics refer to investment processes that are based on the processing of big data. The processing of big data calls for data automation, systematic processing methods, and quantitative and model-based processing methods. Investment processes involving active analytics are characterised by the management of large volumes of data in order to establish or achieve the desired objectives for the investment portfolio. Big-data analyses can be used in combination with traditional company-specific analyses. The analysis process allows us to identify unifying factors and generate model-based.

18 Stock lending

At the end of this text, we present a list of the mutual funds and special common funds (hereafter the Funds) based on which, as part of fund management, stock can be loaned out on the financial markets under a written agreement. The parties to the agreement are Citibank, OP Custody Ltd and OP Fund Management Company Ltd, acting on behalf of the Funds they manage. In this respect, the Funds aim to gain additional returns based on commissions received due to stock lending.

The Funds lend quoted shares, in which they have invested, on the financial markets in such a manner that the maximum number of shares loaned cannot exceed 25% of the value of each Fund in question. This restriction applies only to shares which the lender cannot call in by the following business day at the latest. The value of assets loaned from the Funds is clearly smaller than the aforementioned maximum number of shares.

Only companies rated as at least Investment Grade by a recognised credit rating agency, and whose issued securities are eligible for investment by funds managed by OP Fund Management Company, can act as counterparties to stock lending. Account must also be taken of such companies' ESG profile. Counterparties to stock lending provide collateral, which can be cash-based, bonds issued by OECD countries, or quoted shares included in certain stock indexes. If bonds are provided as collateral, the collateral must equal at least 105% of the loaned shares' value, whereas if shares are provided as collateral, the collateral must equal at least 110% of the loaned shares' value. Regarding the collateral's liquidity, limits apply to the daily average liquidity and to the amount of collateral in relation to the market value of the securities issue in question. The limit on diversification depends on the number of securities issued. All collateral is marked to market on a daily basis.

Stock lending always involves a counterparty risk, which must be offset by demanding sufficient collateral from the counterparty. Any collateral provided is mainly managed on a system-supported basis. However, the process is vulnerable to operational risk events. A Fund lending securities could be subject to a liquidity risk if the securities cannot be called in with sufficient speed. Custody involves only a low counterparty risk, because only the current custodians and sub-custodians participate in the lending process.

Assets used for stock lending by Funds and the collateral received are held by the Fund's custodians or sub-custodian, or by parties licensed to engage in such activities and which have an agreement with the custodians or sub-custodian.

Funds do not reuse securities or cash they receive as collateral. This restriction is due to regulation in the case of mutual funds, but the same principle is voluntarily applied to special common funds.

The Funds retain 70% of the net commission on each loan, whereas the remainder covers the costs incurred by OP Custody Ltd and OP Fund Management Company in administering the loan. OP Custody is a related party of OP Fund Management Company.

The following mutual funds can engage in stock lending: OP-Nordic Countries Index, OP-Europe Index, OP-Target 2, OP-Target 3, OP-Target 4, OP-Climate, OP-Finland Small Cap, OP-America Small Cap, OP-Asia Index, OP-World, OP-Finland, OP-World Index, OP-Emerging Markets Equity, OP-Europe Small Cap, OP-Finland Index, OP-America Value Firm, OP-Clean Water, OP-Low-carbon World, OP-Europe Dividend Firm, OP-Real Asset Companies Fund, OP-Sustainable World, OP-Sustainable Wellbeing, OP-Japan, OP-Japan Stars, OP-China, OP-Emerging Asia, OP-Emerging Middle Class and OP-India.

19 Tables

19.1 Funds managed by OP Fund Management Company Ltd

Balanced funds	Start date	Confirmation of fund rules	Portfolio management company
OP-Brave Fund	15 Feb 1989	24 Oct 2023	OP Asset Management Ltd
OP-Conservative Fund	11 June 2009	24 Oct 2023	OP Asset Management Ltd
OP-Sustainable World Fund	20 Sept 2016	10 Feb 2022	OP Asset Management Ltd
OP-Moderate Fund	8 Mar 2012	24 Oct 2023	OP Asset Management Ltd
OP-Private Strategy 25 Fund	12 May 2015	9 Oct 2023	OP Asset Management Ltd
OP-Private Strategy 50 Fund	12 May 2015	9 Oct 2023	OP Asset Management Ltd
OP-Private Strategy 75 Fund	12 May 2015	9 Oct 2023	OP Asset Management Ltd
OP-Tactical Portfolio Fund	23 Apr 2001	16 Sept 2019	OP Asset Management Ltd
OP-Target 2 Fund	25 May 2020	10 Feb 2022	OP Asset Management Ltd
OP-Target 3 Fund	25 May 2020	10 Feb 2022	OP Asset Management Ltd
OP-Target 4 Fund	25 May 2020	10 Feb 2022	OP Asset Management Ltd

Equity fund			
OP-America Small Cap Fund	8 July 2013	24 Oct 2023	OP Asset Management Ltd
OP-America Value Firm Fund	23 Apr 2014	24 Oct 2023	OP Asset Management Ltd
OP-China Fund	10 Jun 2002	16 Sept 2019	JPMORGAN ASSET MANAGEMENT (UK) LIMITED
OP-Clean Water Fund	14 Nov 2012	10 Feb 2022	OP Asset Management Ltd
OP-Climate Fund	7 Apr 1997	10 Feb 2022	OP Asset Management Ltd
OP-Emerging Asia Fund	10 Oct 2007	16 Sept 2019	FIL (LUXEMBOURG) S.A.
OP-Emerging Markets Equity Fund	17 Nov 2009	24 Nov 2022	OP Asset Management Ltd
OP-Emerging Middle Class Fund	5 Feb 2014	16 Sept 2019	FIL (LUXEMBOURG) S.A.
OP-Europe Dividend Firm Fund	13 Dec 2012	24 Oct 2023	OP Asset Management Ltd
OP-Europe Small Cap Fund	5 Nov 2015	24 Oct 2023	OP Asset Management Ltd
OP-Europe Value Firm Fund	19 Aug 2020	24 Oct 2023	OP Asset Management Ltd
OP-Finland Fund	6 Jun 1994	10 Feb 2022	OP Asset Management Ltd
OP-Finland Small Cap Fund	28 Jan 2002	16 Sept 2019	OP Asset Management Ltd
OP-India Fund	3 May 2004	16 Sept 2019	JPMORGAN ASSET MANAGEMENT (UK) LIMITED
OP-Japan Fund	29 June 2004	16 Sept 2019	JPMORGAN ASSET MANAGEMENT (UK) LIMITED
OP-Japan Stars Fund	15 Dec 2016	16 Sept 2019	INVESCO ASSET MANAGEMENT (JAPAN) LIMITED
OP-Low-carbon World Fund	22 Apr 2015	10 Feb 2022	OP Asset Management Ltd
OP-Private Equity Strategy Fund	12 May 2015	9 Oct 2023	OP Asset Management Ltd
OP-Real Asset Companies Fund	1 Nov 2004	13 Oct 2022	OP Asset Management Ltd
OP-Sustainable Wellbeing Fund	16 Nov 2023	7 Nov 2023	OP Asset Management Ltd
OP-World Fund	29 Sep 2017	16 Sept 2019	OP Asset Management Ltd

Index fund	Start date	Confirmed fund rules	Portfolio manager
OP-America Index Fund	30 Apr 2002	11 May 2023	OP Asset Management Ltd
OP-Asia Index Fund	29 Sept 2011	11 May 2023	OP Asset Management Ltd
OP-Europe Index Fund	23 Apr 1999	11 May 2023	OP Asset Management Ltd
OP-Finland Index Fund	15 Jun 2018	28 May 2021	OP Asset Management Ltd
OP-Nordic Countries Index Fund	29 Sept 2011	11 May 2023	OP Asset Management Ltd
OP-World Index Fund	29 Sept 2017	11 May 2023	OP Asset Management Ltd

Short-term fixed income fund			
OP-Euro Fund	26 Apr 1996	10 Feb 2022	OP Asset Management Ltd
OP-Yield Fund	16 Sept 2002	10 Feb 2022	OP Asset Management Ltd

Long-term bond fund			
OP-Bond Prima Fund	1 Nov 1999	24 Nov 2022	OP Asset Management Ltd
OP-Bond Yield Fund	1 Dec 2010	24 Nov 2022	OP Asset Management Ltd
OP-Corporate Bond Fund	11 Dec 2000	10 Feb 2022	OP Asset Management Ltd
OP-EMD Hard Currency Corporate IG Fund	20 Apr 2012	24 Nov 2022	OP Asset Management Ltd
OP-EMD Hard Currency Sovereign Fund	15 Feb 2005	20 May 2020	OP Asset Management Ltd
OP-EMD Local Currency Fund	7 Jan 2010	18 Jun 2019	Ninety One Asset Management
OP-Fixed Income Portfolio Fund	8 Nov 1995	24 Nov 2022	OP Asset Management Ltd
OP-High Yield America Fund	24 Jan 2018	5 Feb 2021	POST ADVISORY GROUP, LCC
OP-High Yield Fund	1 Nov 2004	24 Nov 2022	OP Asset Management Ltd
OP-Inflation-Linked Bond Fund	10 Oct 2006	24 Nov 2022	OP Asset Management Ltd
OP-Private Fixed Income Strategy Fund	12 May 2015	9 Oct 2023	OP Asset Management Ltd
OP-US Corporate Bond Fund	16 Jun 2015	16 Sep 2022	OP Asset Management Ltd

Alternative			
OP-Alternative Portfolio Fund	27 Aug 2020	22 Sep 2022	OP Asset Management Ltd
OP-Forest Owner Fund	8 Dec 2014	22 March 2023	OP Real Estate Asset Management Ltd
OP Public Services Real Estate Fund	1 Nov 2017	22 March 2023	OP Real Estate Asset Management Ltd
OP-Private Equity Fund	1 Mar 2023	19 Aug 2022	OP Asset Management Ltd
OP-Rental Yield Fund	25 Apr 2013	22 March 2023	OP Real Estate Asset Management Ltd
R2 Crystal Fund	29 Mar 2018	22 Sep 2022	OP Asset Management Ltd

19.2 List of charges and fees

This appendix describes the charges and fees, as related to OP mutual funds, that affect the return on investments. This information provides investors with extensive and transparent information on the cost structure inherent to the agreement and enables them to make informed investment decisions.

Mutual fund costs are comprised of the cost of subscription and redemption and a management fee that may be fixed or based on performance. In the fund's Key Information Document, ongoing costs are divided into two parts: 1) administrative costs and other management or operating costs and 2) transaction costs. The first one corresponds to the ongoing charges previously mentioned in the Key Information Document and transaction costs are estimated costs arising from the fund's own trading. These costs by fund are shown in each fund's Key Information Document (KID) and the actual costs are shown in the annual report.

Subscription and redemption fees will be charged directly from the client. All other abovementioned costs will be charged from the fund's assets. OP Fund Management Company Ltd will pay 33% of the annual management fee to the relevant OP Financial Group branch as long as the related capital remains invested in the fund.

Fund	Subscription fee	Redemption fee	Management fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP-Alternative Portfolio Fund	1.00%	tiered	0.90%	20.00%	2.41%	0.00%	Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 2 years. The redemption fee is 3% for investments of more than 2 years but fewer than 4 years. The redemption fee is 1% for investments of more than 4 years. The fee is paid to the fund. Minimum investment €1,000.
OP-Alternative Portfolio II Fund	1.00%	tiered	0.90%	no	2.41%	0.00%	Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 2 years. The redemption fee is 3% for investments of more than 2 years but fewer than 4 years. The redemption fee is 1% for investments of more than 4 years. The fee is paid to the fund Minimum investment €1,000,000. This fund does not generate OP bonuses.
OP-America Index Fund	0%	0%	0.39%	no	0.39%	0.01%	Systematic investment plan possible.
OP-America Index II Fund	0%	0%	0.20%	no	0.20%	0.01%	Minimum investment €100,000 This fund does not generate OP bonuses.
OP-America Small Cap Fund	0,75%	0,75%	1,60%	no	1.60%	0.10%	Systematic investment plan possible.
OP-America Small Cap Fund II	0,00 %	0,00 %	0,95 %	no	0,95 %	0.10%	Minimum investment €100,000 This fund does not generate OP bonuses.
OP-America Small Cap Fund III	0,00 %	0,00 %	0,50 %	no	0,50 %	0.10%	Minimum investment €1,000,000 This fund does not generate OP bonuses.
OP-America Value Firm Fund	0,75%	0,75%	1.60%	no	1.60%	0.04%	Systematic investment plan possible.
OP-America Value Firm Fund II	0,00 %	0,00 %	0,95 %	no	0,95 %	0.04%	Minimum investment €100,000 This fund does not generate OP bonuses.

Fund	Subscription fee	Redemp-tion fee	Manage-ment fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP-America Value Firm Fund III	0,00 %	0,00 %	0,50 %	no	0,50 %	0.04%	Minimum investment €1,000,000 This fund does not generate OP bonuses.
OP-Asia Index Fund	0%	0%	0.39%	no	0.39%	0.05%	Systematic investment plan possible.
OP-Asia Index II Fund	0%	0%	0.20%	no	0.20%	0.05%	Minimum investment €100,000 This fund does not generate OP bonuses.
OP-Bond Prima Fund	0.00%	0.20%	0.40%	no	0.40%	0.00%	Systematic investment plan possible.
OP-Bond Yield Fund	0.00%	0.25%	0.55%	no	0.55%	0.00%	Systematic investment plan possible.
OP-Brave Fund	0.00%	0.50%	1.45%	no	1.59%	0.00%	Systematic investment plan possible.
OP-China Fund	1.00%	1.00%	2.50%	no	2.51%	0.11%	Systematic investment plan possible.
OP-Clean Water Fund	0.00%	1.00%	1.80%	no	1.80%	0.19%	Systematic investment plan possible.
OP-Climate Fund	0.00%	1.00%	1.80%	no	1.80%	0.16%	Systematic investment plan possible.
OP-Conservative Fund	0.00%	0.50%	0.95%	no	1.08%	0.00%	Systematic investment plan possible.
OP-Corporate Bond Fund	0.25%	0.25%	0.63%	no	0.64%	0.00%	Systematic investment plan possible.
OP-EMD Hard Currency Corporate IG Fund	1.00%	1.00%	1.20%	no	1.20%	0.00%	Systematic investment plan possible.
OP-EMD Hard Currency Sovereign Fund	0.75%	0.75%	1.05%	no	1.05%	0.00%	Systematic investment plan possible
OP-EMD Local Currency Fund	0.50%	0.50%	0.65%	no	1.23%	0.00%	Systematic investment plan possible. Additionally, the fund also pays the management and custody fees of the underlying fund unit investments.
OP-Emerging Asia Fund	1.00%	1.00%	2.50%	no	2.51%	0.17%	Systematic investment plan possible.
OP-Emerging Markets Equity Fund	1.00%	1.00%	1.60%	no	1.60%	0.16%	Systematic investment plan possible.
OP-Emerging Middle Class Fund	1.00%	1.00%	2.50%	no	2.52%	0.11%	Systematic investment plan possible.
OP-Euro Fund	0.00%	0.00%	0.15%	no	0.15%	0.00%	Systematic investment plan possible.
OP-Euro II Fund	0.00%	0.00%	0.10%	no	0.10%	0.00%	Minimum investment €1.000,000 This fund does not generate OP bonuses.
OP-Europe Dividend Firm Fund	0,75%	0,75%	1.60%	no	1.61%	0.06%	Systematic investment plan possible.
OP-Europe Dividend Firm Fund II	0,00 %	0,00 %	0,95 %	ei	0,96 %	0.06%	Minimum investment €100,000 This fund does not generate OP bonuses.
OP-Europe Dividend Firm Fund III	0,00 %	0,00 %	0,50 %	ei	0,50 %	0.06%	Minimum investment €1,000,000 This fund does not generate OP bonuses.
OP-Europe Index Fund	0%	0%	0.39%	no	0.39%	0.10%	Systematic investment plan possible.

Fund	Subscription fee	Redemp-tion fee	Manage-ment fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP-Europe Index II Fund	0%	0%	0.20%	no	0.20%	0.10%	Minimum investment €100,000 This fund does not generate OP bonuses.
OP-Europe Small Cap Fund	0,75%	0,75%	1.60%	no	1.60%	0.15%	Systematic investment plan possible.
OP-Europe Small Cap Fund II	0,00 %	0,00 %	0,95 %	ei	0,95 %	0.15%	Minimum investment €100,000 This fund does not generate OP bonuses.
OP-Europe Small Cap Fund III	0,00 %	0,00 %	0,50 %	ei	0,50 %	0.15%	Minimum investment €1,000,000 This fund does not generate OP bonuses.
OP-Europe Value Firm Fund	0.75%	0.75%	1,60%	no	1,61%	0.05%	Systematic investment plan possible.
OP-Europe Value Firm Fund II	0	0	0.95%	no	0.96%	0.05%	Minimum investment €100,000 This fund does not generate OP bonuses.
OP-Europe Value Firm Fund III	0	0	0.50%	no	0.51%	0.05%	Minimum investment €1.000,000 This fund does not generate OP bonuses.
OP-Finland Fund	0.00%	1.00%	1.60%	no	1.60%	0.07%	Systematic investment plan possible.
OP-Finland Index Fund	0%	0%	0.39%	no	0.39%	0.02%	Systematic investment plan possible.
OP-Finland Index II Fund	0%	0%	0.20%	no	0.20%	0.02%	Minimum investment €100,000 This fund does not generate OP bonuses.
OP-Finland Small Cap Fund	0.00%	1.00%	2.00%	no	2.00%	0.06%	Systematic investment plan possible.
OP-Fixed Income Portfolio Fund	0.00%	0.50%	0.60%	no	0.60%	0.00%	Systematic investment plan possible.
OP-Forest Owner Fund	3.00%	tiered	1.50%	no	1.73%	0.10%	The subscription fee is a fee that is credited to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 3 years. The redemption fee is 3% for investments of more than 3 years but fewer than 6 years. The redemption fee is 1% for investments of more than 6 years. The fee is paid to the fund.
OP-Forest Owner Fund II	3.00%	tiered	1.20%	no	1.43%	0.10%	The subscription fee is a fee that is credited to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 3 years. The redemption fee is 3% for investments of more than 3 years but fewer than 6 years. The redemption fee is 1% for investments of more than 6 years. The fee is paid to the fund. Minimum investment €1.000,000. This fund does not generate OP bonuses.
OP-High Yield Fund	0.50%	0.50%	0.80%	no	0.81%	0.00%	Systematic investment plan possible.
OP-High Yield America Fund	0.50%	0.50%	0.80%	no	0.81%	0.00%	Systematic investment plan possible.

Fund	Subscription fee	Redemption fee	Management fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP-India Fund	1.00%	1.00%	2.20%	no	2.20%	0.12%	Systematic investment plan possible.
OP-Inflation-Linked Bond Fund	0.00%	0.25%	0.50%	no	0.50%	0.00%	Systematic investment plan possible.
OP-Japan Fund	1.00%	1.00%	1.95%	no	1.95%	0.02%	Systematic investment plan possible.
OP-Japan Stars Fund	1.00%	1.00%	1.60%	no	1.60%	0.04%	Systematic investment plan possible.
OP-Low-carbon World Fund	0.00%	1.00%	1.80%	no	1.81%	0.12%	Systematic investment plan possible.
OP-Moderate Fund	0.00%	0.50%	1.25%	no	1.38%	0.00%	Systematic investment plan possible.
OP-Nordic Countries Index Fund	0%	0%	0.39%	no	0.39%	0.02%	Systematic investment plan possible.
OP-Nordic Countries Index II Fund	0%	0%	0.20%	no	0.20%	0.02%	Minimum investment €100,000. This fund does not generate OP bonuses.
OP Public Services Real Estate Fund	1.50%	tiered	1.90%	no	1.95%	0.12%	The subscription fee is a fee that is paid to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 2 years. The redemption fee is 3% for investments of more than 2 years but fewer than 4 years. The redemption fee is 1% for investments of more than 4 years. The fee is paid to the fund.
OP Public Services Real Estate II Fund	1.50%	tiered	1.20%	no	1.24%	0.12%	The subscription fee is a fee that is paid to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 2 years. The redemption fee is 3% for investments of more than 2 years but fewer than 4 years. The redemption fee is 1% for investments of more than 4 years. The fee is paid to the fund. Minimum investment €1,000,000. This fund does not generate OP bonuses.
OP-Private Fixed Income Strategy A Fund	0.00%	0.50%	0.75%	no	0.88%	0.00%	Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €1,000,000.
OP-Private Fixed Income Strategy II Fund	0.00%	0.50%	0.35%	no	0.48%	0.00%	This fund does not generate OP bonuses. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €5,000,000.

Fund	Subscription fee	Redemption fee	Management fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP-Private Equity Fund	1.00%	tiered	1.50%	no	3.10%	0.00%	Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 2 years. The redemption fee is 3% for investments of more than 2 years but fewer than 4 years. The redemption fee is 1% for investments of more than 4 years. The fee is paid to the fund. Minimum investment €10,000.
OP-Private Equity II Fund	1.00%	tiered	1.00%	no	2.60%	0.00%	Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 2 years. The redemption fee is 3% for investments of more than 2 years but fewer than 4 years. The redemption fee is 1% for investments of more than 4 years. The fee is paid to the fund Minimum investment €1,000,000. This fund does not generate OP bonuses.
OP-Private Equity Strategy A Fund	0.00%	0.50%	0.15%	no	1.33%	0.00%	Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €1,000,000.
OP-Private Equity Strategy II Fund	0.00%	0.50%	0.75%	no	0.93%	0.00%	This fund does not generate OP bonuses. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €5,000,000.
OP-Private Strategy 25 A Fund	0.00%	0.50%	0.85%	no	1.09%	0.00%	Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €1,000,000.
OP-Private Strategy 25 II Fund	0.00%	0.50%	0.45%	no	0.69%	0.00%	This fund does not generate OP bonuses. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €5,000,000.
OP-Private Strategy 50 A Fund	0.00%	0.50%	0.95%	no	1.19%	0.00%	Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment of €1,000,000.

Fund	Subscription fee	Redemption fee	Management fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP-Private Strategy 50 II Fund	0.00%	0.50%	0.55%	no	0.79%	0.00%	This fund does not generate OP bonuses. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €5,000,000.
OP-Private Strategy 75 A Fund	0.00%	0.50%	1.05%	no	1.29%	0.00%	Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €1,000,000.
OP-Private Strategy 75 II Fund	0.00%	0.50%	0.65%	no	0.89%	0.00%	This fund does not generate OP bonuses. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €5,000,000.
OP-Real Asset Companies Fund	0.75%	0.75%	1.60%	no	1.60%	0.07%	Systematic investment plan possible.
OP-Real Asset Companies II Fund	0.00%	0.00%	0.95%	no	0.95%	0.07%	Minimum investment €100,000. This fund does not generate OP bonuses.
OP-Real Asset Companies III Fund	0.00%	0.00%	0.50%	no	0.50%	0.07%	Minimum investment €1,000,000. This fund does not generate OP bonuses.
OP-Rental Yield Fund	1.50%	tiered	1.90%	no	1.98%	0.05%	The subscription fee is a fee that is credited to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 2 years. The redemption fee is 3% for investments of more than 2 years but fewer than 4 years. The redemption fee is 1% for investments of more than 4 years. The fee is paid to the fund.
OP-Rental Yield II Fund	1.50%	tiered	1.20%	no	1.28%	0.05%	The subscription fee is a fee that is credited to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 2 years. The redemption fee is 3% for investments of more than 2 years but fewer than 4 years. The redemption fee is 1% for investments of more than 4 years. The fee is paid to the fund. Minimum investment €1,000,000. This fund does not generate OP bonuses.
OP-Sustainable Wellbeing Fund	0.00%	1.00%	1.80%	no	1.81%	0.08%	Systematic investment plan possible.
OP-Sustainable Wellbeing Fund II	0.00%	1.00%	0.95%	no	0.96%	0.08%	Minimum investment €1,000,000. This fund does not generate OP bonuses.
OP-Sustainable World Fund	0.00%	0.50%	1.25%	no	1.25%	0.06%	Systematic investment plan possible.

Fund	Subscription fee	Redemption fee	Management fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP-Tactical Portfolio Fund	1.00%	1.00%	0.33%	no	0.54%	0.00%	Systematic investment plan possible. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments.
OP-Target 2	0.00%	0.00%	0.69%	no	0.83%	0.01%	The fund can be subscribed and redeemed only on the OP Investment Partner service.
OP-Target 3	0.00%	0.00%	0.79%	no	0.92%	0.03%	The fund can be subscribed and redeemed only on the OP Investment Partner service.
OP-Target 4	0.00%	0.00%	0.89%	no	0.91%	0.02%	The fund can be subscribed and redeemed only on the OP Investment Partner service.
OP-US Corporate Bond Fund	0.25%	0.25%	0.50%	no	0.51%	0.01%	Systematic investment plan possible.
OP-World Fund	1.00%	1.00%	1.60%	no	1.83%	0.01%	Systematic investment plan possible. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments.
OP-World II Fund	1.00%	1.00%	1.00%	no	1.23%	0.01%	This fund does not generate OP bonuses. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €1.000,000. This fund does not generate OP bonuses.
OP-World Index Fund	0%	0%	0.39%	no	0.40%	0.03%	Systematic investment plan possible.
OP-World Index II Fund	0%	0%	0.20%	no	0.21%	0.03%	Minimum investment €1.000,000. This fund does not generate OP bonuses.
OP-Yield Fund	0.00%	0.00%	0.40%	no	0.40%	0.00%	Systematic investment plan possible.
OP-Yield II Fund	0.00%	0.00%	0.15%	no	0.15%	0.00%	Minimum investment €100,000. This fund does not generate OP bonuses.
R2 Crystal Fund	0.00%	0.00%	0.90%	20%	3.46%	0.00%	Minimum investment €10,000. This fund does not generate OP bonuses.

Fund switching involves selling units in a fund and buying units in another fund. These transactions are usually subject to redemption and subscription fees. When a transaction is carried out in the form of fund switching, no fee is charged for the fund that has the lower fee. If the lower fee is a mandatory fee for the fund in question, no discount can be given on the basis of the fund rules. We take account of discounts granted to owner-customers when they switch funds.

Owner-customers can buy and sell fund units without subscription or redemption fees. The benefit does not apply to corporate customers. Subscriptions made as part of a systematic investment plan are free for everyone. These benefits do not apply to OP-Alternative Portfolio, OP-Private Equity, OP-Public Services Real Estate, OP-Forest Owner Fund and OP-Rental Yield special common funds.

In all OP funds' income unit types (class B), the minimum investment is 30,000 euros. The minimum investment does not apply to class B of the special common funds OP-Rental Yield, OP-Forest Owner Fund and OP Public Services Real Estate Fund. The minimum investment in all class II B units is 1,000,000 euros.

19.3 Merger, division and dissolution history of the funds managed by OP Fund Management Company Ltd

Merging fund	Acquiring fund	Measure	Date	Name of the fund that continues the activities
OP-America Growth Fund	OP-America Small Cap Fund	Merger	14 Dec 2023	OP-America Small Cap Fund
OP-America Low Volatility Fund OP-America Quality Fund	OP-America Value Fund	Merger	14 Dec 2023	OP-America Value Firm Fund
OP-Europe Low Volatility Fund OP-Europe Quality	OP-Europe Dividend Firm Fund	Merger	4 Dec 2023	OP-Europe Dividend Firm Fund
OP-Latin America Fund	OP-Emerging Markets Equity Fund	Merger	15 Dec 2022	OP-Emerging Markets Equity Fund
OP-Nordic Micro Cap Fund and OP-Finland Micro Cap Fund	OP-Finland Small Cap Fund	Merger	30 Nov 2022	OP-Finland Small Cap Fund
OP-Russia Fun		Dissolution	17 Jun 2022	
OP-Europe Plus Fund	OP-Europe Low Volatility Fund	Merger	11 Feb 2021	OP-Europe Low Volatility Fund
OP-America Fund	OP-America Low Volatility Fund	Merger	11 Feb 2021	OP-America Low Volatility Fund
OP-Private Target Return Fund and OP-Private Target Return Plus Fund	OP-Alternative Portfolio Fund	Merger	27 Aug 2020	OP-Alternative Portfolio Fund
OP-Dollar Fund	OP-US Corporate Bond Fund	Merger	27 Nov 2019	OP-US Corporate Bond Fund
OP-Africa Fund	OP.Emerging Markets Equity Fund	Merger	27 Nov 2019	OP.Emerging Markets Equity Fund
	All OP funds	Update of the common rules for all mutual funds managed by OP Fund Management Company Ltd	1 Nov 2019	
OP-Emerging Frontier Fund	OP-Emerging Markets Equity Fund	Merger	15 Aug2019	OP-Emerging Markets Equity Fund
OP-Commodity Fund		Dissolution	15 May 2019	
OP-Nordic Countries Plus Fund	OP-Europe Plus Fund	Merger	11 Oct 2018	OP-Europe Plus Fund
OP-Liquidity Fund	OP-Euro Fund	Merger	7 Jun 2018	OP-Euro Fund
OP-Delta Fund and OP-Focus Fund	OP-Finland Value Fund	OP-Delta Fund and OP-Focus Fund merged to become OP-Finland Value Fund. OP-Finland Value Fund was renamed OP-Finland Fund.	21 Sept 2017	OP Finland Fund
OP-Capital Guaranteed 2017 Fund	OP-Fixed Income Portfolio Fund	Merger	11 May 2017	OP-Fixed Income Portfolio Fund
OP-Europe Equity Fund	OP-Europe Rising Stars Fund	Merger	19 Apr 2017	OP-Europe Rising Stars Fund
OP-EMD Local Currency Short Term Fund	OP-EMD Local Currency Fund	Merger	9 Mar 2017	OP-EMD Local Currency Fund
OP-Europe Small Cap Fund	OP-Europe Rising Stars Fund	Merger	8 Dec 2015	OP-Europe Rising Stars Fund
OP-Emerging Europe Fund	OP-Emerging Markets Equity Fund	Merger	25 Sept 2015	OP-Emerging Markets Equity Fund
OP-Capital Guaranteed 2015 Fund (95)	OP-Fixed Income Portfolio Fund	Merger	24 Apr 2015	OP-Fixed Income Portfolio Fund
OP-Europe Theme Fund	OP-Europe Equity Fund	Merger	16 Feb 2015	OP-Europe Equity Fund
OP-Absolute Portfolio Fund		Dissolution	26 Jan 2015	
OP-Corporate Bond Prima Fund	OP-Corporate Bond Fund	Merger	13 Nov 2014	OP-Corporate Bond Fund
OP-Bond Fund	OP-Bond Yield Fund	Merger	13 Nov 2014	OP-Bond Yield Fund
OP-Horizon 2045 Fund	OP-Brave Fund	Merger	25 Sept 2014	OP-Brave Fund
OP-Horizon 2035 Fund	OP-Brave Fund	Merger	25 Sept 2014	OP-Brave Fund
OP-Horizon 2015 Fund	OP-Conservative Fund	Merger	25 Sept 2014	OP-Conservative Fund
OP-Return Seeking Fund	OP-Moderate Fund	Merger	17 Sept 2014	OP-Moderate Fund
OP-Horizon 2025 Fund	OP-Moderate Fund	Merger	17 Sept 2014	OP-Moderate Fund
OP-Asia Tigers Fund	OP-Emerging Middle Class Fund	Merger	10 June 2014	OP-Emerging Middle Class Fund

Merging fund	Acquiring fund	Measure	Date	Name of the fund that continues the activities
OP-America Fund	OP-America Index Fund	Merger	28 Apr 2014	OP-America Index Fund
OP-China Fund	OP-China Fund	The fund's master-feeder structure was replaced by direct investments, and the legal form was changed to a UCITS fund.	25 Feb 2014	OP-China Fund
OP-Japan Fund	OP-Japan Fund	The fund's master-feeder structure was replaced by direct investments, and the legal form was changed to a UCITS fund.	20 Jan 2014	OP-Japan Fund
OP-Eastern Europe Fund	OP-Emerging Europe Fund	Merger	12 Dec 2013	OP-Emerging Europe Fund
OP-Equity Hedge Fund		Dissolution	13 Sept 2013	
OP-Convertible Fund	OP-High Yield Fund	Merger	24 Jan 2013	OP-High Yield Fund
OP-EMD Portfolio Fund	OP-EMD Local Currency Short Term Fund	Merger	24 Jan 2013	OP-EMD Local Currency Short Term Fund
OP-Europe Value Fund	OP-Europe Dividend Firm Fund	Merger	13 Dec 2012	OP-Europe Dividend Firm Fund
OP-Europe Dividend Fund	OP-Europe Dividend Firm Fund	Merger	13 Dec 2012	OP-Europe Dividend Firm Fund
OP-Fixed Income Portfolio Fund	OP-Fixed Income Portfolio Fund	The fund's investment universe was expanded beyond the EEA area to include the OECD countries.	24 Oct 2012	OP-Fixed Income Portfolio Fund
OP-Russia Fund	OP-Russia Fund	The fund's previous benchmark index, RTS$, was changed on 1 Oct. 2012 to MSCI Russia 10/40 TR Net. The industry structure of the new index is more comparable with the fund's investment policy than that of the RTS index. The biggest change was the drop in the weight of the energy sector from 52 per cent to approximately 35 per cent. Additionally, in the new index, the weight of an individual company is limited to 10 per cent, whereas, in the RTS index, three companies carried more than 10% of the weight. The change does not affect the fund's investment policy.	1 Oct 2012	OP-Russia Fund
OP-EMD Hard Currency Sovereign Fund	OP-EMD Hard Currency Sovereign Fund	The fund's master-feeder structure was replaced by direct investments, and the legal form was changed to a UCITS fund.	2 July 2012	OP-EMD Hard Currency Sovereign Fund
OP-Bond Prima Fund	OP-Bond Prima Fund	The fund's investment universe was expanded beyond the EEA area to include the OECD countries.	12 Mar 2012	OP-Bond Prima Fund
OP-Inflation-Linked Bond Fund	OP-Inflation-Linked Bond Fund	The fund's investment universe was expanded beyond the EEA area to include the OECD countries.	12 Mar 2012	OP-Inflation-Linked Bond Fund
OP-Pirkka Fund	OP-Brave Fund	The fund's investment universe expanded beyond the euro area to a global arena and the fund name was changed as a result. The previous name was OP-Pirkka.	8 Mar 2012	OP-Brave Fund

Merging fund	Acquiring fund	Measure	Date	Name of the fund that continues the activities
OP-Fixed Income Portfolio 10 Fund	OP-Conservative Fund	The fund's investment universe expanded beyond the euro area to a global arena and the fund name was changed as a result. The previous name was OP-Fixed Income Portfolio 10.	8 Mar 2012	OP-Conservative Fund
OP-Spektri Fund	OP-Return Seeking Fund	Merger	8 Mar 2012	OP-Return Seeking Fund
OP-Tuotto Fund	OP-Return Seeking Fund	Merger	8 Mar 2012	OP-Return Seeking Fund
OP-Solid Fund	OP-Moderate Fund	Merger	8 Mar 2012	OP-Moderate Fund
OP-Fixed Income Plus Fund	OP-Moderate Fund	Merger	8 Mar 2012	OP-Moderate Fund
OP-Asia Fund	OP-Asia Index Fund	Merger	29 Sept 2011	OP-Asia Index Fund
OP-Japan Index Fund	OP-Asia Index Fund	Merger	29 Sept 2011	OP-Asia Index – Mutual funds
OP-Europe Index – Mutual funds	OP-Europe Index Fund	The funds investment strategy changed from a futures-based approach to direct investments. The investment universe was expanded beyond the euro area to include all of Europe and the benchmark index was changed from Euro Stoxx 50 to Stoxx Europe 50.	29 Sept 2011	OP-Europe Index Fund
OP-America Index Fund	OP-America Index Fund	The fund's investment strategy changed from a futures-based approach to direct investments and the benchmark index was changed from S&P 500 to MSCI North America.	29 Sept 2011	OP-America Index Fund
OP-Capital Guaranteed Fund	OP-Capital Guaranteed 2017 Fund	The existing security matured and was continued under a new capital security agreement with a new investment policy.	11 May 2011	OP-Capital Guaranteed 2017 Fund
OP-Euro Fund	OP-Euro Fund	The fund was upgraded to meet with CESR's new definition of a money market fund.	12 Nov 2010	OP-Euro Fund
OP-Europe Growth Fund	OP-Europe Theme Fund	Change of name	20 Sept 2010	OP-Europe Theme Fund
OP-Cash Manager Fund	OP-Yield Fund	Change of name	27 Apr 2010	OP-Yield Fund
OP-Pohjola Small Cap Fund	OP-Finland Small Cap Fund	Merger	24 Mar 2010	OP-Finland Small Cap Fund
OKO Alpha Fund	OP Absolute Portfolio Fund	Merger	11 Jan 2010	OP-Absolute Portfolio Fund
OP-Forest Fund	OP-World Fund	Merger	16 Mar 2009	OP-World Fund
OP-Medical Fund	OP-World Fund	Merger	16 Mar 2009	OP-World Fund
OP-Technology Fund	OP-World Fund	Merger	16 Mar 2009	OP-World Fund

19.4 Limits for material errors in the NAV calculation of funds managed by OP Fund Management Company Ltd

The classification is performed for the interim and half-year report on the basis of published volatility.

Mutual fund	Volatility % 31 Dec 2023	Error class	Limit for material error (of NAV)
OP-China Fund	24,44	I	≥ 0,5%
OP-America Small Cap Fund	23,43	I	≥ 0,5%
OP-Real Asset Companies Fund	21,43	I	≥ 0,5%
OP-Europe Small Cap Fund	21,24	I	≥ 0,5%
OP-Climate Fund	20,86	I	≥ 0,5%
OP-Finland Index Fund	20,32	I	≥ 0,5%
OP-Finland Small Cap Fund	20,23	I	≥ 0,5%
OP-Emerging Middle Class Fund	20,17	I	≥ 0,5%
OP-Finland Fund	20,13	I	≥ 0,5%
OP-Japan Fund	19,44	I	≥ 0,5%
OP-Nordic Index Fund	19,06	I	≥ 0,5%
OP-Clean Water Fund	18,72	I	≥ 0,5%
OP-America Value Firm Fund	18,66	I	≥ 0,5%
OP-Europe Dividend Firm Fund	18,57	I	≥ 0,5%
OP-India Fund	18,40	I	≥ 0,5%
OP-Europe Index Fund	18,39	I	≥ 0,5%
OP-America Index Fund	17,93	I	≥ 0,5%
OP-Japan Stars Fund	17,84	I	≥ 0,5%
OP-Low-carbon World Fund	17,11	I	≥ 0,5%
OP-Sustainable Wellbeing Fund	16,84	I	≥ 0,5%
OP-World Index Fund	16,55	I	≥ 0,5%
OP-Private Equity Strategy Fund	16,12	I	≥ 0,5%
OP-Europe Value Firm Fund	16,05	I	≥ 0,5%
OP-World Fund	16,00	I	≥ 0,5%
OP-Emerging Markets Equity Fund	15,79	I	≥ 0,5%
OP-Asia Index Fund	15,62	I	≥ 0,5%
OP-Emerging Asia Fund	14,60	I	≥ 0,5%
OP-Target 4 Fund	13,10	I	≥ 0,5%
OP-Brave Fund	13,10	I	≥ 0,5%
OP-Tactical Portfolio Fund	12,84	I	≥ 0,5%
OP-Private Strategy 75 Fund	12,59	I	≥ 0,5%
OP-EMD Hard Currency Sovereign Fund	10,61	I	≥ 0,5%
OP-Private Equity Strategy Fund	10,11	I	≥ 0,5%
OP-Private Strategy 50 Fund	9,88	II	≥ 0,3%
OP-Moderate Fund	9,69	II	≥ 0,3%
OP-Sustainable World Fund	9,32	II	≥ 0,3%
OP-High Yield America Fund	8,81	II	≥ 0,3%
OP-EMD Local Currency Fund	8,56	II	≥ 0,3%
OP-US Corporate Bond Fund	8,49	II	≥ 0,3%
OP-Target 3 Fund	8,25	II	≥ 0,3%
OP-High Yield Fund	8,24	II	≥ 0,3%
OP-Private Strategy 25 Fund	7,20	II	≥ 0,3%
OP-Conservative Fund	6,72	II	≥ 0,3%
OP-Inflation-Linked Bond Fund	6,65	II	≥ 0,3%
OP-Bond Yield Fund	6,04	II	≥ 0,3%
OP-Private Fixed Income Strategy Fund	5,46	II	≥ 0,3%

OP-Target 2 Fund	5,25	II	≥ 0,3%
OP-Bond Yield Fund	5,15	II	≥ 0,3%
OP-EMD Hard Currency Corporate IG Fund	5,11	II	≥ 0,3%
R2 Crystal Fund	4,36	III	≥ 0,2%
OP-Corporate Bond Fund	4,30	III	≥ 0,2%
OP-Forest Owner Fund	4,12	III	≥ 0,2%
OP-Alternative Portfolio Fund	3,34	III	≥ 0,2%
OP-Public Services Real Estate Fund	2,90	III	≥ 0,2%
OP-Fixed Income Portfolio Fund	2,68	III	≥ 0,2%
OP-Rental Yield	2,29	III	≥ 0,2%
OP-Yield Fund	1,39	IV	≥ 0,1%
OP-Euro Fund	0,42	IV	≥ 0,1%

In determining the material NAV error, mutual funds are divided into different classes according to the annual volatility of each mutual fund.
Class I: mutual funds with an annual volatility of ≥ 10%
Class II: mutual funds with an annual volatility of ≥ 5% and < 10%
Class III: mutual funds with an annual volatility of > 2% and < 5%
mutual funds with an annual volatility of ≤ 2%

A material NAV calculation error can be considered at least an error that accounts for
≥ 0.5% of NAV in mutual funds within Class I
≥ 0.3% of NAV in mutual funds within Class II
≥ 0.2% of NAV in mutual funds within Class III
≥ 0.1% of NAV in mutual funds within Class IV

*Due to the lack of a one-year return history for the Fund, a benchmark index has been used to calculate its volatility.

A list of all errors occurring in the publication of OP mutual funds' NAVs is available at business locations and OP Fund Management Company Ltd.

19.5 Turnover rate, active share and tracking error of the funds managed by OP Fund Management Company Ltd

Portfolio turnover rate is a measure of how frequently assets within the fund are bought and sold. The higher the rate, the more frequently assets are bought and sold in proportion to the fund's average capital. The turnover rate is calculated using the following formula = (Sum 1 – Sum 2)/M*100.

Sum 1 = Total purchases and sales of securities, sum 2 = total subscriptions and redemptions of fund units. M = average total value of net assets, calculated daily The turnover rate is calculated from a maximum of one year's history.

A negative turnover rate means that the total volume of securities traded by the portfolio manager has been less than the amount of subscriptions and redemptions.

The Active share indicator measures how much the portfolio's holdings differ from the benchmark index constituents. The higher the indicator is, the more the shares selected by the fund and their weights differ from the shares and weights of the benchmark index.

Tracking error calculates the actual yield differential between the fund and its benchmark index, and it shows how much the actual returns of the fund deviate from the returns of the benchmark index. These tracking error figures have been calculated on the basis of the monthly returns over a three-year period.

Name of fund	Turnover rate	Active Share										Active risk/ Tracking error
		2021		2022				2023				
		30 Sept	31 Dec	31 Mar	30 Jun	30 Sept	31 Dec	31 Mar	30 Jun	30 Jul	30 Sept	
Balanced funds												
OP-Brave Fund	124,30 %	x	x	x	x	x	x	x	x	x	x	1.3
OP-Conservative Fund	94,94 %	x	x	x	x	x	x	x	x	x	x	1.2
OP-Moderate Fund	101,60 %	x	x	x	x	x	x	x	x	x	x	1.1
OP-Private Strategy 25 Fund	82,50 %	x	x	x	x	x	x	x	x	x	x	1.3
OP-Private Strategy 50 Fund	95,30 %	x	x	x	x	x	x	x	x	x	x	1.3
OP-Private Strategy 75 Fund	112,50 %	x	x	x	x	x	x	x	x	x	x	1.4
OP-Sustainable World Fund	136,00 %	x	x	x	x	x	x	x	x	x	x	2,5
OP-Tactical Portfolio Fund	456,40 %	x	x	x	x	x	x	x	x	x	x	2.0
OP-Target 2	9,50 %	x	x	x	x	x	x	x	x	x	x	1.4
OP-Target 3	19,10 %	x	x	x	x	x	x	x	x	x	x	2.2
OP-Target 4	10,70 %	x	x	x	x	x	x	x	x	x	x	2.7
Equity funds												
OP-America Small Cap Fund	188,30 %	69	71	71	75	77	76	81	86	78,9	79	3.6
OP-America Value Firm Fund	148,40 %	47	50	45	47	46	49	53	64	59,6	60	4.1
OP-China Fund	70,60 %	63	68	70	71	69	68	66	67	68,8	70	8.2
OP-Climate Fund	276,80 %	88	89	93	94	95	96	97	97	97,5	95	9.0
OP-Clean Water Fund	274,00 %	x	58	57	57	54	62	64	69	68,2	71	4.8
OP-Emerging Asia Fund	44,80 %	63	73	64	67	67	69	68	69	71,6	71	3.9
OP-Emerging Markets Equity Fund	17,60 %	60	62	64	63	68	54	59	60	60,8	59	3.3
OP-Emerging Middle Class Fund	68,30 %	84	85	87	85	86	85	84	85	84,5	86	8.9
OP-Europe Dividend Firm Fund	11,26 %	56	56	54	52	51	51	52	52	51,7	50	2.1
OP-Europe Small Cap Fund	64,10 %	66	66	66	68	67	66	68	67	67,0	68	2.6
OP-Europe Value Firm Fund	-22,10 %	58	60	56	54	56	x	58	56	55,0	58	2.5
OP-Finland Fund	97,20 %	28	29	29	30	28	30	29	32	28,1	32	2.8
OP-Finland Small Cap Fund	68,80 %	41	43	47	50	46	43	43	49	46,6	45	3.7
OP-India Fund	16,20 %	49	48	47	48	55	55	53	54	56,0	58	4.9
OP Japan Fund	-3,00 %	79	78	79	79	78	78	77	76	78,0	76	10.1
OP-Japan Stars Fund	-17,00 %	88	88	89	90	89	89	88	88	88,8	89	4.7
OP-Low-carbon World Fund	189,50 %	76	80	80	87	88	89	89	90	90,3	90	3.5
OP-Private Equity Strategy Fund	106,30 %	27	28	25	23	26	25	24	24	x	x	1.8
OP-Real Asset Companies Fund	-14,00 %	38	38	x	x	x	x	x	x	x	x	12.0

Name of fund	Turnover rate	Active Share										Active risk/ Tracking error
		2021		2022				2023				
		30 Sept	31 Dec	31 Mar	30 Jun	30 Sept	31 Dec	31 Mar	30 Jun	30 Jul	30 Sept	
OP-World Fund	309,90 %	28	38	27.00	28	30	39	32	29	31,1	41	4.5
Index funds												
OP-America Index Fund	-41,30 %	1	3	0.7	0.8	0.7	2	0.7	4	2,5	1,1	0.4
OP-Asia Index Fund	-20,90 %	1	2	0.9	0.9	1	0.9	1	2	1,1	0,9	0.6
OP-Europe Index Fund	-19,00 %	2	1	1	1	1	1	1	2	1,0	1,0	1.2
OP-Finland Index Fund	33,80 %	1	0.4	0.8	0.9	0.3	0.3	0.4	2	0,9	0,1	0.6
OP-Nordic Countries Index Fund	7,30 %	1	0.5	0.4	0.2	0.2	2	3	0.6	0,3	0,2	0.5
OP-World Index Fund	-1,30 %	5	4	4	5	4	4	4	8	5,6	1,3	0.6
Short-term fixed income funds												
OP-Euro Fund	-17,80 %	x	x	x	x	x	x	x	x	x	x	0.4
OP-Yield Fund	-71,60 %	x	x	x	x	x	x	x	x	x	x	1.4
Long-term bond funds												
OP-Bond Prima Fund	-22,80 %	x	x	x	x	x	x	x	x	x	x	0.7
OP-Bond Yield Fund	21,90 %	x	x	x	x	x	x	x	x	x	x	1.0
OP-Corporate Bond Fund	-48,50 %	x	x	x	x	x	x	x	x	x	x	0.8
OP-EMD Hard Currency Corporate IG Fund	-64,00 %	x	x	x	x	x	x	x	x	x	x	1.6
OP-EMD Hard Currency Sovereign Fund	-43,40 %	x	x	x	x	x	x	x	x	x	x	1.6
OP-EMD Local Currency Fund	x	x	x	x	x	x	x	x	x	x	x	3.5
OP-Fixed Income Portfolio Fund	-10,30 %	x	x	x	x	x	x	x	x	x	x	1.6
OP-High Yield Fund	20,70 %	x	x	x	x	x	x	x	x	x	x	1.2
OP-High Yield America Fund	55,20 %	x	x	x	x	x	x	x	x	x	x	1.7
OP-Inflation-Linked Bond Fund	0,10 %	x	x	x	x	x	x	x	x	x	x	0.9
OP-Private Fixed Income Strategy Fund	60,40 %	x	x	x	x	x	x	x	x	x	x	1.4
OP-US Corporate Bond Fund	-66,00 %	x	x	x	x	x	x	x	x	x	x	1.4
Alternative												
OP-Alternative Portfolio	50,90 %	x	x	x	x	x	x	x	x	x	x	6.4
OP-Forest Owner Fund	-7,00 %	x	x	x	x	x	x	x	x	x	x	6,4
OP-Private Equity Fund	117,50 %	x	x	x	x	x	x	x	x	x	x	
OP Public Services Real Estate Fund	21,90 %	x	x	x	x	x	x	x	x	x	x	5.8
OP-Rental Yield Fund	10,20 %	x	x	x	x	x	x	x	x	x	x	5.7
R2 Crystal Fund	55,00 %	x	x	x	x	x	x	x	x	x	x	3.9

19.6 Risk categories (SRI) and target investors of the fund managed by OP Fund Management Company Ltd

Risk category 1–7 (SRI)	OP fund	Target investors
1	OP-Euro Fund	The fund is suitable for investors who seek small growth in returns and prefer knowing that their capital is safe. Although this fund aims for as low value fluctuations as possible, investors must accept that such fluctuations are inherent when investing in mutual funds. Investments in the fund differ from bank deposits in that they are not covered by deposit guarantee and the fund's capital may also shrink.
2	OP-Bond Prima Fund OP-Corporate Bond Fund OP-EMD Hard Currency Corporate IG Fund OP-Fixed Income Portfolio Fund OP-Private Fixed Income Strategy Fund OP-Yield Fund	The fund is suitable for investors who seek stable growth in returns and are willing to accept modest risk. Investors must accept that value fluctuations are inherent when investing in mutual funds, which is why the fund portfolio may also depreciate over the investment horizon.
3	OP-Bond Yield Fund OP-Conservative Fund OP-EMD Hard Currency Sovereign Fund OP-EMD Local Currency Fund OP-High Yield America Fund OP-High Yield Fund OP-Inflation-Linked Bond Fund OP-Moderate Fund OP-Private Strategy 25 Fund OP-Private Strategy 50 Fund OP-Private Strategy 75 Fund OP-Sustainable World Fund OP-Target 2 OP-Target 3 OP-US Corporate Bond Fund	The Fund is suitable for investors who seek reasonable growth in returns and are willing to accept modest risk. Investors must accept that value fluctuations are inherent in investment in mutual funds, which is why the fund portfolio may also depreciate over the investment horizon.
4	OP-Asia Index Fund OP-Brave Fund OP-Clean Water Fund OP-Climate Fund OP-Emerging Asia Fund OP-Emerging Markets Equity Fund OP-Europe Dividend Firm Fund OP-Europe Index Fund OP-Europe Small Cap Fund OP-Finland Fund OP-Finland Index Fund OP-Finland Small Cap Fund OP-Japan Stars Fund OP-Low-carbon World Fund OP-Nordic Countries Index Fund OP-Private Equity Strategy Fund OP-Sustainable Wellbeing Fund OP-Tactical Portfolio Fund OP-Target 4 OP-World Fund OP-World Index Fund	The Fund is suitable for investors who seek good growth in returns and are willing to take some risk. Investors must accept that value fluctuations are inherent in the fund, and must be prepared for such fluctuations. As a result of fluctuations, the invested capital may depreciate.
5	OP-America Index Fund OP-America Small Cap Fund OP-America Value Firm Fund OP-China Fund OP-Emerging Middle Class Fund OP-Europe Value Firm Fund OP-India Fund OP-Japan Fund OP-Real Asset Companies Fund	The Fund is suitable for investors who seek good returns in the long term and are willing to accept fairly high risk. Investors must accept that value fluctuations are inherent in the fund, and must be prepared for relatively large fluctuations. As a result of fluctuations, the fund portfolio may depreciate considerably and therefore, we do not recommend any short-term investments in this fund.
6	OP-Alternative Portfolio Fund OP-Forest Owner Fund OP-Private Equity Fund OP-Public Services Real Estate Fund OP-Rental Yield Fund R2 Crystal Fund	The Fund is suitable for investors who seek good returns in the long term and are willing to a considerably high risk. Investors must accept that value fluctuations are inherent in the fund, and must be prepared for relatively large fluctuations. As a result of fluctuations, the fund portfolio may depreciate considerably and therefore, we do not recommend any short-term investments in this fund.
7		The fund is suitable for investors who seek high returns in the long term and are willing to accept high risk. Investors must accept that value fluctuations are inherent in the fund, and must be prepared for large fluctuations. As a result of fluctuations, the fund portfolio may depreciate considerably and therefore, we do not recommend any short-term investments in this fund.

19.7 Paid dividends

Year 2022

Name of fund	Target (value of fund unit. %)	Dividend paid per unit (€)
OP-Alternative Portfolio Fund	4	4,16 / 4,19*
OP-America Index Fund	3	4,50 / 4,64*
OP-America Growth Fund	3	5,54
OP-America Small Cap Fund	3	4,86
OP-America Value Fund	3	5,20
OP-Asia Index Fund	3	4,63 / 4,77*
OP-Bond Prima Fund	3	2,67
OP-Bond Yield Fund	3	2,35
OP-Brave Fund	3	1,73
OP-China Fund	3	7,09
OP-Clean Water Fund	3	5,25
OP-Climate Fund	3	0,80
OP-Conservative Fund	3	2,49
OP-Corporate Bond Fund	3	2,96
OP-EMD Hard Currency Corporate IG Fund	3	2,32
OP-EMD Hard Currency Sovereign Fund	3	2,90
OP-EMD Local Currency Fund	3	2,74
OP-Emerging Asia Fund	No B-share class available	x
OP-Emerging Markets Equity Fund	3	2,78
OP-Emerging Middle Class Fund	3	2,49
OP-Euro Fund	2	0,28
OP-Europe Index Fund	3	2,38 / 2,45*
OP-Europe Dividend Firm Fund	3	3,41
OP-Europe Rising Stars Fund	3	2,60
OP-Finland Fund	3	4,73
OP-Finland Index Fund	3	3,25 / 3,37*
OP-Finland Micro Cap Fund	3	5,35
OP-Finland Small Cap Fund	3	8,50
OP-Fixed Income Portfolio Fund	3	0,57
OP-Forest Owner Fund	100% of profit	2,62 / 2,62*
OP-High Yield America Fund	3	2,71
OP-High Yield Fund	3	3,37
OP-India Fund	3	7,29
OP-Inflation-Linked Bond Fund	3	2,36
OP-Japan Fund	3	2,80
OP-Japan Stars Fund	3	3,62
OP-Latin America Fund	3	2,12
OP-Low-carbon World Fund	3	3,61
OP-Moderate Fund	3	3,01
OP-Nordic Countries Index Fund	3	6,54 / 6,74*
OP-Nordic Micro Cap Fund	3	3,26
OP-Private Equity Strategy Fund	No B-share class available	x
OP-Private Fixed Income Strategy	No B-share class available	x
OP-Private Strategy 25 Fund	No B-share class available	x
OP-Private Strategy 50 Fund	No B-share class available	x
OP-Private Strategy 75 Fund	No B-share class available	x
OP-Public Services Real Estate Fund	100% of profit	2,67 / 2,67*

Name of fund	Target (value of fund unit. %)	Dividend paid per unit (€)
OP-Rental Yield Fund	100% of profit	2,01 / 2,01*
OP-Russia Fund	3	5,89
OP-Sustainable World Fund	3	3,07
OP-Tactical Portfolio Fund	3	3,86
OP-US Corporate Bond Fund	3	3,16
OP-World Fund	3	0,79 / 0,88*
OP-World Index Fund	3	3,91 / 3,95*
OP-Yield Fund	2	1,76 / 1,73*
R2 Crystal Fund	No B-share class available	x
*) II B unit		

19.8 Monitoring the total risk of OP mutual funds

Name of fund	Total risk methods	Name of reference index	Target degree of leverage
OP-Alternative Portfolio Fund	Absolute	-	-
OP-America Index Fund	Relative	MSCI North America ESG Screened Index	-25/0/5
OP-America Small Cap Fund	Relative	MSCI USA Small Cap Index	-25/0/5
OP-America Value Firm Fund	Relative	MSCI USA Value Net Total Return Index	-25/0/5
OP-Asia Index Fund	Relative	MSCI Asia Pacific ESG Screened Index	-25/0/5
OP-Bond Prima Fund	Relative	BarCap Germany Govt All Mat. TR 20.0% BarCap United States Govt All Mat. TR, EUR Hedged 20.0% BarCap Canada Govt All Mat. TR, EUR Hedged 15.73% BarCap Australia Govt All Mat. TR, EUR Hedged 12.77% BarCap Netherlands Govt All Mat. TR 7.85% BarCap Switzerland Govt All Mat. TR, EUR Hedged 6.76% BarCap Sweden Govt All Mat. TR, EUR Hedged 5.19% BarCap Norway Govt All Mat. TR, EUR Hedged 3.74% BarCap Denmark Govt All Mat. TR, EUR Hedged 3.10% BarCap Singapore Govt All Mat. TR, EUR Hedged 3.0% BarCap New Zealand Govt All Mat. TR, EUR Hedged 1.86%	-
OP-Bond Yield Fund	Relative	Barclays EuroAgg Treasury Total Return Index Value Unhedged EUR	-
OP-Brave Fund	Relative	MSCI North America ESG Screened Index USD 36.8% MSCI Europe ESG Screened Index USD 11.2% MSCI Pacific ESG Screened Index USD 11.2% Barclays Euro Aggregate: Corporate -Index 8.4% MSCI World ESG Screened Net Return USD Index 8.0% JP Morgan Global Govt Bond EMU LC Index 6.8% MSCI Nordic Countries ESG Screened Net USD Index 6.4% MSCI EM ESG Screened USD Index 6.4% Barclays Pan-Eur. HY ex.Fin (3%IssConst, Eur Hedg) 2.4% JP Morgan EMBI Global Div. EUR Hedged 1.6% Barclays Infl. linked Euro Govt. all matur. 0.8%	0
OP-China Fund	Relative	MSCI China 10/40	-25/0/5
OP-Clean Water Fund	Relative	S&P Gb Water USD NTR	-25/0/5
OP-Climate Fund	Relative	MSCI World Climate Paris Aligned Net	-25/0/5
OP-Corporate Bond Fund	Relative	Barclays Euro Aggregate Corporate	-
OP-Conservative Fund	Relative	Barclays Euro Aggregate: Corporate -Index 33.6% JP Morgan Global Govt Bond EMU LC Index 27.2% Barclays Pan-Eur. HY ex.Fin (3%IssConst, Eur Hedg) 9.6% MSCI North America ESG Screened Index USD 9.2% JP Morgan EMBI Global Div. EUR Hedged 6.4% Barclays Infl. linked Euro Govt. all matur. 3.2% MSCI Europe ESG Screened Index USD 2.8% MSCI Pacific ESG Screened Index USD 2.8% MSCI World ESG Screened Net Return USD Index 2.0% MSCI Nordic Countries ESG Screened Net USD Index 1.6% MSCI EM ESG Screened USD Index 1.6%	0
OP-EMD Hard Currency Corporate IG Fund	Relative	JPMorgan CEMBI Broad Diversified - IG	-
OP-EMD Hard Currency Sovereign Fund	Relative	JPMorgan EMBI Global Diversified EUR Hedged Index	-
OP-EMD Local Currency Fund	Relative	JPM GBI-EM Global Diversified	-
OP-Emerging Asia Fund	Relative	MSCI Emerging Markets Asia (ex Korea, ex Taiwan, limiting India and China 25% in total) Net in EUR	0/0/10
OP-Emerging Markets Equity Fund	Relative	MSCI Emerging Markets Total Return Net	-25/0/5
OP-Emerging Middle Class Fund	Relative	MSCI Emerging Markets TR Net	-25/0/5
OP-Euro Fund	Absolute	3-month Euribor	-
OP-Europe Dividend Firm Fund	Relative	MSCI Daily Net TR Europe	-25/0/5
OP-Europe Index Fund	Relative	MSCI Europe ESG Screened Index	-25/0/5
OP-Europe Small Cap Fund	Relative	MSCI Europe SMID Cap	-25/0/5
OP-Europe Value Firm Fund	Relative	MSCI Europe Value Index	-25/0/5
OP Finland Fund	Relative	OMX Helsinki Benchmark CAP	-25/0/5
OP-Finland Index Fund	Relative	Nasdaq OMX Helsinki Benchmark Cap	-25/0/5

Name of fund	Total risk methods	Name of reference index	Target degree of leverage
OP-Finland Small Cap Fund	Relative	Carnegie Small CXS Return Finland (EUR)	-25/0/5
OP-Fixed Income Portfolio Fund	Absolute	iBoxx Corporates 1-3 85.0% Markit iBoxx EUR High Yield Non-Financials BB 1-3 15.0%	-
OP-Forest Owner Fund	Absolute	-	0/0/50
OP-High Yield America Fund	Relative	Barclays US High Yield- U.S. Corporate High Yield Index (EUR-Hedged)	-
OP-High Yield Fund	Relative	Barclays Pan European High Yield Index (3% constrained, Euro hedged)	-
OP-Inflation-Linked Bond Fund	Relative	Bloomberg Barclays Global Inflation-Linked: Germany TR Index Unhedged EUR 20.0% Bloomberg Barclays Global Inflation-Linked: U.S. TIPS TR Index Hedged EUR 20.0% Bloomberg Barclays UK Inflation Linked Bonds 1 to 10 Year TR Hedged EUR 17.1% Bloomberg Barclays Global Inflation-Linked: France TR Index Unhedged EUR 16.4% Bloomberg Barclays Canada Inflation Linked 1-10 Years Hedged TRI EUR 11.2% Bloomberg Barclays Global Inflation-Linked: Australia TR Index Hedged EUR 8.5% Bloomberg Barclays Global Inflation-Linked: Sweden Total Return Index Hedged EUR 3.3% Bloomberg Barclays Global Inflation Linked: Denmark TR Index Hedged EUR 2.2% Bloomberg Barclays Global Inflation Linked: New Zealand TR Index Hedged EUR 1.3%	-
OP-India Fund	Relative	MSCI India 10/40 Total Return Net	-25/0/5
OP-Japan Fund	Relative	Topix TR	-25/0/5
OP-Japan Stars Fund	Relative	Topix TR	-25/0/5
OP-Low-carbon World Fund	Relative	MSCI ACWI Low Carbon Leaders Net USD	-25/0/5
OP-Moderate Fund	Relative	MSCI North America ESG Screened Index USD 23.0% Barclays Euro Aggregate: Corporate -Index 21.0% JP Morgan Global Govt Bond EMU LC Index 17.0% MSCI Europe ESG Screened Index USD 7.0% MSCI Pacific ESG Screened Index USD 7.0% Barclays Pan-Eur. HY ex.Fin (3%IssConst, Eur Hedg) 6.0% MSCI World ESG Screened Net Return USD Index 5.0% JP Morgan EMBI Global Div. EUR Hedged 4.0% MSCI Nordic Countries ESG Screened Net USD Index 4.0% MSCI EM ESG Screened USD Index 4.0% Barclays Infl. linked Euro Govt. all matur. 2.0%	0
OP-Nordic Countries Index Fund	Relative	MSCI Nordic Countries ESG Screened Index	-25/0/5
OP-Private Equity Fund	Absolute	-	-
OP-Private Equity Strategy Fund	Relative	MSCI North America ESG Screened Index USD 45.0% MSCI Europe ESG Screened Index USD 14.5% MSCI Pacific ESG Screened Index USD 14.5% MSCI World ESG Screened Net Return USD Index 10.0% MSCI Nordic Countries ESG Screened Net USD Index 8.0% MSCI EM ESG Screened USD Index 8.0%	-10/0/5
OP-Private Fixed Income Strategy Fund	Relative	Barclays Euro Aggregate: Corporate -Index 42.0% JP Morgan Global Govt Bond EMU LC Index 34.0% Barclays Pan-Eur. HY ex.Fin (3%IssConst, Eur Hedg) 12.0% JP Morgan EMBI Global Div. EUR Hedged 8.0% Barclays Infl. Linked Euro Govt. All matur. 4.0%	-

Name of fund	Total risk methods	Name of reference index	Target degree of leverage
OP-Private Strategy 25 Fund	Relative	Barclays Euro Aggregate: Corporate -Index 27.5% JP Morgan Global Govt Bond EMU LC Index 22% MSCI North America ESG Screened Index USD 11,5% JPMorgan Cash 3M Index 10.0% Barclays Pan-Eur. HY ex.Fin (3%IssConst, Eur Hedg) 8.0% JP Morgan EMBI Global Div. EUR Hedged 5.0% MSCI Europe ESG Screened Index USD 3.5% MSCI Pacific ESG Screened Index USD 3.5% Barclays Infl. linked Euro Govt. all matur. 2.5% MSCI World ESG Screened Net Return USD Index 2.5% MSCI Nordic Countries ESG Screened Net USD Index 2.0% MSCI EM ESG Screened USD Index 2.0%	0
OP-Private Strategy 50 Fund	Relative	MSCI North America ESG Screened Index USD 23.0% Barclays Euro Aggregate: Corporate -Index 17.0% JP Morgan Global Govt Bond EMU LC Index 13.5% JPMorgan Cash 3M Index 10.0% MSCI Europe ESG Screened Index USD 7.0% MSCI Pacific ESG Screened Index USD 7.0% Barclays Pan-Eur. HY ex.Fin (3%IssConst, Eur Hedg) 5.0% MSCI World ESG Screened Net Return USD Index 5.0% MSCI Nordic Countries ESG Screened Net USD Index 4.0% MSCI EM ESG Screened USD Index 4.0% JP Morgan EMBI Global Div. EUR Hedged 3.0% Barclays Infl. Linked Euro Govt. all matur. 1.5%	0
OP-Private Strategy 75 Fund	Relative	MSCI North America ESG Screened Index USD 34.5% MSCI Europe ESG Screened Index USD 10.5% MSCI Pacific ESG Screened Index USD 10.5% JPMorgan Cash 3M Index 10.0% MSCI World ESG Screened Net Return USD Index 7.5% Barclays Euro Aggregate: Corporate -Index 6.5% MSCI Nordic Countries ESG Screened Net USD Index 6.0% MSCI EM ESG Screened USD Index 6.0% JP Morgan Global Govt Bond EMU LC Index 5.0% Barclays Pan-Eur. HY ex.Fin (3%IssConst, Eur Hedg) 2.0% JP Morgan EMBI Global Div. EUR Hedged 1.0% Barclays Infl. linked Euro Govt. all matur. 0.5%	0
OP-Real Asset Companies Fund	Absolute	-	-25/0/5
OP-Rental Yield Fund	Relative	-	0/15/50
OP-Sustainable Wellbeing Fund	Relative	MSCI ACWI ESG Screened Index	-25/0/5
OP-Sustainable World Fund	Relative	Barclays Euro Aggregate: Corporate -Index 50.0% MSCI AC World Daily TR Net 50.0%	0
OP-Tactical Portfolio Fund	Relative	MSCI Daily Net TR Europe 40.0% MSCI Daily Net TR World ex Europe 35.0% JPM Cash Index Euro Currency 3 Months 25.0%	0
OP-Target 2	Relative	Bloomberg Barcays Euro Aggregate Corporate Total Return Index 85% MSCI World Net Total Return Index 15%	0
OP-Target 3	Relative	Bloomberg Barcays Euro Aggregate Corporate Total Return Index 45% MSCI World Net Total Return Index 55%	0
OP-Target 4	Relative	MSCI World Net Total Return Index	0
OP-US Corporate Bond Fund	Relative	Bloomberg Barclays U.S. Corporate Bond Index (EUR Hedged)	-
OP-World Fund	Relative	MSCI World EUR	-25/0/5
OP-World Index Fund	Relative	MSCI World ESG Screened Index	-25/0/5
OP-Yield Fund	Absolute	3-month Euribor	-
R2 Crystal Fund	Absolute	-	-

This document is a translation. If there are any discrepancies between the translation and the original Finnish document, the Finnish document shall prevail.

OP Corporate Bank plc, Business ID 0743962-2, P. O. Box 308, 00013 OP, domicile Helsinki

Sustainability-related disclosures under SFDR

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-Asia Index

Legal entity identifier: FI4000029491

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 3 % 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?

The fund promotes environmental and social characteristics by taking companies' greenhouse gas emissions into account and using exclusions. The funds track the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of greenhouse gas emissions compared to the equivalent general market index and excludes controversial and harmful industries and companies that have violated international standards.

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?

The fund does not invest in companies that are associated with the production of controversial weapons, weapons for civilian use or palm oil, or in 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.

The funds track the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of carbon emissions compared to the equivalent general market index.

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.

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 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.

As the Fund is a passive index fund, the fund manager cannot make individual exclusion decisions. The fund is based on an index that excludes companies associated with the production of controversial weapons, weapons for civilian use or palm oil, as well as 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.

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 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.

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 is a passive index fund which invests according to the MSCI Asia Pacific ESG Screened Index in the shares of the largest listed companies in Southeast Asia. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. Changes to the portfolio are basically only made in conjunction with index adjustments.

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 does not invest in companies that are associated with the production of controversial weapons, weapons for civilian use or palm oil, or in 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.

The fund tracks the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of carbon emissions compared to the equivalent general market index.

- ***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.

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

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

The fund is based on the MSCI ESG Screened index, which excludes companies that have violated international standards (UN Global Compact) and companies which have committed very severe ESG violations.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

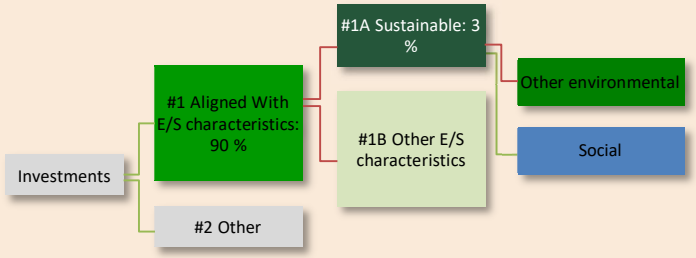
Taxonomy-aligned activities are expressed as a share of:

- **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 3% 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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?

☐ 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.

economic activities under the EU Taxonomy.

———————

[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 minimum shares are set for these goals.

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 is a passive index fund the assets of which are invested in accordance with the index. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. The investment strategy corresponds to the benchmark index on an ongoing basis.

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

  The Fund is a passive index fund the assets of which are invested in accordance with the index. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. The investment strategy corresponds to the benchmark index on an ongoing basis.

- ***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 criteria presented above.

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:

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

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-America Value

Legal entity identifier: FI4000088042

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?

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. The ESG score of the Fund is monitored, and the aim is to ensure that it is better than that of the benchmark index. In addition, the Fund's investments are screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.

Violations of international standards: The Fund is screened regularly for non-compliances with

international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list.

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?***

  The Fund uses the ESG rating as its sustainability indicator. This rating assesses how well a company manages material 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 remuneration 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 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.

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 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.

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 mainly invests its assets in value shares in the US equity market. Value stocks are typically regarded as stocks that trade at a low price relative to the company's shareholders' equity, earnings or profitability.

The Fund promotes environmental and social characteristics by using exclusions and considering investments' ESG factors. The aim is to ensure that the ESG score of the Fund is better than that of the benchmark index.

The Fund has a minimum allocation to sustainable investments, so a certain share of the Fund's investments must meet the requirements of OP Asset Management's sustainable investment model.

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 OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

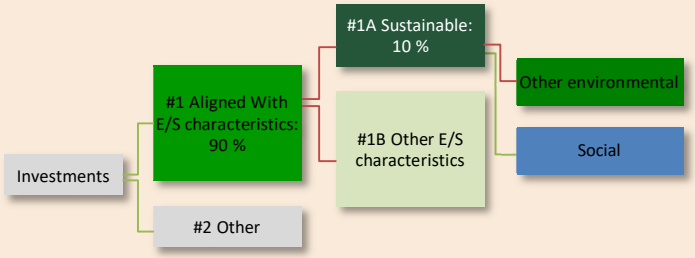
Taxonomy-aligned activities are expressed as a share of:

- **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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?

☐ 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.

sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[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.

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

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-America Index

Legal entity identifier: FI4000029327

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 3 % 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?

The fund promotes environmental and social characteristics by taking companies' greenhouse gas emissions into account and using exclusions. The funds track the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of greenhouse gas emissions compared to the equivalent general market index and excludes controversial and harmful industries and companies that have violated international standards.

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?

The fund does not invest in companies that are associated with the production of controversial weapons, weapons for civilian use or palm oil, or in 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.

The funds track the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of carbon emissions compared to the equivalent general market index.

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.

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 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.

As the Fund is a passive index fund, the fund manager cannot make individual exclusion decisions. The fund is based on an index that excludes companies associated with the production of controversial weapons, weapons for civilian use or palm oil, as well as 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.

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 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.

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 is a passive index fund which invests according to the MSCI North America ESG Screened Index in the shares of the largest listed companies in North America. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. Changes to the portfolio are basically only made in conjunction with index adjustments.

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 does not invest in companies that are associated with the production of controversial weapons, weapons for civilian use or palm oil, or in 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.

The fund tracks the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of carbon emissions compared to the equivalent general market index.

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 good governance practices of the investee companies?***

The fund is based on the MSCI ESG Screened index, which excludes companies that have violated international standards (UN Global Compact) and companies which have committed very severe ESG violations.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

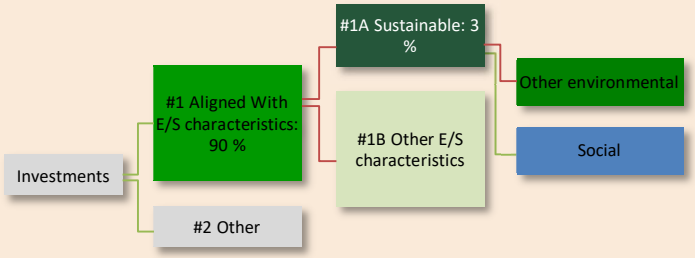
Taxonomy-aligned activities are expressed as a share of:

- **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 3% 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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?

☐ 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.

not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

[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 minimum shares are set for these goals.

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 is a passive index fund the assets of which are invested in accordance with the index. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. The investment strategy corresponds to the benchmark index on an ongoing basis.

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

  The Fund is a passive index fund the assets of which are invested in accordance with the index. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. The investment strategy corresponds to the benchmark index on an ongoing basis.

- ***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 criteria presented above.

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:

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

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-America Small Cap

Legal entity identifier: FI4000066642

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?

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. The ESG score of the Fund is monitored, and the aim is to ensure that it is better than that of the benchmark index. In addition, the Fund's investments are screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.

Violations of international standards: The Fund is screened regularly for non-compliances with

international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list.

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?***

  The Fund uses the ESG rating as its sustainability indicator. This rating assesses how well a company manages material 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 remuneration 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 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.

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 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.

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 mainly invests its assets in shares of publicly listed small cap and mid cap companies in the US stock market.

The Fund promotes environmental and social characteristics by using exclusions and considering investments' ESG factors. The aim is to ensure that the ESG score of the Fund is better than that of the benchmark index.

The Fund has a minimum allocation to sustainable investments, so a certain share of the Fund's investments must meet the requirements of OP Asset Management's sustainable investment model.

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 OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

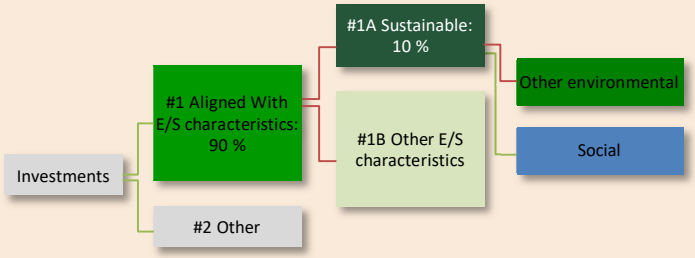
Taxonomy-aligned activities are expressed as a share of:

- **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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?**

☐ 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.

not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

———————

[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.

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

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-EMD HC IG Corporates

Legal entity identifier: FI4000036181

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 0 % 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?

The Fund promotes environmental and social characteristics by using exclusions and considering matters relating to good governance as part of the investment process. In addition, the Fund's investments are screened regularly for violations of international standards using an external service provider's analysis. If a standard violation is detected, the preferred option is to influence the company's behaviour. If that is impossible or unsuccessful, the company may be removed from the fund portfolio and placed on the list of exclusions.

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 involved in unconventional oil and gas extraction.

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

The investment analysis uses an external provider's ESG analysis. Assessment of good governance forms an integral part of our investment analysis.

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.

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

☒ No

What investment strategy does this financial product follow?

The Fund is a long-term bond fund which mainly invests its assets in US dollar-denominated bonds issued by developing economies with high credit ratings. The Fund's main target markets include Latin America, Asia, Eastern Europe, Africa and the Middle East. The Fund promotes environmental and social characteristics by using exclusions and considering factors relating to good governance as part of the investment process.

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 OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

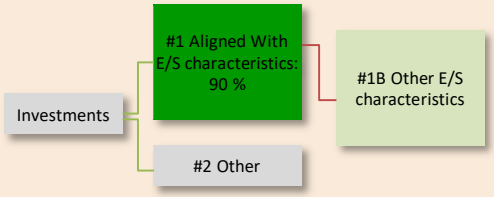
Taxonomy-aligned activities are expressed as a share of:

- **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 0% 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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?

☐ 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.

investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

———————

[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.

What is the minimum share of socially sustainable investments?

The Fund has no minimum allocation to sustainable investments.

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

To manage the liquidity risk of the Fund, the Fund has allocated cash and has the possibility to invest in ETF. Using these options ensures the Fund's sufficient liquidity in various market conditions and efficient management of fund subscriptions and redemptions. The ETF used in the Fund reflects broad market index, and it does not take into account sustainability factors. The Fund may 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. The Fund may also invest in derivative contracts intended for credit risk transfer. Derivatives are mainly used to manage interest rate and credit risks. Sustainability data might not be available for possible derivatives.

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

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-Euro

Legal entity identifier: FI0008805163

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?

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 screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.

ESG integration: ESG factors are considered as 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.

Violations of international standards: The Fund is screened regularly for non-compliances with international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, 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 investment analysis uses both an external provider's ESG analysis and OP Asset Management's ESG analysis model. Assessment of good governance forms an integral part of our investment analysis.

  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 target 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.

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 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.

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 has violated international norms (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 standard 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 and excluded, if necessary. Also, a process to influence the company's behaviour can be started. 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 is an actively managed short-term fixed income fund which invests its assets in Investment Grade fixed income instruments issued by banks, companies, governments and public sector entities mainly in euros. If investments are made in other currencies, the currency risk is hedged in full. The Fund may only invest in fixed income instruments with a remaining term to maturity of 2 years at maximum. 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 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 OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

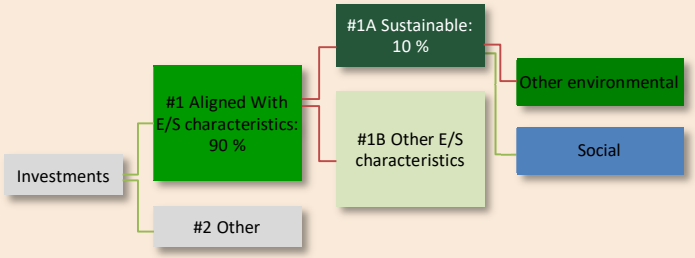
Taxonomy-aligned activities are expressed as a share of:

- **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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?**

☐ 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.

not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

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[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 minimum shares are set for these goals.

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?

To manage the liquidity risk of the Fund, the Fund has allocated cash. This ensures sufficient liquidity in various market conditions and efficient management of fund subscriptions and redemptions. The Fund's investments are mainly direct fixed income investments, but the Fund may use fixed income derivatives and credit default swaps to hedge against market changes and to replace direct investments. Sustainability data might not be available for possible derivatives.

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

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-Europe Value

Legal entity identifier: FI4000439773

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?

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. The ESG score of the Fund is monitored, and the aim is to ensure that it is better than that of the benchmark index. In addition, the Fund's investments are screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.

Violations of international standards: The Fund is screened regularly for non-compliances with

international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list.

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?***

  The Fund uses the ESG rating as its sustainability indicator. This rating assesses how well a company manages material 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 remuneration 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 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.

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 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.

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 primarily invests its assets in stocks of publicly listed large-cap and mid-cap companies in the European equity market. It focuses on companies with a moderate valuation.

The Fund promotes environmental and social characteristics by using exclusions and considering investments' ESG factors. The aim is to ensure that the ESG score of the Fund is better than that of the benchmark index.

The Fund has a minimum allocation to sustainable investments, so a certain share of the Fund's investments must meet the requirements of OP Asset Management's sustainable investment model.

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 OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

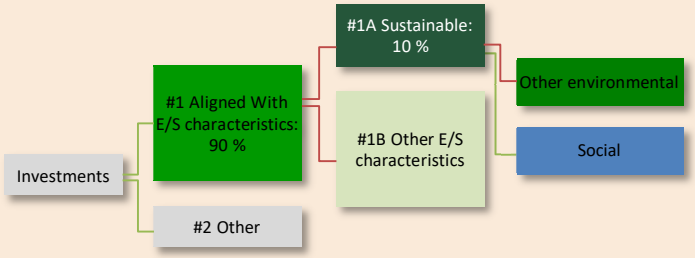
Taxonomy-aligned activities are expressed as a share of:

- **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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?

☐ 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.

Investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[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.

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

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-Europe Index

Legal entity identifier: FI4000029301

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 3 % 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?

The fund promotes environmental and social characteristics by taking companies' greenhouse gas emissions into account and using exclusions. The funds track the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of greenhouse gas emissions compared to the equivalent general market index and excludes controversial and harmful industries and companies that have violated international standards.

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?

The fund does not invest in companies that are associated with the production of controversial weapons, weapons for civilian use or palm oil, or in 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.

The funds track the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of carbon emissions compared to the equivalent general market index.

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.

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 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.

As the Fund is a passive index fund, the fund manager cannot make individual exclusion decisions. The fund is based on an index that excludes companies associated with the production of controversial weapons, weapons for civilian use or palm oil, as well as 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.

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 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.

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 is a passive index fund the assets of which are invested in accordance with the MSCI Europe ESG Screened Index. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. Changes to the portfolio are basically only made in conjunction with index adjustments.

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 does not invest in companies that are associated with the production of controversial weapons, weapons for civilian use or palm oil, or in 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.

The fund tracks the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of carbon emissions compared to the equivalent general market index.

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 good governance practices of the investee companies?***

The fund is based on the MSCI ESG Screened index, which excludes companies that have violated international standards (UN Global Compact) and companies which have committed very severe ESG violations.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

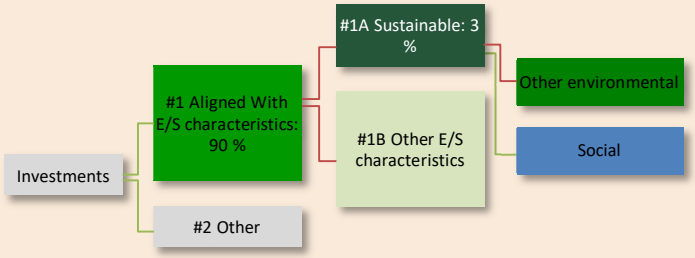
Taxonomy-aligned activities are expressed as a share of:

- **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 3% 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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

not take into 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 Taxonomy[1]?

☐ 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 minimum shares are set for these goals.

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 is a passive index fund the assets of which are invested in accordance with the index. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. The investment strategy corresponds to the benchmark index on an ongoing basis.

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

  The Fund is a passive index fund the assets of which are invested in accordance with the index. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. The investment strategy corresponds to the benchmark index on an ongoing basis.

- ***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 criteria presented above.

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:

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

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-Europe Rising Stars

Legal entity identifier: FI4000171251

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?

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. The ESG score of the Fund is monitored, and the aim is to ensure that it is better than that of the benchmark index. In addition, the Fund's investments are screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.

Violations of international standards: The Fund is screened regularly for non-compliances with

international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list.

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?***

  The Fund uses the ESG rating as its sustainability indicator. This rating assesses how well a company manages material 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 remuneration 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 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.

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 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.

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 mainly invests its assets in the equities of small and mid-cap companies in the European equity market.

The Fund promotes environmental and social characteristics by using exclusions and considering investments' ESG factors. The aim is to ensure that the ESG score of the Fund is better than that of the benchmark index.

The Fund has a minimum allocation to sustainable investments, so a certain share of the Fund's investments must meet the requirements of OP Asset Management's sustainable investment model.

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 OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

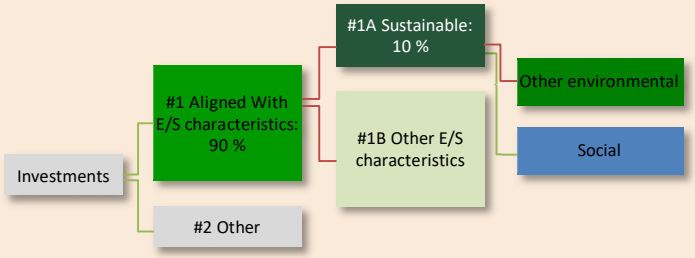
Taxonomy-aligned activities are expressed as a share of:

- **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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

not take into 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 Taxonomy[1]?

☐ 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.

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

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-Europe Dividend Companies

Legal entity identifier: FI4000048780

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?

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. The ESG score of the Fund is monitored, and the aim is to ensure that it is better than that of the benchmark index. In addition, the Fund's investments are screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.

Violations of international standards: The Fund is screened regularly for non-compliances with

international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list.

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?***

  The Fund uses the ESG rating as its sustainability indicator. This rating assesses how well a company manages material 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 remuneration 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 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.

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 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.

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 mainly invests its assets in Western European equity markets. The biggest equity markets in the area are the UK, Switzerland, Germany and France.

The Fund promotes environmental and social characteristics by using exclusions and considering investments' ESG factors. The aim is to ensure that the ESG score of the Fund is better than that of the benchmark index.

The Fund has a minimum allocation to sustainable investments, so a certain share of the Fund's investments must meet the requirements of OP Asset Management's sustainable investment model.

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 OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

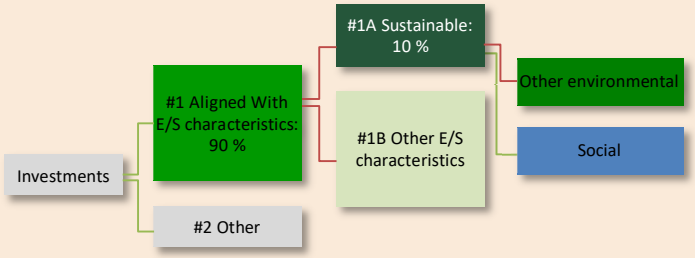
Taxonomy-aligned activities are expressed as a share of:

- **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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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not take into 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 Taxonomy[1]?

☐ 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.

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

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-High Yield

Legal entity identifier: FI0008807615

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 5 % 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?

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 screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.

ESG integration: ESG factors are considered as 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.

Violations of international standards: The Fund is screened regularly for non-compliances with international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, 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 investment analysis uses both an external provider's ESG analysis and OP Asset Management's ESG analysis model. Assessment of good governance forms an integral part of our investment analysis.

  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.

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 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 target 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?

  The Fund considers principal adverse impacts (PAI) on sustainability factors related to its sustainable investments by screening them regularly 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.

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 has violated international norms (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 standard 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

☒ No

What investment strategy does this financial product follow?

The Fund is a long-term bond fund which mainly invests its assets in bonds issued by companies whose credit rating for long-term debt is BB+ at the most, or similar. Investments are primarily made in bonds issued in the European Economic Area. 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 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 OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

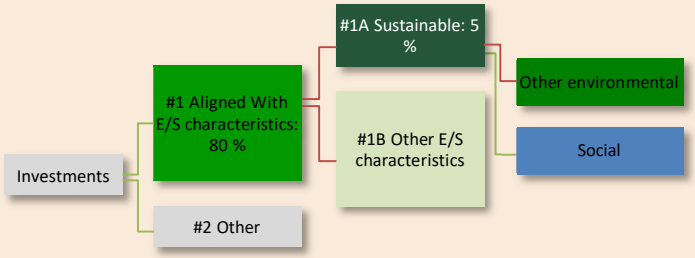
Taxonomy-aligned activities are expressed as a share of:

- **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 80% 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 5% 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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 attain the environmental or social characteristics promoted by the financial product?

The aim of using all derivatives is not to promote environmental or social characteristics. Some examples of this include currency derivatives, interest rate derivatives and the derivative index product reflecting broad markets. Using individual issuers' credit risk swap agreements can promote environmental and social characteristics in the same way as using direct bonds. As for individual issuers' credit risk swap agreements, the ESG methods are the same as for direct bonds.

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 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 Taxonomy[1]?**

☐ 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?***

[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.

The Fund does not commit to a minimum share.

are environmentally sustainable investments that **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 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 minimum shares are set for these goals.

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?

To manage the liquidity risk of the Fund, the Fund has allocated cash and has the possibility to invest in ETF. Using these options ensures the Fund's sufficient liquidity in various market conditions and efficient management of fund subscriptions and redemptions. The ETF and the derivative index product used in the Fund reflect a broad market index, and they do not take into account sustainability factors. The Fund may 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. The Fund may also invest in derivative contracts intended for credit risk transfer. Derivatives are mainly used to manage interest rate and credit risks. Sustainability data might not be available for all derivatives. As for individual issuers' credit risk swap agreements (CDS), the ESG matters are considered in the same way as for target company's bonds.

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

LIITE III

Template pre-contractual disclosure for the financial products referred to in Article 9 paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, 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.

Product name: OP-Climate

Legal entity identifier: FI0008805254

Sustainable investment objective

Does this financial product have a sustainable investment objective?

✖ **Yes**	☐ **No**
✖ It will make a minimum of **sustainable investments with an environmental objective:** 75 %	☐ 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 ____% 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:** 25 %	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What is the sustainable investment objective of this financial product?

The Fund's goal is to make sustainable investments. The Fund mainly invests its assets in sectors which have positive impact on climate change mitigation and adaptation. The Fund typically invests in companies commercially well-positioned to fight global warming and whose business has to do with, for example, energy efficiency and technology, recycling, water and waste management and the related infrastructure.

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.

The objective of the Fund is also to achieve carbon-neutrality in accordance with the Paris Agreement by investing in companies whose operations provide solutions to the climate change problem. In addition to combating climate change, the Fund can also make sustainable investments that support other environmental goals. The objective of the Fund is to achieve carbon-neutrality by 2050, and the fund tracks the long-term emissions reduction targets of the benchmark index referred to below.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

All investments of the Fund must have business operations that are considered to promote climate or environmental goals. The Fund uses the share of services and products providing climate or environmental solutions of the company's total revenue as its sustainability indicator.

In addition to the corporate sustainability principles of the Fund, the Fund complies with OP Asset Management's principles for sustainable investing.

Exclusion: The Fund excludes from its active direct investments controversial weapon manufacturers, companies producing thermal coal, power companies using thermal coal (if over 20% of the revenue relates to thermal coal), and companies that have breached international standards and where engagement has been unsuccessful. In addition to general exclusion rules, the Fund excludes companies with business in fossil fuels (if the revenue is 50% or more) or tobacco.

Shareholders' meetings: OP funds participate in shareholders' meetings in Finland and abroad in line with OP Fund Management Company Ltd's shareholder engagement principles that take sustainability aspects into account.

Violations of international standards: In active direct investments in OP funds, OP Asset Management exercises influence on companies that are considered to have violated international standards. The Funds are screened regularly for non-compliances with international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, the company may be placed on the list of exclusions.

We monitor and report on factors such as the investments' share of green revenue, carbon intensity and ESG risk category.

How do sustainable investments 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.

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

Principal adverse impacts (PAI) on sustainability are regularly analysed by screening all investments for their PAI indicators. If screening reveals target companies with significant principal adverse impacts on sustainability 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.

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 checks whether a company 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.

The Fund does 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 standard violation is detected, the preferred option is to influence the company's behaviour. The second option is the discontinuation of the investment.

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

☒ Yes Principal adverse impacts (PAI) on sustainability are regularly analysed by screening all investments for their PAI indicators. If screening reveals companies with significant principal adverse impacts on sustainability in comparison to its peers and if the said PAI indicator is deemed material for the company, the company will be monitored more closely and excluded, if necessary. Also a process to influence the company's behaviour can be started. 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 investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

OP-Climate is an equity fund which invests its assets broadly in the global stock market. It may invest both in developed and emerging equity markets with the typical focus on Europe and the USA.

The Fund mainly invests its assets in sectors on which climate change and preparing for it are expected to have the greatest positive effects. The Fund typically invests in companies commercially well-positioned to fight global warming and whose business has to do with, for example, energy efficiency and technology, recycling, water and waste management and the related infrastructure.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

All investments of the Fund must have business operations that are considered to promote climate or environmental goals.

The Fund excludes from its active direct investments controversial weapon manufacturers, companies producing thermal coal, power companies using thermal coal (if over 20% of the revenue relates to thermal coal), and companies that have breached international standards and where engagement has been unsuccessful. In addition to general exclusion rules, the Fund excludes companies with business in fossil fuels (if the revenue is 50% or more) or tobacco.

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

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

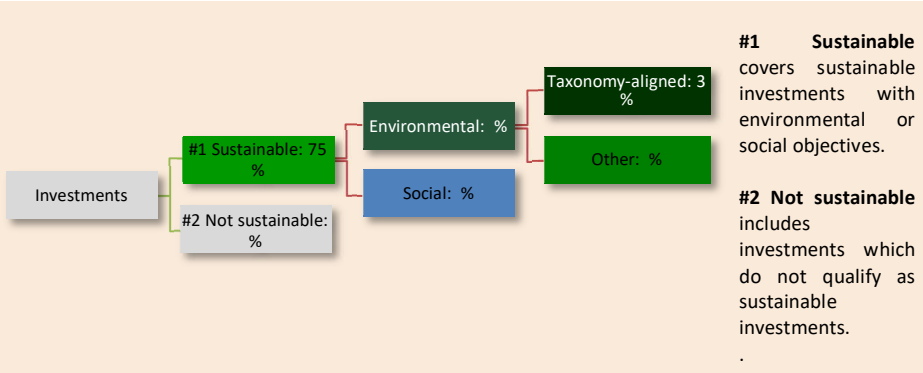
Analysing the target company's governance is an important part of the investment process. To us, good governance is a key foundation for any company's financial success, regardless of the industry. When assessing governance, some of the areas considered include the appropriateness of the target company's 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.

What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

According to the Fund's rules, three fifths (3/5) of the Fund's total assets must always be invested in real property in Finland or real estate securities related to such real property. All such investments by the Fund promote environmental and social characteristics in the manner described in this Annex, and the minimum proportion of such investments is 60%. "Other" may comprise short-term net assets such as cash investments and derivatives used for interest rate hedging, for example. Derivatives or cash investments cannot be considered to promote environmental or social characteristics. To the extent that the Fund makes sustainable investments, those investments aligned with the EU Taxonomy which have set climate change mitigation as their environmental goals are considered sustainable investments. The Fund has a 20% minimum allocation to sustainable investments.

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.



How does the use of derivatives attain the sustainable investment objective?

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 ad among others have greenhouse gas emission levels corresponding to the best performance.

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

3%

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

☐ Yes:

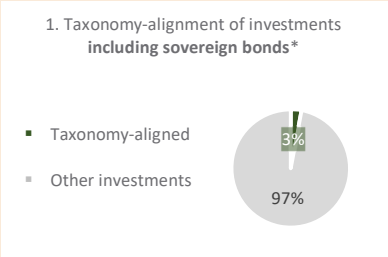
☐ in fossil gas ☐ in nuclear energy

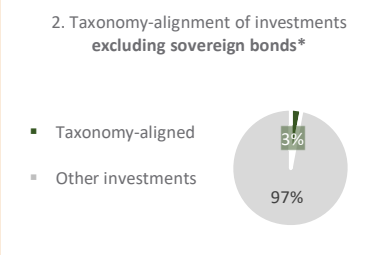
☐ No

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.

[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.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

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

The Fund does not commit to a minimum share.

are environmentally sustainable investments that **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 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 minimum shares are set for these goals.

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

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 Not sustainable", 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 meet the sustainable investment objective?

The Fund's benchmark index is the MSCI World Climate Paris Aligned Net.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

The Fund's benchmark index is the MSCI World Climate Paris Aligned Index. The benchmark index will achieve carbon-neutrality by 2050 by steadily reducing emission intensity over time at a rate of 10% year on year. Compared to the general market index, the index has a greater weight on companies whose products and services provide solutions to the climate change problem.

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

Both the benchmark index and the Fund are committed to emission reductions in line with the Paris Agreement. In the short term, however, the methods used to reduce carbon emissions might differ. In addition, the Fund does not aim to have the same annual percentage of carbon emission reduction as the benchmark index. 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 reduces carbon emissions by 10% each year, where it differs from the general market index which does not commit to carbon emission reductions. In addition, the benchmark index selects companies whose exposure to transition and physical risks caused by climate change are smaller than the general market index.

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:

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

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-Emerging Markets Equity

Legal entity identifier: FI4000006028

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 0 % 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?

The Fund promotes environmental and social characteristics by using exclusions and considering investments' ESG factors as part of the investment process. The ESG factors refer to matters related to the environment, society or governance. The ESG score of the Fund is monitored, and the aim is to ensure that it is better than that of the benchmark index. In addition, the Fund's investments are screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.
Violations of international standards: The Fund is screened regularly for non-compliances with international standards. In the event that a non-compliance is detected, an engagement 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

engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list.

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?***

  The Fund uses the ESG rating as its sustainability indicator. This rating assesses how well a company manages material 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 remuneration 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.

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

☒ No

What investment strategy does this financial product follow?

The Fund is an equity fund which has the objective of achieving long-term capital appreciation by investing assets primarily in emerging equity markets on a global basis.

The Fund promotes environmental and social characteristics by using exclusions and considering investments' ESG factors. The aim is to ensure that the ESG score of the Fund is better than that 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?***

In addition to OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

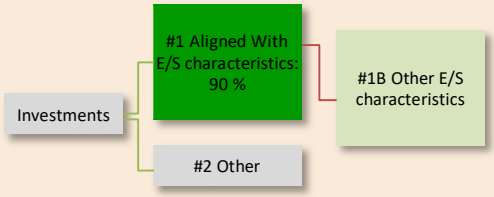
Taxonomy-aligned activities are expressed as a share of:

- **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 0% 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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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.

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.

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 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.

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.

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

LIITE III

Template pre-contractual disclosure for the financial products referred to in Article 9 paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, 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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: OP-Sustainable Wellbeing

Legal entity identifier: FI4000561311

Sustainable investment objective

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 ____% 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:** 75 %	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

The Fund's objective is to make sustainable investments. The Fund mainly invests its assets in sectors which have positive impact on social wellbeing. The Fund typically invests in companies whose business has to do with, for example, developing health and wellbeing services, solutions to improve the availability of educational, financial and digital services, circular economy, sustainable transport and infrastructure solutions, access to housing and healthier diets and sustainable agriculture. Companies that meet the Fund's sustainable investment objectives also include companies that as employers are exemplary and leaders in social issues and, for example, rank high in a global comparison of employers, while at the same time passing our sustainable investment criteria.

All the fund's investments must have activities that promote sustainable wellbeing of people and societies mentioned above.

Sustainable investment is considered to be an investment whose business contributes to one or more of the UN's Sustainable Development Goals (SDGs), without harming other sustainability factors or goals. Sustainable investments are identified by applying OP Asset Management's analytical Sustainable Investment -model, which utilizes data from external service providers on SDGs, EU Taxonomy, and green revenue. Sustainable investments contribute to social objectives through fund's investments in companies that support the following sustainable development goals: SDG 1 – No Poverty, SDG 2 – Zero Hunger, SDG 3 – Good Health and Well-being, 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 – Partnership for the Goals. Sustainable investment analysis can be supplemented with the portfolio manager's own manual analysis.

In addition, our Sustainable Investment model identifies companies that contribute to environmental objectives aligned with the following sustainable development goals: SDG 6 - Clean Water and Sanitation, SDG 7 - Affordable and Clean Energy, SDG 9 - Industry, Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities, SDG 12 - Responsible Consumption and Production, SDG 13 – Climate Action, SDG 14 – Life Below Water, SDG 15 – Life on Land. The model also identifies companies whose revenue is in line with the environmental goals of the EU Taxonomy, or are related to e.g. renewable energy, energy efficiency, environmentally friendly construction, sustainable water resources use, pollution prevention and sustainable agriculture. Therefore, environmental sustainability is considered as part of the fund's general sustainability review, and some of the companies in the fund may have revenue aligned with the EU's Taxonomy, alongside the social objectives. The fund intends to achieve carbon neutrality by 2050 in accordance with OP Asset Management's climate goals, and climate considerations, as well as other environmental factors, support the Fund's main social investment objectives and does not constitute the fund's main investment objective.

The sustainable investment analysis can be supplemented with the portfolio manager's own manual analysis. In this Fund, manual sustainability analysis is part of the fundamental investment analysis of the companies, and it provides more details around companies' sustainability as well as identifies companies' positive "best in class" social contribution, e.g. in a global comparison of the best employers and promoters of equality.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

All investments of the Fund must have business operations that are considered to promote the sustainable wellbeing of people and societies (while also considering environmental impacts of their operations, including climate goals). The Fund considers the share of the services and products providing sustainable social welfare solutions of the company's total revenue as its sustainability indicator.

Revenue is estimated using data from an external service provider, which indicates the share of the company's revenue that is in line with the UN's Sustainable Development Goals (SDG). In addition, the sustainable welfare revenue is estimated with the help of different industry classifications and utilizing thematic analysis of an external analysis provider.

The company's success as an employer in social issues is measured by the company's ranking in the publicly available global comparison/ranking data, for example if the company is the "best employer" or the company has the "best diversity", etc.

Exclusion: The Fund excludes from its active direct investments controversial weapon manufacturers, companies producing thermal coal, power companies using thermal coal (applying the same thresholds as the general OP Asset Management exclusion criteria), and companies that have breached international

standards and where engagement has been unsuccessful. In addition to general exclusion rules, the Fund excludes companies with business in fossil fuels (if the revenue is 50% or more) or tobacco.

Shareholders' meetings: OP funds participate in shareholders' meetings in Finland and abroad in line with OP Fund Management Company Ltd's shareholder engagement principles that take sustainability aspects into account.

Violations of international standards: In active direct investments in OP funds, OP Asset Management exercises engagement on companies that are considered to have violated international standards. The Funds are screened regularly for non-compliances with international standards. In the event a non-compliance status is detected, an engagement process is initiated 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 engagement proves unsuccessful, the company may be placed on our exclusion list.

We monitor and report on principal adverse impacts of the Sustainable Finance Disclosure Regulation (2019/2088). And on monthly basis factors such as the investments' share of green revenue, carbon intensity and ESG risk category.

All principal adverse impacts (PAI) indicators from Table 1, the additional indicator #4 from Table 2 and the additional indicator #14 from Table 3 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. If screening reveals 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 company will be monitored more closely and excluded, if deemed necessary. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

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.

OP Asset Management's sustainable investment analysis model and our general and Funds-specific exclusions are used to ensure that the companies we invest in do not have business that is harmful for the environment or society. It is also verified that the companies consider material environmental and social factors in their operations at least at satisfactory level. The companies we invest in cannot have identified active extremely severe environmental or social violations or UN Global Compact violations.

In addition, the Fund excludes companies whose revenue is derived 50% or more from fossil fuels, incl. from the production of fossil fuel or fossil energy or if the company's sales is mainly aimed at production of fossil fuel or fossil energy.

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

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

The indicators that are considered include: 1. Greenhouse gas emissions, 2. Carbon Footprint, 3. Greenhouse gas intensity of investee companies, 4. Exposure to companies active in the fossil fuel sector, 5. Share of non-renewable energy consumption and production, 6. Energy consumption intensity per high impact climate sector, 7. Activities that adversely affect biodiversity sensitive areas, 8. Emissions to water, 9. Amount of hazardous waste and radioactive waste, 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, 11. Lack of processes and compliance mechanisms to monitor compliance with the UN Global Compact principles and OECD Guidelines for Multinational Enterprises, 12. Unadjusted gender pay gap, 13. Board gender diversity, and 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

If screening reveals 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 company will be monitored more closely and excluded, if deemed necessary. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments.

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

OP Asset Management's sustainable investment analysis model checks whether a company 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.

The Fund does 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 standard violation is detected, the preferred option is to iniate engagement to influence corporate behaviour. The second option is divesting from the investment.

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

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

The indicators that are considered include: 1. Greenhouse gas emissions, 2. Carbon Footprint, 3. Greenhouse gas intensity of investee companies, 4. Exposure to companies active in the fossil fuel sector, 5. Share of non-renewable energy consumption and production, 6. Energy consumption intensity per high impact climate sector, 7. Activities that adversely affect biodiversity sensitive areas, 8. Emissions to water, 9. Amount of hazardous waste and radioactive waste, 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, 11. Lack of processes and compliance mechanisms to monitor compliance with the UN Global Compact principles and OECD Guidelines for Multinational Enterprises, 12. Unadjusted gender pay gap, 13. Board gender diversity, and 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

If screening reveals 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 company will be monitored more closely and excluded, if deemed necessary. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments.

☐ 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

OP-Sustainable Wellbeing is an equity fund which invests its assets broadly in the global stock market. It may invest both in developed and emerging equity markets with the typical focus on Europe and the USA.

The Fund's objective is to make sustainable investments. The Fund mainly invests its assets in sectors which have positive impact on the sustainable wellbeing of people and societies. The Fund typically invests in companies whose business has to do with, for example, developing health and wellbeing services, solutions to improve the availability of educational, financial and digital services, circular economy, sustainable transport and infrastructure solutions, access to housing and healthier diets and sustainable agriculture.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

All investments of the Fund must have business operations that are considered to have positive impact on the sustainable wellbeing of people and societies. The Fund typically invests in companies whose business has to do with, for example, developing health and wellbeing services, solutions to improve the availability of educational, financial and digital services, circular economy, sustainable transport and infrastructure solutions, access to housing and healthier diets and sustainable agriculture. Companies that meet the Fund's sustainable investment objectives also include companies that as employers are exemplary in social issues and, for example, rank high in a global comparison of employers, while at the same time passing OP Asset management's sustainable investment criteria.

Sustainable investment is considered to be an investment whose business contributes to one or more of the UN's Sustainable Development Goals (SDGs), without harming other sustainability factors or goals. Sustainable investments are identified by applying OP Asset Management's analytical Sustainable Investment -model, which utilizes data from external service providers on SDGs, EU Taxonomy, and green revenue. Sustainable investments contribute to social objectives through fund's investments in companies that support the following sustainable development goals: SDG 1 – No Poverty, SDG 2 – Zero Hunger, SDG 3 – Good Health and Well-being, 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 – Partnership for the Goals. Sustainable investment analysis can be supplemented with the portfolio manager's own manual analysis.

In addition, our Sustainable Investment model identifies companies that contribute to environmental objectives aligned with the following sustainable development goals: SDG 6 - Clean Water and Sanitation, SDG 7 - Affordable and Clean Energy, SDG 9 - Industry, Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities, SDG 12 - Responsible Consumption and Production, SDG 13 – Climate Action, SDG 14 – Life Below Water, SDG 15 – Life on Land. The model also identifies companies whose revenue is in line with the environmental goals of the EU Taxonomy, or are related to e.g. renewable energy, energy efficiency, environmentally friendly construction, sustainable water resources use, pollution prevention and sustainable agriculture. Therefore, environmental sustainability is considered as part of the fund's general sustainability review, and some of the companies in the fund may have revenue aligned with the EU's Taxonomy, alongside the social objectives. The fund intends to achieve carbon neutrality by 2050 in accordance with OP Asset Management's climate goals, and climate considerations, as well as other environmental factors, support the Fund's main social investment objectives and does not constitute the fund's main investment objective.

The sustainable investment analysis can be supplemented with the portfolio manager's own manual analysis. In this Fund, manual sustainability analysis is part of the fundamental investment analysis of the companies, and it provides more details around companies' sustainability as well as identifies companies' positive "best in class" social contribution, e.g. in a global comparison of the best employers and promoters of equality.

The Fund excludes from its active direct investments controversial weapon manufacturers, companies producing thermal coal, power companies using thermal coal (applying the same thresholds as the general OP Asset Management exclusion criteria), and companies that have breached international standards and where engagement has been unsuccessful. In addition to general exclusion rules, the Fund excludes companies with business in fossil fuels (if the revenue is 50% or more) or tobacco.

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

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

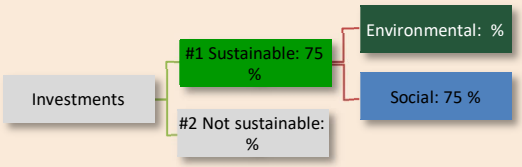
Analysing the target company's governance is an important part of the investment process. To us, good governance is a key foundation for any company's financial success, regardless of the industry. When assessing governance, some of the areas considered include the appropriateness of the target company's 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.

What is the asset allocation and the minimum share of sustainable investments?

At least 75% of the fund's market value (including at least 100% of equity investments) are sustainable investments in accordance with SFDR Article 2, Section 17, i.e. they promote social goals. The fund has no environmental goals.

Asset allocation describes the share of investments in specific assets.

The fund reserves the opportunity to invest in cash and derivatives, for which sustainability information is not necessarily available in accordance with the OP Asset Management's sustainable investment model ("#2 Not Sustainable"). The fund uses the MSCI World Climate Paris Aligned Index future as a derivative instrument, which takes into account certain social and environmental minimum level safeguards and the climate goals according to the Paris Agreement. Cash and derivative investments are used to manage the fund's liquidity and market risks.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.
.

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.

How does the use of derivatives attain the sustainable investment objective?

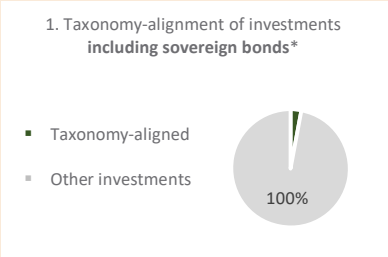
The use of derivatives does not aim to promote properties related to society or the environment. However, the fund uses the MSCI World Climate Paris Aligned Index future as a derivative instrument, which takes into account certain minimum social and environmental protections and the climate goals according to the Paris Agreement.

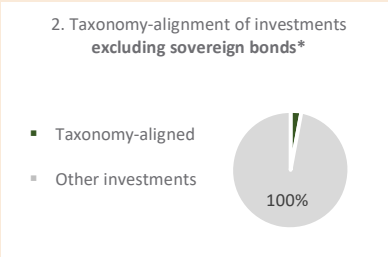
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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 ad among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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

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

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

The Fund's objective is to make sustainable investments with a social objective. At least 75% of the fund's market value (including at least 100% of equity investments) are sustainable investments with social objectives.

What investments are included under "#2 Not sustainable", 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.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

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

How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

The Fund's benchmark index is the MSCI ACWI ESG Screened Index. The benchmark index excludes companies whose business is related to controversial, civilian or nuclear weapons, tobacco, palm oil or Arctic oil or gas, or whose revenue comes from coal or oil sands mined for energy use. Also excluded from the index are those companies that do not meet the UN Global Compact principles or have serious norms violations or certain violations of norms related to biodiversity. The index aims for a 30% reduction in carbon intensity in relation to the MSCI ACWI index. The sustainability review of the fund's investment process is more versatile than the reference index - only sustainable companies according to OP's assessment are selected for the fund. In addition to company-specific sustainability goals, the fund is also fully committed to emissions reductions in accordance with the Paris Climate Agreement - this is in line with OP Asset Management's climate goals.

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. The sustainability analysis of the Fund's investment process is more versatile than the reference index - only sustainable companies according to OP Asset Management's assessment are selected for the fund. In addition to company-specific sustainability goals, the fund is also fully committed to emission reductions in accordance with the Paris Climate Agreement.

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

The benchmark index is MSCI ACWI ESG Screened Index. The benchmark index excludes companies whose business is related to controversial, civilian or nuclear weapons, tobacco, palm oil or Arctic oil or gas, or whose revenue comes from coal or oil sands mined for energy use. Also excluded from the index are those companies that do not meet the UN Global Compact principles or have serious norms violations or certain violations of norms related to biodiversity. The index aims for a 30% reduction in carbon intensity in relation to the MSCI ACWI index.

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:

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

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-Sustainable World

Legal entity identifier: FI4000210539

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 20 % 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?

The Fund promotes sustainability characteristics by positive selection and negative restrictions.

Using positive selection, it is possible to identify those companies which manage material 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 addition: 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 producers and users of fossil energy and nuclear power producers.

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?***

  The Fund uses sustainability indicators, such as the ESG rating, which reveals how well a company manages material risks and opportunities related to the environment, social responsibility and good governance in comparison to its peers.

  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: producers and users of fossil energy and nuclear power producers.

  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.

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 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.

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 and excluded, if necessary. Also, a process to influence the company's behaviour can be started. 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 is a balanced fund which invests its assets in global equity and fixed income markets. 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. The Fund uses best-in-class weighting based on the ESG rating, which means that the Fund selects those companies that are among the best within their industry in sustainability matters. In addition, there is a fund-specific minimum allocation to sustainable investments.

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?***

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: producers and users of fossil energy and nuclear power producers.

- ***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?***

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

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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

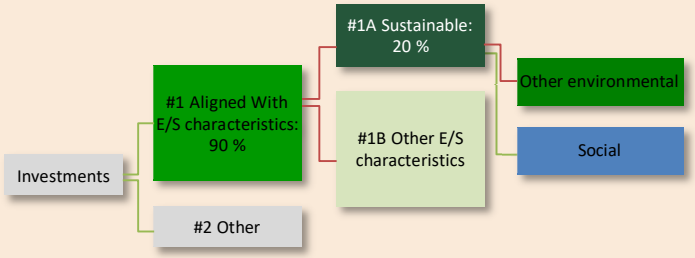
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (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 20% 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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

not take into 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 Taxonomy[1]?

☐ 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 may use derivative instruments to hedge against market movements, to replace direct investments and to otherwise promote effective portfolio management. Sustainability data might not be available for possible derivatives.

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

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-Fixed Income Portfolio

Legal entity identifier: FI0008800248

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 5 % 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?

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 screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.

ESG integration: ESG factors are considered as 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.

Violations of international standards: The Fund is screened regularly for non-compliances with international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list.

As for government bond investments, the Fund excludes countries with significant adverse impacts on society from its investments. The Fund does not invest in excluded countries, and if an investment product of the fund later falls within the scope of the exclusion, the aim is to terminate the investment within a reasonable time period. Exclusions are based on the following listings:
– High-Risk Jurisdictions subject to a Call for Action countries determined by Financial Action Task Force (FATF).
• The countries in this list are deemed to have significant adverse impacts on society in terms of prevention of money laundering and the financing of terrorism.
– Countries within the scope of EU arms trade sanctions (Import, Export, Procurement).
• The countries in this list are deemed to have significant adverse impacts on society in terms of social order.

The average values of the sustainability indicators of the Fund's government bond investments are regularly monitored. The values of the indicators are considered when making investment decisions, and the average values of the portfolio and their development in relation to the benchmark index are monitored. In addition, the investment process for the Fund's government bond investments includes analysing the creditworthiness of the investment options. In analysing creditworthiness, environmental and social characteristics as well as good governance are considered, among other factors.

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

  In analysing corporate bond investments, both an external provider's ESG analysis and OP Asset Management's ESG analysis model are used. Assessment of good governance forms an integral part of our investment analysis.

  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.

  As an environmental indicator for government bond investments, the Fund monitors countries' greenhouse gas emissions, and various social indicators provide information on income gaps, corruption and fundamental rights.

  In addition, the Fund excludes countries with significant adverse impacts on society from its investment products. Exclusions are based on the following listings:
  – High-Risk Jurisdictions subject to a Call for Action countries determined by Financial Action Task Force (FATF).
  • The countries in this list are deemed to have significant adverse impacts on society in terms of prevention of money laundering and the financing of terrorism.
  – Countries within the scope of EU arms trade sanctions (Import, Export, Procurement).
  • The countries in this list are deemed to have significant adverse impacts on society in terms of social order.

- ***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 target 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.

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 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 companies or countries with significant principal adverse impacts on sustainability factors in comparison to their peers and if the said PAI indicator is deemed material for the company or country, the company or country will be monitored more closely and excluded, if necessary. For companies, a process to influence the company's behaviour can be started.

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

For the Fund's corporate bond investments, OP Asset Management's sustainable investment analysis model is used to check whether a company 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 standard 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 companies or countries with significant principal adverse impacts on sustainability factors in comparison to their peers and if the said PAI indicator is deemed material for the company or country, the company or country will be monitored more closely and excluded, if necessary. For companies, a process to influence the company's behaviour can be started. 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 is an intermediate-term bond fund that invests in the global fixed income market through fixed income instruments issued by governments, public bodies and corporations. It may also invest in emerging fixed income markets. 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 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?

For corporate bond investments, in addition to OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

As for government bond investments, the Fund excludes countries with significant adverse impacts on society from its investments. The Fund does not invest in excluded countries, and if an investment product of the fund later falls within the scope of the exclusion, the aim is to terminate the investment within a reasonable time period. Exclusions of government bond investments are based on the following listings:
– High-Risk Jurisdictions subject to a Call for Action countries determined by Financial Action Task Force (FATF).
• The countries in this list are deemed to have significant adverse impacts on society in terms of prevention of money laundering and the financing of terrorism.
– Countries within the scope of EU arms trade sanctions (Import, Export, Procurement).
• The countries in this list are deemed to have significant adverse impacts on society in terms of social order.

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.

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

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.

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 80% 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.

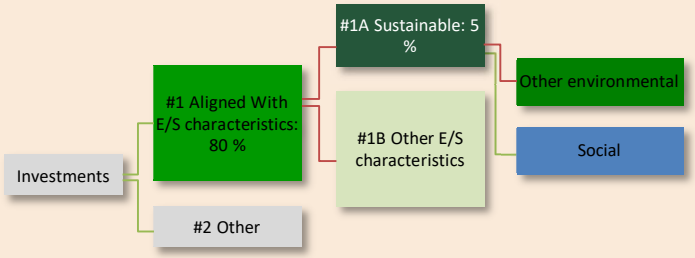
The Fund has a 5% minimum allocation to sustainable investments. Sustainable investments are defined using the sustainable investment model by OP Asset Management.

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.

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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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 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.

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.

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

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.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[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 minimum shares are set for these goals.

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?

To manage the liquidity risk of the Fund, the Fund has allocated cash and has the possibility to invest in ETF. Using these options ensures the Fund's sufficient liquidity in various market conditions and efficient management of fund subscriptions and redemptions. The ETF used in the Fund reflects broad market index, and it does not take into account sustainability factors. The Fund may 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. The Fund may also invest in derivative contracts intended for credit risk transfer. Derivatives are mainly used to manage interest rate and credit risks. Sustainability data might not be available for possible derivatives.

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

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-Yield

Legal entity identifier: FI4000020375

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?

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 screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.

ESG integration: ESG factors are considered as 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.

Violations of international standards: The Fund is screened regularly for non-compliances with international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, 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 investment analysis uses both an external provider's ESG analysis and OP Asset Management's ESG analysis model. Assessment of good governance forms an integral part of our investment analysis.

  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 target 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.

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 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.

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 has violated international norms (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 standard 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 Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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 and excluded, if necessary. Also, a process to influence the company's behaviour can be started. 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 is an enhanced money-market fund that mainly invests its assets in fixed-income instruments issued in euros by banks, other companies, governments and other public-sector entities in Europe. The Fund's short-term objective is to maintain the capital, and the medium-term objective is to outperform money market returns. 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 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 OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

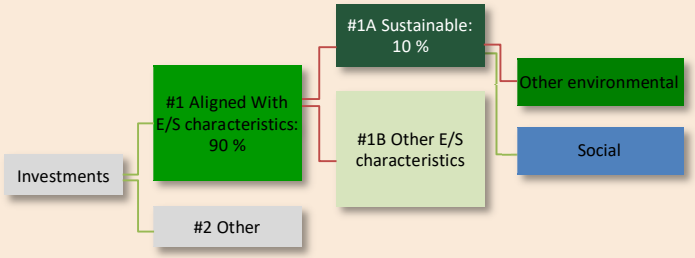
Taxonomy-aligned activities are expressed as a share of:

- **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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

not take into 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 Taxonomy[1]?

☐ 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 minimum shares are set for these goals.

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?

To manage the liquidity risk of the Fund, the Fund has allocated cash. This ensures sufficient liquidity in various market conditions and efficient management of fund subscriptions and redemptions. The Fund's investments are mainly direct fixed income investments, but the Fund may use fixed income derivatives and credit default swaps to hedge against market changes and to replace direct investments. Sustainability data might not be available for possible derivatives.

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

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-World Index

Legal entity identifier: FI4000261128

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 3 % 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?

The fund promotes environmental and social characteristics by taking companies' greenhouse gas emissions into account and using exclusions. The funds track the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of greenhouse gas emissions compared to the equivalent general market index and excludes controversial and harmful industries and companies that have violated international standards.

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?***

  The fund does not invest in companies that are associated with the production of controversial weapons, weapons for civilian use or palm oil, or in 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.

  The funds track the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of carbon emissions compared to the equivalent general market index.

- ***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.

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 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.

As the Fund is a passive index fund, the fund manager cannot make individual exclusion decisions. The fund is based on an index that excludes companies associated with the production of controversial weapons, weapons for civilian use or palm oil, as well as 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.

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 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.

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 is a passive index fund that invests assets according to the MSCI World ESG Screened Index in large listed companies diversified on a global basis. This means that the Fund's investments are distributed between countries and industries
belonging in the benchmark index at any given time in proportion to the benchmark index. Changes to the portfolio are basically only made in conjunction with index adjustments.

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 does not invest in companies that are associated with the production of controversial weapons, weapons for civilian use or palm oil, or in 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.

The fund tracks the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of carbon emissions compared to the equivalent general market index.

- ***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.

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

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

The fund is based on the MSCI ESG Screened index, which excludes companies that have violated international standards (UN Global Compact) and companies which have committed very severe ESG violations.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

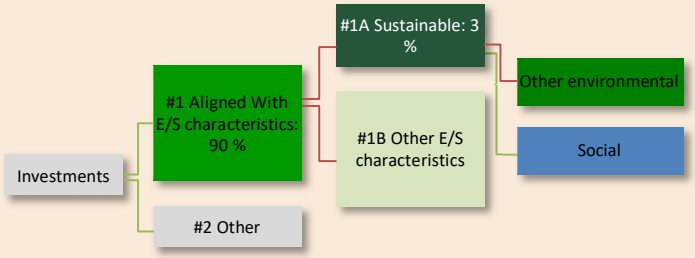
Taxonomy-aligned activities are expressed as a share of:

- **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 3% 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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?

☐ 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.

sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

———————

[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 minimum shares are set for these goals.

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 is a passive index fund the assets of which are invested in accordance with the index. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. The investment strategy corresponds to the benchmark index on an ongoing basis.

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

  The Fund is a passive index fund the assets of which are invested in accordance with the index. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. The investment strategy corresponds to the benchmark index on an ongoing basis.

- ***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 criteria presented above.

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:

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

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-Moderate Fund

Legal entity identifier: FI4000036108

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 invests in securities mainly through funds managed by OP Fund Management Company and external managers. It promotes environmental and social characteristics by integrating a fund level as well as fund-look-through analysis and monitoring of sustainability factors into the investment process. The analysis and monitoring consist of limiting the exposure to specific industries through exclusions and taking climate aspects and active ownership into account as part of the managers' investing process. The fund mainly invests in funds that promote environmental and/or social characteristics or whose object is to make sustainable investments.

Mutual funds managed by OP Fund Management Company Ltd promote environmental and/or 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 screened regularly for global norms breaches using an external service provider's analysis.

Regarding the investments in external managers' funds, a comprehensive audit of the external managers' ESG functions has been carried out. The audit reviews the external asset managers' ESG policy and resources, ESG reporting capabilities, exclusion principles and consideration of sustainability factors in investment activities. The external managers' ESG audit results are scored by OP Asset Management and their sustainability work its development is monitored using an annual survey. The fund does not invest in external managers' funds that do not have an ESG policy or that are not committed to responsible investment practices.

Environmental and social characteristics include following factors:

Fund-specific minimum allocation: The fund partly invests in sustainable investments through investing in companies involved in activities that contribute to one or more of the UN's Sustainable Development Goals, are in line with the environmental goals of the EU Taxonomy, or contribute to green revenue, and do not cause significant harm to the environment or society and follow good governance.

Exclusion: Regarding investments in OP-managed funds the following exclusion criteria applies. The OP funds do not make any active direct investments in 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 involved in unconventional oil and gas extraction. Externally managed funds invested by the fund follow their own exclusion policies. Internal monitoring tool is used pre-trade and limit monitoring screen is post-trade for the holdings of the fund to make sure the externally managed funds' exposure to the OP exclusion policy stays within pre-defined minimum threshold.

ESG integration: ESG factors are considered as part of the investment process by using an external service provider's data and an ESG tool, developed internally by 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. A sustainable investment percentage is then calculated for each internally and externally managed fund and ETF. OP monitors that each ETF provider has an ESG policy or that they are committed to responsible investment practices. A list of accepted ETFs providers is maintained and updated regularly.

Global norms breaches: Investments in OP Funds are screened regularly for non-compliances with global norms. If a non-compliance is detected, an engagement process is begun with the company in question. The aim is to make non-compliant companies change their practices and begin to comply with global norms in their operations. If engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list. Funds managed by external managers follow their own principles of responsible investments and may engage or exclude the company that violates international standards.

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

  The investment analysis uses both an external provider's ESG analysis and OP Asset Management's internal ESG analysis tools. Assessment of good governance forms an integral part of our investment analysis.

  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?***

  Sustainable investment is considered to be an investment whose business contributes to one or more of the UN's Sustainable Development Goals (SDGs), without harming other sustainability factors or goals. Sustainable investments are identified by applying OP Asset Management's analytical Sustainable Investment -model, which utilizes data

from external service providers on SDGs, EU Taxonomy, and green revenue. Sustainable investments contribute to environmental objectives through fund's investments in companies that support sustainable development goals related to the environment (SDG 6 - Clean Water and Sanitation, SDG 7 - Affordable and Clean Energy, SDG 9 - Industry, Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities, SDG 12 - Responsible Consumption and Production, SDG 13 – Climate Action, SDG 14 – Life Below Water, SDG 15 – Life on Land), are in line with the environmental goals of the EU Taxonomy, or are related to e.g. renewable energy, energy efficiency, environmentally friendly construction, sustainable water resources use, pollution prevention and sustainable agriculture. Sustainable investments contribute to social objectives through fund's investments in companies that support the following sustainable development goals: SDG 1 – No Poverty, SDG 2 – Zero Hunger, SDG 3 – Good Health and Well-being, 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 – Partnership for the Goals. Sustainable investment analysis can be supplemented with the portfolio manager's own manual analysis.

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 target 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. Investments in external funds may have slightly different Do Not Significant Harm processes. The internal sustainable investment tool is used to monitor how much the externally managed funds are in align with OP's model.

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

To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

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 breached global norms (UN Global Compact and OECD guidelines for multinationals). If a breach is identified, the company cannot be determined as a sustainable investment.

The Fund does not make active direct investments in companies that have breached global norms and where engagement has been unsuccessful. The investments are screened each quarter for possible global norms breaches. If a norms breach is detected, the preferred option is to initiate engagement to influence corporate behaviour. The second option is divesting from 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.** To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

☐ No

What investment strategy does this financial product follow?

The fund is an allocation fund that invests globally in equities and fixed income. Investments are made primarily through other mutual funds and ETPs. More specific asset classes include, but are not limited to, developed market equities, emerging market equities, government bonds and corporate bonds. Asset allocation decisions are made in OP Asset Management's Investment Committee (IC) and they are applied to the fund, as suitable. Portfolio returns and risk exposures are monitored regularly. Instrument-level investment decisions are made at a portfolio manager level using both quantitative and qualitative selection methods.

The fund invests in other funds that are managed by OP Asset Management, third-party funds, ETPs and individual securities. Derivatives can be used as part of efficient portfolio management to enhance portfolio management, to hedge risk exposures or to replace direct investments.

The fund promotes environmental and/or social characteristics in accordance with OP's Principles for Responsible Investment with regards to assets invested in mutual funds managed by OP. Regarding assets invested in externally managed funds, the fund aims to choose those that promote environmental and/or social characteristics or whose object is to make sustainable investments. Mutual funds managed by OP promote Environmental and/or social characteristics by using exclusion, considering ESG factors as part of the investment process, and setting a fund-specific minimum allocation for sustainable investments. Externally managed funds have their own principles of responsible investments. A comprehensive audit of ESG functions has been carried out for those funds' providers. OP has built internal tools to choose and monitor investments.

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?

OP-managed funds invested by the fund cannot make active direct investments in companies that are on OP Asset Management's official exclusion list. In addition, OP-managed article 8 funds do not invest in companies involved heavily in unconventional oil and gas extractions. Externally managed funds invested by the fund may have other biding elements. In sum, the fund's exposure to companies that are on OP Asset Management's official exclusion list and on the unconventional oil and gas exclusion list is minimized, regardless of whether the investment is in OP-managed or externally managed funds. In addition, external managers must meet OP's minimum criteria for responsible investment.

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.

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

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

To the extent that this investment fund invests in other OP-funds, analysis of the investee company's governance practices is an essential part of the investment process. We consider good governance as a fundamental pillar for any company's financial success, regardless of the industry. By using external service provider's analysis, all companies are regularly screened for global norm breaches to identify governance-related controversies. If a controversy is identified, investment is possible only if an engagement dialogue is initiated. If engagement proves ineffective or impossible, the company will be excluded from the investment universe.

When evaluating the governance of investee companies, we focus on the appropriateness of their governance structures and their comprehensive ESG (Environmental, Social, and Governance) risk management. We believe that a company's ability to manage its ESG risks also provides a comprehensive indication of its governance. When assessing whether an investee company aligns with our sustainable investment criteria, a more comprehensive evaluation of governance is conducted. This includes evaluating company's actions concerning its employees, as well as its practices related to compensation and taxation. In the assessment of good governance, we rely on an external service provider's analysis and our own qualitative analysis when external information is not available. The funds are regularly screened against the criteria of good governance, with minimum thresholds in place.

We also expect good governance from our external fund managers, and its examination is an essential part of the due diligence process which is conducted before investment decisions and with an annual survey. The examination focuses on aspects such as the appropriateness of the company's governance structures, the company's actions in relation to its personnel, and its practices regarding compensation and taxation. Additionally, the company's operations should be transparent.

What is the asset allocation planned for this financial product?

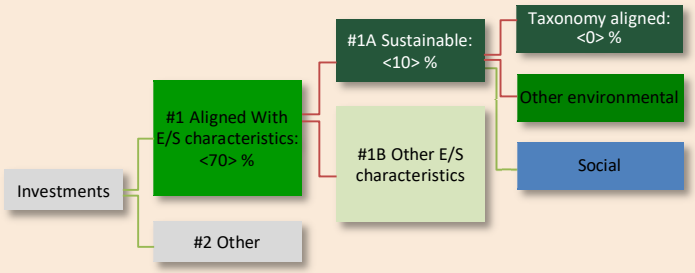
The Fund promotes environmental and social characteristics by using exclusion, considering ESG factors as part of the investment process, conducting a comprehensive audit of ESG functions for externally managed fund providers and setting a fund-specific minimum allocation for sustainable investments. 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.

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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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 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.

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.

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

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?

[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.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The fund does not commit to a minimum share.

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 minimum shares are set for these goals.

What is the minimum share of socially sustainable investments?

The minimum amount of sustainable investments can include both socially and environmentally sustainable investments. The ratio of socially and environmentally sustainable investments might vary.

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

The Fund invests in securities mainly through funds. 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.

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

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?

No.

Where can I find more product specific information online?

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

www.op.fi

ANNEX III

Template for pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1–4 a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: OP-Forest Owner special common fund

Legal entity identifier: FI4000108436

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.

Sustainable investment objective

Does this financial product have a sustainable investment objective?

✖ **Yes**	☐ **No**
✖ It will make a minimum of **sustainable investments with an environmental objective:** 60 %	☐ 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 ____% 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**

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.

What is the sustainable investment objective of this financial product?

OP-Forest Owner is a special common fund investing in forests. With sustainable investment, it is possible to achieve positive impacts on climate change, biodiversity and human wellbeing. The forests we invest in act as carbon sinks that store greenhouse gas emissions from the atmosphere. The wood raw material sourced from forests replaces fossil products, which in turn reduces the use of fossil raw materials that cause greenhouse gas emissions. In a sustainable investment, in the long term, the tree stand grows quicker than the felling of forests, which increases the forest carbon sink. Sustainable investing promotes the construction of fossil-free electricity production, and we lease our forests for wind and solar power generation. When forests are felled, preserving biodiversity is taken into account.

In sustainable investing, forestry operations are restricted in valuable habitats, endangered species are taken into account, water conservation is ensured, and structural features that promote biodiversity in forests are increased. In a sustainable investment, forest areas are excluded from commercial use, and forest conservation areas are established. Operations comply with current legislation, PEFC and FSC certification systems, and the Fund's own sustainability procedures.

In a sustainable investment, it is ensured that others are allowed to access the forest. The public right of access is promoted, and it is ensured that trails and structures can be created in forests as agreed.

The Fund aims to make only sustainable investments. Forest investments and investments in forestry companies are considered sustainable if they enable either directly or through business operations the increase of the carbon sink and promote biodiversity and recreational use of forests in the long term (10 years).

To the extent that the Fund makes investments in line with the EU Taxonomy, its aim is to promote climate change mitigation. No benchmark has been assigned to achieve the Fund's goal of sustainable investments, and the Fund does not aim to reduce carbon emissions.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The quantity of carbon sinks, the number of certified forest areas, the number of forest areas outside the scope of commercial use, and the number of wind farm lease agreements are used as sustainability indicators.

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 sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

It is assessed in connection with each investment that the sustainable investment goals do not cause significant harm to any of its environmental goals. When making new investment decisions, a sustainable investment is assessed as a whole so that the investment product's goal to be a sustainable investment is not compromised.

When assessing significant harm to the environmental goal, principal adverse impacts (PAI) on sustainability are reviewed by considering the PAI indicators applicable to investments in real estate assets. These indicators apply to exposure to risks related to fossil fuels and energy inefficiency. The regulation does not include separate PAI indicators for forests. OP-Forest Owner does not invest in real estate assets related to fossil fuel recovery, storage, transport or manufacture, or energy-inefficient assets. If an unused residential building is part of the forest estate, it is left uninhabited so it does not use a significant amount of energy or cause a significant amount of CO_2 emissions.

When assessing principal adverse impacts on sustainability, forest investments do not cause significant harm to the environmental goal, taking other PAI indicators of the regulation into account. Insofar as the Fund invests in companies, the PAI indicators applicable to the investee companies are assessed when making the investment decision. A qualitative analysis is also carried out to identify principal adverse impacts on sustainability.

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

When making investments, the PAI indicators applicable to investments in real estate assets are considered. These indicators apply to exposure to risks related to fossil fuels and energy inefficiency. The regulation does not include separate PAI indicators for forests. OP-Forest Owner does not invest in real estate assets related to fossil fuel recovery, storage, transport or manufacture, or energy-inefficient assets. If an unused residential building is part of the forest estate, it is left uninhabited so it does not use a significant amount of energy or cause a significant amount of CO_2 emissions.

Insofar as the Fund invests in companies, the PAI indicators applicable to the investee companies are assessed when making the investment decision. A qualitative analysis is also carried out to identify principal adverse impacts on sustainability.

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

The Fund's investment assets are mainly direct real estate investments in forest estates. As part of OP Financial Group, we support the UN's Global Compact initiative and follow the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Insofar as the Fund may have investments in companies, these companies are reviewed in terms of quality in accordance with the OECD's instructions and UN principles.

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

☒ Yes The Fund considers the PAI indicators applicable to investments in real estate assets. These indicators apply to exposure to risks related to fossil fuels and energy inefficiency. The regulation does not include separate PAI indicators for forests.

Insofar as the Fund invests in companies, the PAI indicators applicable to the investee companies are considered as far as possible when information is available.

In the future, information about the PAI indicators 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 investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

OP-Forest Owner is a special common fund that invests in forests and targets long-term capital appreciation, by investing sustainably and in compliance with the Fund's rules. The Fund makes sustainable investments focusing on environmental issues. The Fund prioritises investments that are expected to have a positive impact on climate change, biodiversity and human wellbeing. The Fund mainly invests its assets in forest estates located in Finland. The Fund may also invest in forest estates in the European Economic Area. It may also make indirect investments in forest estates. The Fund aims to make the most of its earnings from the sale of timber growing on its forest estates. The Fund may also try to achieve earnings by developing, parcelling out or zoning the forest estates it owns, or by utilising the soil or any leisure-time values.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The Fund does not invest in forest estates where the forest has been managed unsustainably. This may mean that there has been exceptionally large felling activity on the forest estate, and the estate would then be sold on before fulfilling the statutory renewal obligation.

The Fund does not invest in real estate assets related to fossil fuel recovery, storage, transport or manufacture, or energy-inefficient assets. If an unused residential building is part of the forest estate, it is left uninhabited so it does not use a significant amount of energy or cause a significant amount of CO_2 emissions.

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

Asset allocation describes the share of investments in specific assets.

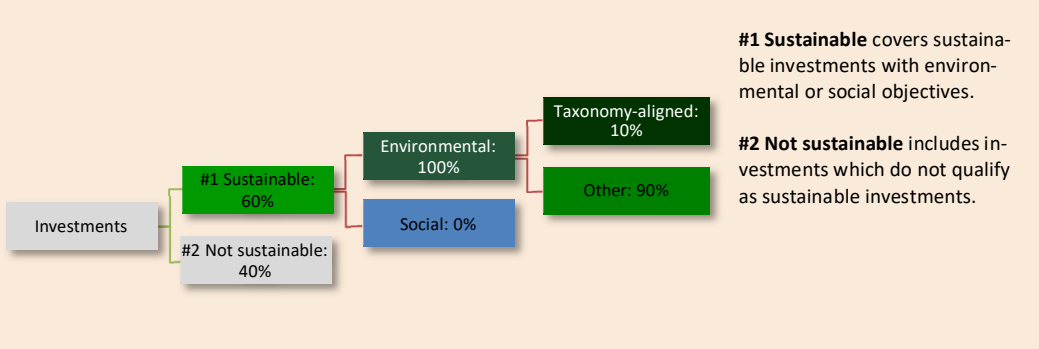
What is the policy to assess the good governance practices of the investee companies?

Insofar as the Fund can invest in companies, they undergo a qualitative analysis based on which the implementation of good governance is assessed. When assessing a company's governance, some of the areas considered include the appropriateness of the company's administrative organisation, the company's actions in relation to its personnel, and the company's remuneration and taxation practices. In addition, the company's operations should be transparent.

What is the asset allocation and the minimum share of sustainable investments?

According to the Fund's rules, three fifths (3/5) of the Fund's total assets must always be invested in real property in Finland or real estate securities related to such real property. All investments by the Fund are sustainable in the manner defined by the Fund and described in this Annex, and the minimum proportion of sustainable investments is 60%. "Not sustainable" may comprise short-term net assets such as cash investments and derivatives used for interest rate hedging. Derivatives and cash cannot be considered sustainable.

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 the transition to a green economy
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies



How does the use of derivatives attain the sustainable investment objective?

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?

Of the environmental goals of the EU Taxonomy, the Fund considers climate change mitigation and forest management criteria. The Fund has a 10% minimum allocation to EU Taxonomy-aligned investments. According to the Fund's interpretation, the Fund's forest management practices are aligned with the criteria of the taxonomy. However, to date, only a part of the Fund's forests has undergone a climate benefit analysis, which is one of the criteria of the EU Taxonomy for forest management.

The Fund calculates the taxonomy alignment of investments based on the net asset value of investments.

An inspector or another third party has not checked that the investments in question meet the requirements stipulated in the EU Taxonomy (Article 3 of Regulation (EU) 2020/852).

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

[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.

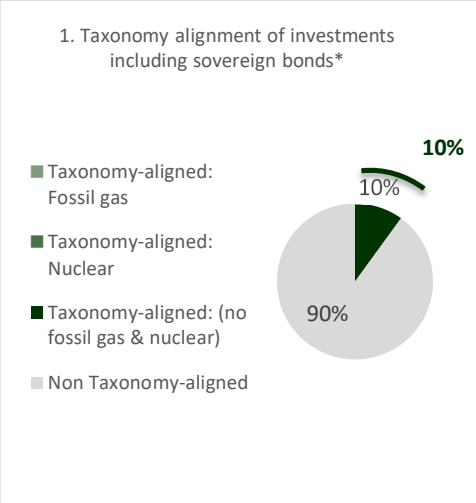
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035.

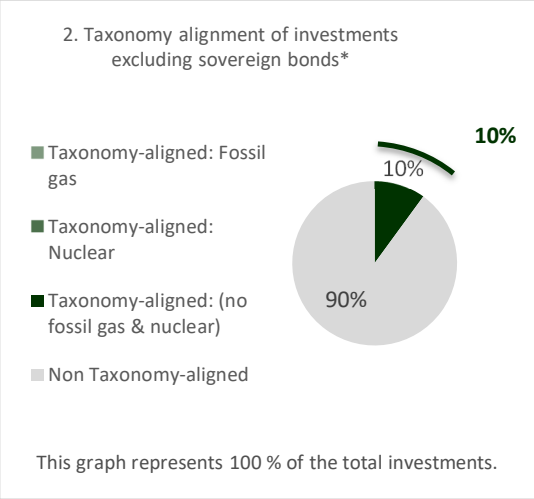
For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.*

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

The Fund does not commit to a minimum share.

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

The Fund does not have a minimum share for sustainable investments that are not in aligned with the EU Taxonomy.

Environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What investments are included under "#2 Not sustainable", what is their purpose, and are there any minimum environmental or social safeguards?

"Not sustainable" may comprise short-term net assets such as cash or derivatives used for the hedging of the interest rate of loans, for example. The Fund may also invest in fixed income investments for the purpose of cash management and temporary asset investments. The Fund may invest its assets in derivative contracts and OTC derivatives in order to hedge against the risk of adverse market movements, to replace direct investments, and to otherwise promote effective portfolio management. The Fund may invest in fixed income investments either directly or through mutual funds or special common funds, or by making deposits with credit institutions.

Sustainability factors cannot be considered separately for derivatives and short-term net assets.

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

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-Bond Prima

Legal entity identifier: FI0008805213

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 0 % 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?

The Fund promotes sustainability characteristics by positive selection and negative restrictions.

The Fund excludes countries with significant adverse impacts on society from its investments. The Fund does not invest in excluded countries, and if an investment product of the fund later falls within the scope of the exclusion, the aim is to terminate the investment within a reasonable time period.

The average values of the sustainability indicators of the Fund's investments are regularly monitored. The values of the indicators are considered when making investment decisions, and the average values of the portfolio and their development in relation to the benchmark index are monitored.

The investment process of the Fund includes analysing the creditworthiness of the investment products. In analysing creditworthiness, environmental and social characteristics as well as good governance are considered, among other factors.

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

As an environmental indicator, the Fund monitors countries' greenhouse gas emissions, and various social indicators provide information on income gaps, corruption and fundamental rights.

In addition, the Fund excludes countries with significant adverse impacts on society from its investment products. Exclusions are based on the following listings:
– High-Risk Jurisdictions subject to a Call for Action countries determined by Financial Action Task Force (FATF).
• The countries in this list are deemed to have significant adverse impacts on society in terms of prevention of money laundering and the financing of terrorism.
– Countries within the scope of EU arms trade sanctions (Import, Export, Procurement).
• The countries in this list are deemed to have significant adverse impacts on society in terms of social order.

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. The values of the indicators are considered when making investment decisions, and the average values of the portfolio and their development in relation to the benchmark index are monitored. 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?

OP-Bond Prima is long-term bond fund that mostly invests in fixed income instruments issued or backed by the governments of EEA or OECD nations with very high credit ratings. The credit rating should be AAA or comparable. These investments' share of the Fund's value may vary between 75% and 100%. The Fund mainly invests in government bonds from within the European Economic Area, as well as in government bonds from the United States, Canada, Australia, New Zealand and Switzerland. The Fund hedges its non-euro investments against currency risks as fully as possible.

The Fund promotes environmental and social characteristics by using exclusions and considering the countries' ESG factors as part of the investment process.

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 countries with significant adverse impacts on society from its investments. The Fund does not invest in excluded countries, and if an investment product of the fund later falls within the scope of the exclusion, the aim is to terminate the investment within a reasonable time period. Exclusions of government bond investments are based on the following listings:
– High-Risk Jurisdictions subject to a Call for Action countries determined by Financial Action Task Force (FATF).
• The countries in this list are deemed to have significant adverse impacts on society in terms of prevention of money laundering and the financing of terrorism.
– Countries within the scope of EU arms trade sanctions (Import, Export, Procurement).
• The countries in this list are deemed to have significant adverse impacts on society in terms of social order.

- ***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.

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

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

The fund does not invest in companies, so the operating principles for evaluating good corporate governance practices do not apply to the fund.

What is the asset allocation planned for this financial product?

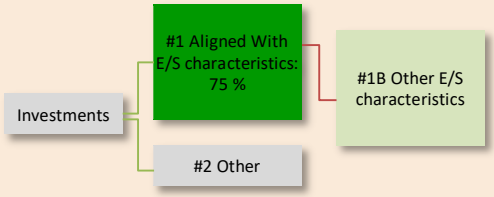
Asset allocation describes the share of investments in specific assets.

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 75% 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 0% 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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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.

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.

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

The fund does not invest in companies, so the EU Taxonomy does not apply to the fund

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

For reasons relating to risk management or to promote efficient portfolio management, the Fund can keep its funds in a cash account and make derivative contracts. Derivative contracts used in portfolio management can include, for example, interest rate swaps, forwards or futures whose underlying instruments are government bonds. Sustainability characteristics are not taken into account for cash accounts and derivative contracts.

To promote efficient portfolio management, the Fund can invest in government bonds, as well as in bonds issued by other public sector operators and multinational entities. For these bonds, sustainability characteristics are not systematically integrated in the investment process.

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

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-Bond Yield

Legal entity identifier: FI4000019088

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 0 % 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?

The Fund promotes sustainability characteristics by positive selection and negative restrictions.

The Fund excludes countries with significant adverse impacts on society from its investments. The Fund does not invest in excluded countries, and if an investment product of the fund later falls within the scope of the exclusion, the aim is to terminate the investment within a reasonable time period.

The average values of the sustainability indicators of the Fund's investments are regularly monitored. The values of the indicators are considered when making investment decisions, and the average values of the portfolio and their development in relation to the benchmark index are monitored.

The investment process of the Fund includes analysing the creditworthiness of the investment products. In analysing creditworthiness, environmental and social characteristics as well as good governance are considered, among other factors.

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

As an environmental indicator, the Fund monitors countries' greenhouse gas emissions, and various social indicators provide information on income gaps, corruption and fundamental rights.

In addition, the Fund excludes countries with significant adverse impacts on society from its investment products. Exclusions are based on the following listings:
– High-Risk Jurisdictions subject to a Call for Action countries determined by Financial Action Task Force (FATF).
• The countries in this list are deemed to have significant adverse impacts on society in terms of prevention of money laundering and the financing of terrorism.
– Countries within the scope of EU arms trade sanctions (Import, Export, Procurement).
• The countries in this list are deemed to have significant adverse impacts on society in terms of social order.

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. The values of the indicators are considered when making investment decisions, and the average values of the portfolio and their development in relation to the benchmark index are monitored. 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?

OP-Bond Yield is a long-term bond fund that mostly invests in fixed income instruments issued by euro area governments with a minimum credit rating of BBB or similar. These investments' share of the Fund's value may vary between 75% and 100%.

The Fund promotes environmental and social characteristics by using exclusions and considering the countries' ESG factors as part of the investment process.

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 countries with significant adverse impacts on society from its investments. The Fund does not invest in excluded countries, and if an investment product of the fund later falls within the scope of the exclusion, the aim is to terminate the investment within a reasonable time period. Exclusions of government bond investments are based on the following listings:
– High-Risk Jurisdictions subject to a Call for Action countries determined by Financial Action Task Force (FATF).
• The countries in this list are deemed to have significant adverse impacts on society in terms of prevention of money laundering and the financing of terrorism.
– Countries within the scope of EU arms trade sanctions (Import, Export, Procurement).
• The countries in this list are deemed to have significant adverse impacts on society in terms of social order.

- ***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.

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

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

The fund does not invest in companies, so the operating principles for evaluating good corporate governance practices do not apply to the fund.

What is the asset allocation planned for this financial product?

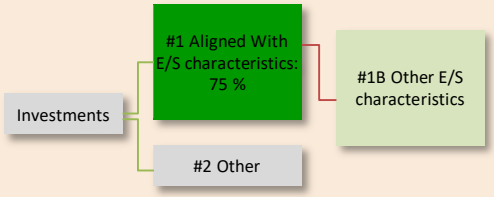
Asset allocation describes the share of investments in specific assets.

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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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.

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.

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

The fund does not invest in companies, so the EU Taxonomy does not apply to the fund

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

For reasons relating to risk management or to promote efficient portfolio management, the Fund can keep its funds in a cash account and make derivative contracts. Derivative contracts used in portfolio management can include, for example, interest rate swaps, forwards or futures whose underlying instruments are government bonds. Sustainability characteristics are not taken into account for cash accounts and derivative contracts.

To promote efficient portfolio management, the Fund can invest in government bonds, as well as in bonds issued by other public sector operators and multinational entities. For these bonds, sustainability characteristics are not systematically integrated in the investment process.

Where can I find more product specific information online?

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

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 Public Services Real Estate special common fund

Legal entity identifier: FI4000281738

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 20 % 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?

The Fund promotes environmental and social characteristics by providing healthy and safe facilities for social use in the public and private sectors. The Fund invests its assets in the service infrastructure of social education, physical culture and sports, social welfare, and health care services, comprising care services, child daycare, education, multipurpose arenas, and service and hotel living. The Fund favours low-carbon options and energy-efficient solutions. The Fund strives for construction in existing urban structures to the extent possible. Possibilities for preserving and converting an old building are examined carefully. To the extent that the Fund makes investments in line with the EU Taxonomy, its aim is to promote climate change mitigation.

No benchmark value has been set to achieve the environmental and social characteristics promoted by the Fund.

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

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

The sustainability indicators monitored include the average energy class, the use of renewable energy in properties, the production of renewable energy in properties, the amount of wood construction and conversion properties, and the number of beds in early childhood education and nursing facilities.

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?

Insofar as sustainable investments are made in the Fund, those investments in line with the EU Taxonomy which have set climate change mitigation as their environmental goals are considered sustainable investments. Climate change mitigation is promoted by investing in the options that meet the requirements of the EU Taxonomy.

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?

Insofar as the Fund makes sustainable investments with climate change mitigation as the environmental goal, it is assessed in line with the EU Taxonomy that the investment does not cause significant harm to other goals following the EU Taxonomy. The "do no significant harm" assessment related to property acquisition and possession comprises the assessment of physical climate risks concerning taxonomy-aligned investments. As part of the assessment, climate risk analysis is carried out for sustainable investments. This assessment progresses in phases and involves (i) a review of activities in order to define which physical climate risks may affect the properties during their expected lifetime; (ii) if the activities are assumed to be in danger due to one or more physical climate risks, an assessment of the significance of the climate risk based on the vulnerability of the property; and (iii) a review of adjustment solutions that decrease the identified physical climate risks related to properties.

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

Principal adverse impacts (PAI) on sustainability factors are regularly assessed by considering the PAI indicators applicable to investments in real estate assets. These indicators apply to risks related to fossil fuels and energy inefficiency, as well as greenhouse gas emissions.

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 Fund invests mainly in housing or real estate companies owned by the Fund for 100% of their shares. As part of OP Financial Group, we support the UN's Global Compact initiative and follow the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Insofar as the Fund may have investments in companies, these companies are reviewed in terms of quality in accordance with OECD's instructions and UN principles.

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

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 Insofar as the Fund invests in real estate assets, principal adverse impacts (PAI) on sustainability are regularly assessed by considering the PAI indicators applicable to investments in real estate assets. The indicators apply to risks related to fossil fuels and energy inefficiency, as well as greenhouse gas emissions.

Insofar as the Fund can invest in other funds or companies that invest in real estate assets, principal adverse impacts (PAI) on sustainability factors are regularly assessed by reviewing the PAI indicators applicable to investments in either real estate assets or companies, as appropriate.

In the future, information about the PAI factors will be highlighted in the Annual Report, as laid down in Article 11(2) of the Disclosure Regulation (SFDR).

☐ No

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

What investment strategy does this financial product follow?

The OP Public Services Real Estate Fund is a special common fund which invests its assets in the service infrastructure of social education, physical culture and sports, social welfare, and health care services, comprising care services, child daycare, education, multipurpose arenas and service and hotel living. The Fund also acts as builder of the above-mentioned service infrastructure. The Fund promotes environmental and social characteristics and, to ensure it, uses environmental, social and governance (ESG) analysis and excludes certain investments. The Fund mainly invests directly in commercial property and securities entitling to such property, in shares in limited partnerships engaged in property investment, and in shares in housing cooperatives and real estate companies. The Fund acts as owner and lessor of the properties and principally does not take part in providing care services. Lessees are both private and public operators. The Fund invests its assets in areas for which long-term demand is expected.

- ***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 has a minimum allocation for sustainable investments.

The following operations are excluded from investments, and the Fund's investment properties are not rented out to the following operations:
- mining, storing, transporting or producing fossil fuels
- storing, transporting, producing or supplying controversial weapons or nuclear weapons
- producing products that are addictive or harmful to health (such as the production of tobacco or large-scale production of intoxicating substances) or considered as adult entertainment
- with identified extremely severe environmental or social violations or UN Global Compact violations such as forced 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.

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

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

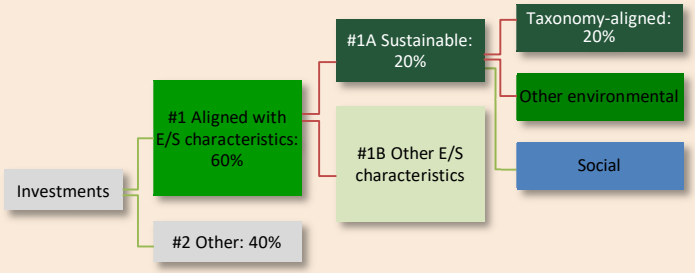
Insofar as the Fund can invest in companies, they undergo a qualitative analysis based on which the implementation of good governance is assessed. When assessing a company's governance, some of the areas considered include the appropriateness of the company's administrative organisation, the company's actions in relation to its personnel, and the company's remuneration and taxation practices. In addition, the company's operations should be transparent.

What is the asset allocation planned for this financial product?

According to the Fund's rules, three fifths (3/5) of the Fund's total assets must always be invested in real property in Finland or real estate securities related to such real property. All such investments by the Fund promote environmental and social characteristics in the manner described in this Annex, and the minimum proportion of such investments is 60%. "Other" may comprise short-term net assets such as cash and derivatives used for hedging of the interest rate of loans, for example. Derivatives or cash cannot be considered to promote environmental or social characteristics. To the extent that the Fund makes sustainable investments, those investments aligned with the EU Taxonomy which have set climate change mitigation as their environmental goals are considered sustainable investments. The Fund has a 20% minimum allocation to sustainable investments.

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 the transition to a green economy
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies



#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 attain the environmental or social characteristics promoted by the financial product?

The Fund may invest its assets in derivative contracts and OTC derivatives in order to hedge against the risk of adverse market movements, to replace direct investments, and to otherwise promote effective portfolio management. Sustainability factors are not considered separately for derivatives.

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

To the extent that the Fund makes sustainable investments, those investments aligned with the EU Taxonomy which have set climate change mitigation as their environmental goals are considered sustainable investments. The Fund's minimum allocation in sustainable investments is 20%.

The compatibility with the EU Taxonomy regarding the acquisition and ownership of buildings may presuppose, for example, that the energy class according to the energy certificate for the building is "A", or that the building belongs to the top 15% of Finland's building stock in terms of energy efficiency. Thus, not all investment objects are in accordance with the EU Taxonomy (and thus not sustainable from the Fund's perspective). Over time, a building may cease to belong to the top 15%, depending on the energy efficiency of Finland's entire building stock.

The Fund calculates the taxonomy alignment of investments based on the net asset value of investments.

An inspector or another third party has not checked that the investments in question meet the requirements stipulated in the EU Taxonomy (Article 3 of Regulation (EU) 2020/852).

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.

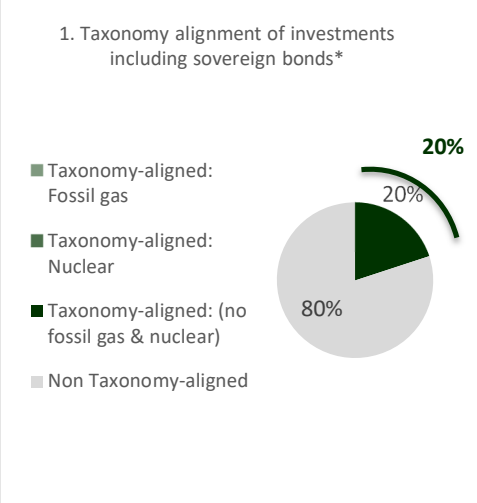
Does the financial product invest in fossil-gas- and/or nuclear-energy-related activities that comply with the EU Taxonomy[1]?

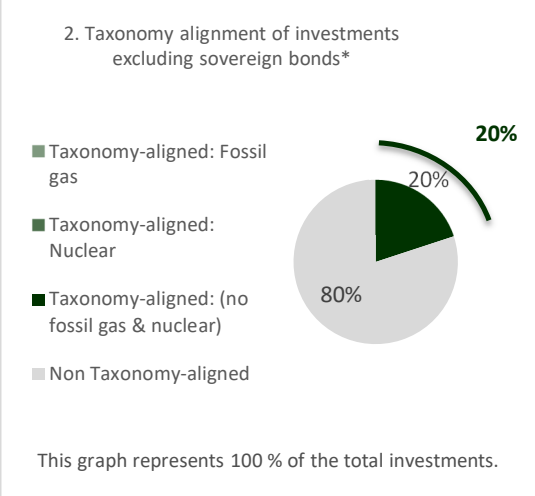
☐ Yes:

☐ in fossil gas ☐ in nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.*

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

The Fund does not commit to a minimum share.

are environmentally sustainable investments that **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 does not have a minimum share of sustainable investments not in line with the EU Taxonomy.

[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.

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

"Other" may comprise short-term net assets such as cash or derivatives used for the hedging and the interest rate of loans, for example. The Fund may invest its assets in derivative contracts and OTC derivatives in order to hedge against the risk of adverse market movements, to replace direct investments, and to otherwise promote effective portfolio management. Sustainability data is not necessarily available for possible derivative contracts.

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

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-Nordic Countries Index

Legal entity identifier: FI4000027974

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 3 % 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?

The fund promotes environmental and social characteristics by taking companies' greenhouse gas emissions into account and using exclusions. The funds track the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of greenhouse gas emissions compared to the equivalent general market index and excludes controversial and harmful industries and companies that have violated international standards.

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?

The fund does not invest in companies that are associated with the production of controversial weapons, weapons for civilian use or palm oil, or in 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.

The funds track the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of carbon emissions compared to the equivalent general market index.

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.

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 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.

As the Fund is a passive index fund, the fund manager cannot make individual exclusion decisions. The fund is based on an index that excludes companies associated with the production of controversial weapons, weapons for civilian use or palm oil, as well as 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.

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 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.

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 is a passive index fund that invests assets according to the MSCI Nordic Countries ESG Screened Index in the shares of the largest listed companies in Sweden, Denmark, Finland and Norway. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. Changes to the portfolio are basically only made in conjunction with index adjustments.

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 does not invest in companies that are associated with the production of controversial weapons, weapons for civilian use or palm oil, or in 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.

The fund tracks the MSCI ESG Screened index, which targets a reduction of at least 30% in the intensity of carbon emissions compared to the equivalent general market index.

- ***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.

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

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

The fund is based on the MSCI ESG Screened index, which excludes companies that have violated international standards (UN Global Compact) and companies which have committed very severe ESG violations.

What is the asset allocation planned for this financial product?

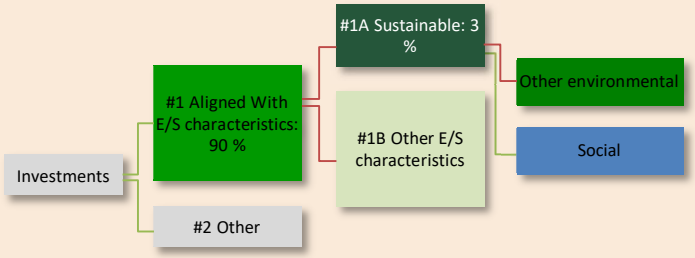
Asset allocation describes the share of investments in specific assets.

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 3% 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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?

☐ 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.

are environmentally sustainable investments that **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 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 minimum shares are set for these goals.

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 is a passive index fund the assets of which are invested in accordance with the index. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. The investment strategy corresponds to the benchmark index on an ongoing basis.

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

  The Fund is a passive index fund the assets of which are invested in accordance with the index. This means that the Fund's investments are split between the countries and companies of the benchmark index in the same proportion as in the index. The investment strategy corresponds to the benchmark index on an ongoing basis.

- ***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 criteria presented above.

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:

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

ANNEX II

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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-Private Fixed Income Strategy Fund

Legal entity identifier: FI4000120712

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 5 % 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 invests in securities mainly through funds managed by OP Fund Management Company and external managers. It promotes environmental and social characteristics by integrating a fund level as well as fund-look-through analysis and monitoring of sustainability factors into the investment process. The analysis and monitoring consist of limiting the exposure to specific industries through exclusions and taking climate aspects and active ownership into account as part of the managers' investing process. The fund mainly invests in funds that promote environmental and/or social characteristics or whose object is to make sustainable investments.

Mutual funds managed by OP Fund Management Company Ltd promote environmental and/or 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 screened regularly for global norms breaches using an external service provider's analysis.

Regarding the investments in external managers' funds, a comprehensive audit of the external managers' ESG functions has been carried out. The audit reviews the external asset managers' ESG policy and resources, ESG reporting capabilities, exclusion principles and consideration of sustainability factors in investment activities. The external managers' ESG audit results are scored by OP Asset Management and their sustainability work its development is monitored using an annual survey. The fund does not invest in external managers' funds that do not have an ESG policy or that are not committed to responsible investment practices.

Environmental and social characteristics include following factors:

Fund-specific minimum allocation: The fund partly invests in sustainable investments through investing in companies involved in activities that contribute to one or more of the UN's Sustainable Development Goals, are in line with the environmental goals of the EU Taxonomy, or contribute to green revenue, and do not cause significant harm to the environment or society and follow good governance.

Exclusion: Regarding investments in OP-managed funds the following exclusion criteria applies. The OP funds do not make any active direct investments in 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 involved in unconventional oil and gas extraction. Externally managed funds invested by the fund follow their own exclusion policies. Internal monitoring tool is used pre-trade and limit monitoring screen is post-trade for the holdings of the fund to make sure the externally managed funds' exposure to the OP exclusion policy stays within pre-defined minimum threshold.

ESG integration: ESG factors are considered as part of the investment process by using an external service provider's data and an ESG tool, developed internally by 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. A sustainable investment percentage is then calculated for each internally and externally managed fund and ETF. OP monitors that each ETF provider has an ESG policy or that they are committed to responsible investment practices. A list of accepted ETFs providers is maintained and updated regularly.

Global norms breaches: Investments in OP Funds are screened regularly for non-compliances with global norms. If a non-compliance is detected, an engagement process is begun with the company in question. The aim is to make non-compliant companies change their practices and begin to comply with global norms in their operations. If engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list. Funds managed by external managers follow their own principles of responsible investments and may engage or exclude the company that violates international standards.

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

  The investment analysis uses both an external provider's ESG analysis and OP Asset Management's internal ESG analysis tools. Assessment of good governance forms an integral part of our investment analysis.

  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?***

  Sustainable investment is considered to be an investment whose business contributes to one or more of the UN's Sustainable Development Goals (SDGs), without harming other sustainability factors or goals. Sustainable investments are identified by applying OP Asset Management's analytical Sustainable Investment -model, which utilizes data

from external service providers on SDGs, EU Taxonomy, and green revenue. Sustainable investments contribute to environmental objectives through fund's investments in companies that support sustainable development goals related to the environment (SDG 6 - Clean Water and Sanitation, SDG 7 - Affordable and Clean Energy, SDG 9 - Industry, Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities, SDG 12 - Responsible Consumption and Production, SDG 13 – Climate Action, SDG 14 – Life Below Water, SDG 15 – Life on Land), are in line with the environmental goals of the EU Taxonomy, or are related to e.g. renewable energy, energy efficiency, environmentally friendly construction, sustainable water resources use, pollution prevention and sustainable agriculture. Sustainable investments contribute to social objectives through fund's investments in companies that support the following sustainable development goals: SDG 1 – No Poverty, SDG 2 – Zero Hunger, SDG 3 – Good Health and Well-being, 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 – Partnership for the Goals. Sustainable investment analysis can be supplemented with the portfolio manager's own manual analysis.

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 target 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. Investments in external funds may have slightly different Do Not Significant Harm processes. The internal sustainable investment tool is used to monitor how much the externally managed funds are in align with OP's model.

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

To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

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 breached global norms (UN Global Compact and OECD guidelines for multinationals). If a breach is identified, the company cannot be determined as a sustainable investment.

The Fund does not make active direct investments in companies that have breached global norms and where engagement has been unsuccessful. The investments are screened each quarter for possible global norms breaches. If a norms breach is detected, the preferred option is to initiate engagement to influence corporate behaviour. The second option is divesting from 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.** To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

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If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

☐ No

What investment strategy does this financial product follow?

The fund is a fixed income fund that invests mainly in corporate or sovereign bonds issued in fixed income markets of European and OECD countries. Investments are made primarily through other mutual funds, ETPs and alternative investment funds. Asset allocation decisions are made in OP Asset Management's Investment Committee (IC) and they are applied to the fund, as suitable. Portfolio returns and risk exposures are monitored regularly. Instrument-level investment decisions are made at a portfolio manager level using both quantitative and qualitative selection methods.

The fund invests in other funds that are managed by OP Asset Management, third-party funds, ETPs and individual securities. Derivatives can be used as part of efficient portfolio management to enhance portfolio management, to hedge risk exposures or to replace direct investments.

The fund promotes environmental and/or social characteristics in accordance with OP's Principles for Responsible Investment with regards to assets invested in mutual funds managed by OP. Regarding assets invested in externally managed funds, the fund aims to choose those that promote environmental and/or social characteristics or whose object is to make sustainable investments. Mutual funds managed by OP promote Environmental and/or social characteristics by using exclusion, considering ESG factors as part of the investment process, and setting a fund-specific minimum allocation for sustainable investments. Externally managed funds have their own principles of responsible investments. A comprehensive audit of ESG functions has been carried out for those funds' providers. OP has built internal tools to choose and monitor investments.

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?

OP-managed funds invested by the fund cannot make active direct investments in companies that are on OP Asset Management's official exclusion list. In addition, OP-managed article 8 funds do not invest in companies involved heavily in unconventional oil and gas extractions. Externally managed funds invested by the fund may have other biding elements. In sum, the fund's exposure to companies that are on OP Asset Management's official exclusion list and on the unconventional oil and gas exclusion list is minimized, regardless of whether the investment is in OP-managed or externally managed funds. In addition, external managers must meet OP's minimum criteria for responsible investment.

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.

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

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

To the extent that this investment fund invests in other OP-funds, analysis of the investee company's governance practices is an essential part of the investment process. We consider good governance as a fundamental pillar for any company's financial success, regardless of the industry. By using external service provider's analysis, all companies are regularly screened for global norm breaches to identify governance-related controversies. If a controversy is identified, investment is possible only if an engagement dialogue is initiated. If engagement proves ineffective or impossible, the company will be excluded from the investment universe.

When evaluating the governance of investee companies, we focus on the appropriateness of their governance structures and their comprehensive ESG (Environmental, Social, and Governance) risk management. We believe that a company's ability to manage its ESG risks also provides a comprehensive indication of its governance. When assessing whether an investee company aligns with our sustainable investment criteria, a more comprehensive evaluation of governance is conducted. This includes evaluating company's actions concerning its employees, as well as its practices related to compensation and taxation. In the assessment of good governance, we rely on an external service provider's analysis and our own qualitative analysis when external information is not available. The funds are regularly screened against the criteria of good governance, with minimum thresholds in place.

We also expect good governance from our external fund managers, and its examination is an essential part of the due diligence process which is conducted before investment decisions and with an annual survey. The examination focuses on aspects such as the appropriateness of the company's governance structures, the company's actions in relation to its personnel, and its practices regarding compensation and taxation. Additionally, the company's operations should be transparent.

What is the asset allocation planned for this financial product?

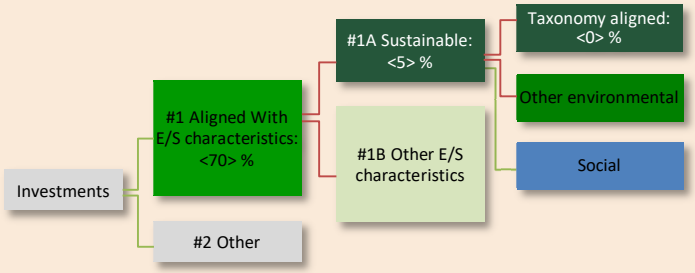
The Fund promotes environmental and social characteristics by using exclusion, considering ESG factors as part of the investment process, conducting a comprehensive audit of ESG functions for externally managed fund providers and setting a fund-specific minimum allocation for sustainable investments. 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 5% minimum allocation to sustainable investments. Sustainable investments are defined using the sustainable investment model by OP Asset Management.

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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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 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.

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.

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

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?

[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.

The fund does not commit to a minimum share.

are environmentally sustainable investments that **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 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 minimum shares are set for these goals.

What is the minimum share of socially sustainable investments?

The minimum amount of sustainable investments can include both socially and environmentally sustainable investments. The ratio of socially and environmentally sustainable investments might vary.

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

The Fund invests in securities mainly through funds. 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.

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

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?

No.

Where can I find more product specific information online?

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

www.op.fi

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-Private Equity Strategy Fund

Legal entity identifier: FI4000120712

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 invests in securities mainly through funds managed by OP Fund Management Company and external managers. It promotes environmental and social characteristics by integrating a fund level as well as fund-look-through analysis and monitoring of sustainability factors into the investment process. The analysis and monitoring consist of limiting the exposure to specific industries through exclusions and taking climate aspects and active ownership into account as part of the managers' investing process. The fund mainly invests in funds that promote environmental and/or social characteristics or whose object is to make sustainable investments.

Mutual funds managed by OP Fund Management Company Ltd promote environmental and/or 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 screened regularly for global norms breaches using an external service provider's analysis.

Regarding the investments in external managers' funds, a comprehensive audit of the external managers' ESG functions has been carried out. The audit reviews the external asset managers' ESG policy and resources, ESG reporting capabilities, exclusion principles and consideration of sustainability factors in investment activities. The external managers' ESG audit results are scored by OP Asset Management and their sustainability work its development is monitored using an annual survey. The fund does not invest in external managers' funds that do not have an ESG policy or that are not committed to responsible investment practices.

Environmental and social characteristics include following factors:

Fund-specific minimum allocation: The fund partly invests in sustainable investments through investing in companies involved in activities that contribute to one or more of the UN's Sustainable Development Goals, are in line with the environmental goals of the EU Taxonomy, or contribute to green revenue, and do not cause significant harm to the environment or society and follow good governance.

Exclusion: Regarding investments in OP-managed funds the following exclusion criteria applies. The OP funds do not make any active direct investments in 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 involved in unconventional oil and gas extraction. Externally managed funds invested by the fund follow their own exclusion policies. Internal monitoring tool is used pre-trade and limit monitoring screen is post-trade for the holdings of the fund to make sure the externally managed funds' exposure to the OP exclusion policy stays within pre-defined minimum threshold.

ESG integration: ESG factors are considered as part of the investment process by using an external service provider's data and an ESG tool, developed internally by 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. A sustainable investment percentage is then calculated for each internally and externally managed fund and ETF. OP monitors that each ETF provider has an ESG policy or that they are committed to responsible investment practices. A list of accepted ETFs providers is maintained and updated regularly.

Global norms breaches: Investments in OP Funds are screened regularly for non-compliances with global norms. If a non-compliance is detected, an engagement process is begun with the company in question. The aim is to make non-compliant companies change their practices and begin to comply with global norms in their operations. If engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list. Funds managed by external managers follow their own principles of responsible investments and may engage or exclude the company that violates international standards.

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

  The investment analysis uses both an external provider's ESG analysis and OP Asset Management's internal ESG analysis tools. Assessment of good governance forms an integral part of our investment analysis.

  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?***

  Sustainable investment is considered to be an investment whose business contributes to one or more of the UN's Sustainable Development Goals (SDGs), without harming other sustainability factors or goals. Sustainable investments are identified by applying OP Asset Management's analytical Sustainable Investment -model, which utilizes data

from external service providers on SDGs, EU Taxonomy, and green revenue. Sustainable investments contribute to environmental objectives through fund's investments in companies that support sustainable development goals related to the environment (SDG 6 - Clean Water and Sanitation, SDG 7 - Affordable and Clean Energy, SDG 9 - Industry, Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities, SDG 12 - Responsible Consumption and Production, SDG 13 – Climate Action, SDG 14 – Life Below Water, SDG 15 – Life on Land), are in line with the environmental goals of the EU Taxonomy, or are related to e.g. renewable energy, energy efficiency, environmentally friendly construction, sustainable water resources use, pollution prevention and sustainable agriculture. Sustainable investments contribute to social objectives through fund's investments in companies that support the following sustainable development goals: SDG 1 – No Poverty, SDG 2 – Zero Hunger, SDG 3 – Good Health and Well-being, 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 – Partnership for the Goals. Sustainable investment analysis can be supplemented with the portfolio manager's own manual analysis.

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 target 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. Investments in external funds may have slightly different Do Not Significant Harm processes. The internal sustainable investment tool is used to monitor how much the externally managed funds are in align with OP's model.

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

To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

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For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

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If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

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 breached global norms (UN Global Compact and OECD guidelines for multinationals). If a breach is identified, the company cannot be determined as a sustainable investment.

The Fund does not make active direct investments in companies that have breached global norms and where engagement has been unsuccessful. The investments are screened each quarter for possible global norms breaches. If a norms breach is detected, the preferred option is to initiate engagement to influence corporate behaviour. The second option is divesting from 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.** To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

☐ No

What investment strategy does this financial product follow?

The fund is an equity fund that invests globally in equities. Investments are made primarily through other mutual funds and ETPs. Asset allocation decisions are made in OP Asset Management's Investment Committee (IC) and they are applied to the fund, as suitable. Portfolio returns and risk exposures are monitored regularly. Instrument-level investment decisions are made at a portfolio manager level using both quantitative and qualitative selection methods.

The fund invests in other funds that are managed by OP Asset Management, third-party funds, ETPs and individual securities. Derivatives can be used as part of efficient portfolio management to enhance portfolio management, to hedge risk exposures or to replace direct investments.

The fund promotes environmental and/or social characteristics in accordance with OP's Principles for Responsible Investment with regards to assets invested in mutual funds managed by OP. Regarding assets invested in externally managed funds, the fund aims to choose those that promote environmental and/or social characteristics or whose object is to make sustainable investments. Mutual funds managed by OP promote Environmental and/or social characteristics by using exclusion, considering ESG factors as part of the investment process, and setting a fund-specific minimum allocation for sustainable investments. Externally managed funds have their own principles of responsible investments. A comprehensive audit of ESG functions has been carried out for those funds' providers. OP has built internal tools to choose and monitor investments.

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?

OP-managed funds invested by the fund cannot make active direct investments in companies that are on OP Asset Management's official exclusion list. In addition, OP-managed article 8 funds do not invest in companies involved heavily in unconventional oil and gas extractions. Externally managed funds invested by the fund may have other biding elements. In sum, the fund's exposure to companies that are on OP Asset Management's official exclusion list and on the unconventional oil and gas exclusion list is minimized, regardless of whether the investment is in OP-managed or externally managed funds. In addition, external managers must meet OP's minimum criteria for responsible investment.

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.

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

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

To the extent that this investment fund invests in other OP-funds, analysis of the investee company's governance practices is an essential part of the investment process. We consider good governance as a fundamental pillar for any company's financial success, regardless of the industry. By using external service provider's analysis, all companies are regularly screened for global norm breaches to identify governance-related controversies. If a controversy is identified, investment is possible only if an engagement dialogue is initiated. If engagement proves ineffective or impossible, the company will be excluded from the investment universe.

When evaluating the governance of investee companies, we focus on the appropriateness of their governance structures and their comprehensive ESG (Environmental, Social, and Governance) risk management. We believe that a company's ability to manage its ESG risks also provides a comprehensive indication of its governance. When assessing whether an investee company aligns with our sustainable investment criteria, a more comprehensive evaluation of governance is conducted. This includes evaluating company's actions concerning its employees, as well as its practices related to compensation and taxation. In the assessment of good governance, we rely on an external service provider's analysis and our own qualitative analysis when external information is not available. The funds are regularly screened against the criteria of good governance, with minimum thresholds in place.

We also expect good governance from our external fund managers, and its examination is an essential part of the due diligence process which is conducted before investment decisions and with an annual survey. The examination focuses on aspects such as the appropriateness of the company's governance structures, the company's actions in relation to its personnel, and its practices regarding compensation and taxation. Additionally, the company's operations should be transparent.

What is the asset allocation planned for this financial product?

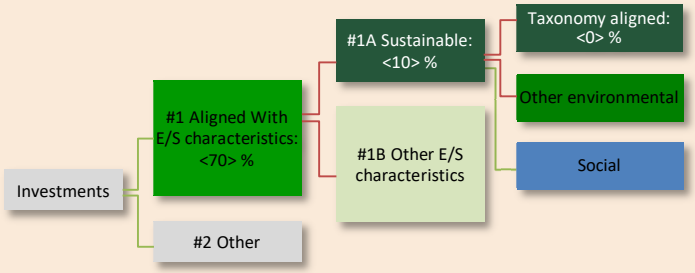
The Fund promotes environmental and social characteristics by using exclusion, considering ESG factors as part of the investment process, conducting a comprehensive audit of ESG functions for externally managed fund providers and setting a fund-specific minimum allocation for sustainable investments. 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.

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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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 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.

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.

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

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?

[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.

The fund does not commit to a minimum share.

are environmentally sustainable investments that **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 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 minimum shares are set for these goals.

What is the minimum share of socially sustainable investments?

The minimum amount of sustainable investments can include both socially and environmentally sustainable investments. The ratio of socially and environmentally sustainable investments might vary.

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

The Fund invests in securities mainly through funds. 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.

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

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?

No.

Where can I find more product specific information online?

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

www.op.fi

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-Private Strategy 25 Fund

Legal entity identifier: FI4000120654

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 5 % 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 invests in securities mainly through funds managed by OP Fund Management Company and external managers. It promotes environmental and social characteristics by integrating a fund level as well as fund-look-through analysis and monitoring of sustainability factors into the investment process. The analysis and monitoring consist of limiting the exposure to specific industries through exclusions and taking climate aspects and active ownership into account as part of the managers' investing process. The fund mainly invests in funds that promote environmental and/or social characteristics or whose object is to make sustainable investments.

Mutual funds managed by OP Fund Management Company Ltd promote environmental and/or 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 screened regularly for global norms breaches using an external service provider's analysis.

Regarding the investments in external managers' funds, a comprehensive audit of the external managers' ESG functions has been carried out. The audit reviews the external asset managers' ESG policy and resources, ESG reporting capabilities, exclusion principles and consideration of sustainability factors in investment activities. The external managers' ESG audit results are scored by OP Asset Management and their sustainability work its development is monitored using an annual survey. The fund does not invest in external managers' funds that do not have an ESG policy or that are not committed to responsible investment practices.

Environmental and social characteristics include following factors:

Fund-specific minimum allocation: The fund partly invests in sustainable investments through investing in companies involved in activities that contribute to one or more of the UN's Sustainable Development Goals, are in line with the environmental goals of the EU Taxonomy, or contribute to green revenue, and do not cause significant harm to the environment or society and follow good governance.

Exclusion: Regarding investments in OP-managed funds the following exclusion criteria applies. The OP funds do not make any active direct investments in 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 involved in unconventional oil and gas extraction. Externally managed funds invested by the fund follow their own exclusion policies. Internal monitoring tool is used pre-trade and limit monitoring screen is post-trade for the holdings of the fund to make sure the externally managed funds' exposure to the OP exclusion policy stays within pre-defined minimum threshold.

ESG integration: ESG factors are considered as part of the investment process by using an external service provider's data and an ESG tool, developed internally by 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. A sustainable investment percentage is then calculated for each internally and externally managed fund and ETF. OP monitors that each ETF provider has an ESG policy or that they are committed to responsible investment practices. A list of accepted ETFs providers is maintained and updated regularly.

Global norms breaches: Investments in OP Funds are screened regularly for non-compliances with global norms. If a non-compliance is detected, an engagement process is begun with the company in question. The aim is to make non-compliant companies change their practices and begin to comply with global norms in their operations. If engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list. Funds managed by external managers follow their own principles of responsible investments and may engage or exclude the company that violates international standards.

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

  The investment analysis uses both an external provider's ESG analysis and OP Asset Management's internal ESG analysis tools. Assessment of good governance forms an integral part of our investment analysis.

  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?***

  Sustainable investment is considered to be an investment whose business contributes to one or more of the UN's Sustainable Development Goals (SDGs), without harming other sustainability factors or goals. Sustainable investments are identified by applying OP Asset Management's analytical Sustainable Investment -model, which utilizes data

from external service providers on SDGs, EU Taxonomy, and green revenue. Sustainable investments contribute to environmental objectives through fund's investments in companies that support sustainable development goals related to the environment (SDG 6 - Clean Water and Sanitation, SDG 7 - Affordable and Clean Energy, SDG 9 - Industry, Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities, SDG 12 - Responsible Consumption and Production, SDG 13 – Climate Action, SDG 14 – Life Below Water, SDG 15 – Life on Land), are in line with the environmental goals of the EU Taxonomy, or are related to e.g. renewable energy, energy efficiency, environmentally friendly construction, sustainable water resources use, pollution prevention and sustainable agriculture. Sustainable investments contribute to social objectives through fund's investments in companies that support the following sustainable development goals: SDG 1 – No Poverty, SDG 2 – Zero Hunger, SDG 3 – Good Health and Well-being, 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 – Partnership for the Goals. Sustainable investment analysis can be supplemented with the portfolio manager's own manual analysis.

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 target 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. Investments in external funds may have slightly different Do Not Significant Harm processes. The internal sustainable investment tool is used to monitor how much the externally managed funds are in align with OP's model.

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

To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

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 breached global norms (UN Global Compact and OECD guidelines for multinationals). If a breach is identified, the company cannot be determined as a sustainable investment.

The Fund does not make active direct investments in companies that have breached global norms and where engagement has been unsuccessful. The investments are screened each quarter for possible global norms breaches. If a norms breach is detected, the preferred option is to initiate engagement to influence corporate behaviour. The second option is divesting from 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.** To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

☐ No

What investment strategy does this financial product follow?

The fund is an allocation fund that invests globally in equities and fixed income. Investments are made primarily through other mutual funds and ETPs. More specific asset classes include, but are not limited to, developed market equities, emerging market equities, government bonds, corporate bonds, hedge funds, private equities, private credits and properties. Asset allocation decisions are made in OP Asset Management's Investment Committee (IC) and they are applied to the fund, as suitable. Portfolio returns and risk exposures are monitored regularly. Instrument-level investment decisions are made at a portfolio manager level using both quantitative and qualitative selection methods.

The fund invests in other funds that are managed by OP Asset Management, third-party funds, ETPs and individual securities. Derivatives can be used as part of efficient portfolio management to enhance portfolio management, to hedge risk exposures or to replace direct investments.

The fund promotes environmental and/or social characteristics in accordance with OP's Principles for Responsible Investment with regards to assets invested in mutual funds managed by OP. Regarding assets invested in externally managed funds, the fund aims to choose those that promote environmental and/or social characteristics or whose object is to make sustainable investments. Mutual funds managed by OP promote Environmental and/or social characteristics by using exclusion, considering ESG factors as part of the investment process, and setting a fund-specific minimum allocation for sustainable investments. Externally managed funds have their own principles of responsible investments. A comprehensive audit of ESG functions has been carried out for those funds' providers. OP has built internal tools to choose and monitor investments.

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?

OP-managed funds invested by the fund cannot make active direct investments in companies that are on OP Asset Management's official exclusion list. In addition, OP-managed article 8 funds do not invest in companies involved heavily in unconventional oil and gas extractions. Externally managed funds invested by the fund may have other biding elements. In sum, the fund's exposure to companies that are on OP Asset Management's official exclusion list and on the unconventional oil and gas exclusion list is minimized, regardless of whether the investment is in OP-managed or externally managed funds. In addition, external managers must meet OP's minimum criteria for responsible investment.

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.

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

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

To the extent that this investment fund invests in other OP-funds, analysis of the investee company's governance practices is an essential part of the investment process. We consider good governance as a fundamental pillar for any company's financial success, regardless of the industry. By using external service provider's analysis, all companies are regularly screened for global norm breaches to identify governance-related controversies. If a controversy is identified, investment is possible only if an engagement dialogue is initiated. If engagement proves ineffective or impossible, the company will be excluded from the investment universe.

When evaluating the governance of investee companies, we focus on the appropriateness of their governance structures and their comprehensive ESG (Environmental, Social, and Governance) risk management. We believe that a company's ability to manage its ESG risks also provides a comprehensive indication of its governance. When assessing whether an investee company aligns with our sustainable investment criteria, a more comprehensive evaluation of governance is conducted. This includes evaluating company's actions concerning its employees, as well as its practices related to compensation and taxation. In the assessment of good governance, we rely on an external service provider's analysis and our own qualitative analysis when external information is not available. The funds are regularly screened against the criteria of good governance, with minimum thresholds in place.

We also expect good governance from our external fund managers, and its examination is an essential part of the due diligence process which is conducted before investment decisions and with an annual survey. The examination focuses on aspects such as the appropriateness of the company's governance structures, the company's actions in relation to its personnel, and its practices regarding compensation and taxation. Additionally, the company's operations should be transparent.

What is the asset allocation planned for this financial product?

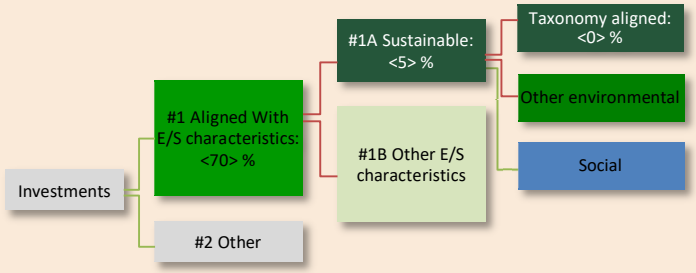
The Fund promotes environmental and social characteristics by using exclusion, considering ESG factors as part of the investment process, conducting a comprehensive audit of ESG functions for externally managed fund providers and setting a fund-specific minimum allocation for sustainable investments. 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 5% minimum allocation to sustainable investments. Sustainable investments are defined using the sustainable investment model by OP Asset Management.

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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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 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.

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.

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

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?

[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.

The fund does not commit to a minimum share.

are environmentally sustainable investments that **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 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 minimum shares are set for these goals.

What is the minimum share of socially sustainable investments?

The minimum amount of sustainable investments can include both socially and environmentally sustainable investments. The ratio of socially and environmentally sustainable investments might vary.

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

The Fund invests in securities mainly through funds. 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.

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

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?

No.

Where can I find more product specific information online?

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

www.op.fi

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-Private Strategy 50 Fund

Legal entity identifier: FI4000120670

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 invests in securities mainly through funds managed by OP Fund Management Company and external managers. It promotes environmental and social characteristics by integrating a fund level as well as fund-look-through analysis and monitoring of sustainability factors into the investment process. The analysis and monitoring consist of limiting the exposure to specific industries through exclusions and taking climate aspects and active ownership into account as part of the managers' investing process. The fund mainly invests in funds that promote environmental and/or social characteristics or whose object is to make sustainable investments.

Mutual funds managed by OP Fund Management Company Ltd promote environmental and/or 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 screened regularly for global norms breaches using an external service provider's analysis.

Regarding the investments in external managers' funds, a comprehensive audit of the external managers' ESG functions has been carried out. The audit reviews the external asset managers' ESG policy and resources, ESG reporting capabilities, exclusion principles and consideration of sustainability factors in investment activities. The external managers' ESG audit results are scored by OP Asset Management and their sustainability work its development is monitored using an annual survey. The fund does not invest in external managers' funds that do not have an ESG policy or that are not committed to responsible investment practices.

Environmental and social characteristics include following factors:

Fund-specific minimum allocation: The fund partly invests in sustainable investments through investing in companies involved in activities that contribute to one or more of the UN's Sustainable Development Goals, are in line with the environmental goals of the EU Taxonomy, or contribute to green revenue, and do not cause significant harm to the environment or society and follow good governance.

Exclusion: Regarding investments in OP-managed funds the following exclusion criteria applies. The OP funds do not make any active direct investments in 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 involved in unconventional oil and gas extraction. Externally managed funds invested by the fund follow their own exclusion policies. Internal monitoring tool is used pre-trade and limit monitoring screen is post-trade for the holdings of the fund to make sure the externally managed funds' exposure to the OP exclusion policy stays within pre-defined minimum threshold.

ESG integration: ESG factors are considered as part of the investment process by using an external service provider's data and an ESG tool, developed internally by 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. A sustainable investment percentage is then calculated for each internally and externally managed fund and ETF. OP monitors that each ETF provider has an ESG policy or that they are committed to responsible investment practices. A list of accepted ETFs providers is maintained and updated regularly.

Global norms breaches: Investments in OP Funds are screened regularly for non-compliances with global norms. If a non-compliance is detected, an engagement process is begun with the company in question. The aim is to make non-compliant companies change their practices and begin to comply with global norms in their operations. If engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list. Funds managed by external managers follow their own principles of responsible investments and may engage or exclude the company that violates international standards.

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

  The investment analysis uses both an external provider's ESG analysis and OP Asset Management's internal ESG analysis tools. Assessment of good governance forms an integral part of our investment analysis.

  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?***

  Sustainable investment is considered to be an investment whose business contributes to one or more of the UN's Sustainable Development Goals (SDGs), without harming other sustainability factors or goals. Sustainable investments are identified by applying OP Asset Management's analytical Sustainable Investment -model, which utilizes data

from external service providers on SDGs, EU Taxonomy, and green revenue. Sustainable investments contribute to environmental objectives through fund's investments in companies that support sustainable development goals related to the environment (SDG 6 - Clean Water and Sanitation, SDG 7 - Affordable and Clean Energy, SDG 9 - Industry, Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities, SDG 12 - Responsible Consumption and Production, SDG 13 – Climate Action, SDG 14 – Life Below Water, SDG 15 – Life on Land), are in line with the environmental goals of the EU Taxonomy, or are related to e.g. renewable energy, energy efficiency, environmentally friendly construction, sustainable water resources use, pollution prevention and sustainable agriculture. Sustainable investments contribute to social objectives through fund's investments in companies that support the following sustainable development goals: SDG 1 – No Poverty, SDG 2 – Zero Hunger, SDG 3 – Good Health and Well-being, 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 – Partnership for the Goals. Sustainable investment analysis can be supplemented with the portfolio manager's own manual analysis.

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 target 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. Investments in external funds may have slightly different Do Not Significant Harm processes. The internal sustainable investment tool is used to monitor how much the externally managed funds are in align with OP's model.

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

To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

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 breached global norms (UN Global Compact and OECD guidelines for multinationals). If a breach is identified, the company cannot be determined as a sustainable investment.

The Fund does not make active direct investments in companies that have breached global norms and where engagement has been unsuccessful. The investments are screened each quarter for possible global norms breaches. If a norms breach is detected, the preferred option is to initiate engagement to influence corporate behaviour. The second option is divesting from 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.** To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

☐ No

What investment strategy does this financial product follow?

The fund is an allocation fund that invests globally in equities and fixed income. Investments are made primarily through other mutual funds and ETPs. More specific asset classes include, but are not limited to, developed market equities, emerging market equities, government bonds, corporate bonds, hedge funds, private equities, private credits and properties. Asset allocation decisions are made in OP Asset Management's Investment Committee (IC) and they are applied to the fund, as suitable. Portfolio returns and risk exposures are monitored regularly. Instrument-level investment decisions are made at a portfolio manager level using both quantitative and qualitative selection methods.

The fund invests in other funds that are managed by OP Asset Management, third-party funds, ETPs and individual securities. Derivatives can be used as part of efficient portfolio management to enhance portfolio management, to hedge risk exposures or to replace direct investments.

The fund promotes environmental and/or social characteristics in accordance with OP's Principles for Responsible Investment with regards to assets invested in mutual funds managed by OP. Regarding assets invested in externally managed funds, the fund aims to choose those that promote environmental and/or social characteristics or whose object is to make sustainable investments. Mutual funds managed by OP promote Environmental and/or social characteristics by using exclusion, considering ESG factors as part of the investment process, and setting a fund-specific minimum allocation for sustainable investments. Externally managed funds have their own principles of responsible investments. A comprehensive audit of ESG functions has been carried out for those funds' providers. OP has built internal tools to choose and monitor investments.

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?

OP-managed funds invested by the fund cannot make active direct investments in companies that are on OP Asset Management's official exclusion list. In addition, OP-managed article 8 funds do not invest in companies involved heavily in unconventional oil and gas extractions. Externally managed funds invested by the fund may have other biding elements. In sum, the fund's exposure to companies that are on OP Asset Management's official exclusion list and on the unconventional oil and gas exclusion list is minimized, regardless of whether the investment is in OP-managed or externally managed funds. In addition, external managers must meet OP's minimum criteria for responsible investment.

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.

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

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

To the extent that this investment fund invests in other OP-funds, analysis of the investee company's governance practices is an essential part of the investment process. We consider good governance as a fundamental pillar for any company's financial success, regardless of the industry. By using external service provider's analysis, all companies are regularly screened for global norm breaches to identify governance-related controversies. If a controversy is identified, investment is possible only if an engagement dialogue is initiated. If engagement proves ineffective or impossible, the company will be excluded from the investment universe.

When evaluating the governance of investee companies, we focus on the appropriateness of their governance structures and their comprehensive ESG (Environmental, Social, and Governance) risk management. We believe that a company's ability to manage its ESG risks also provides a comprehensive indication of its governance. When assessing whether an investee company aligns with our sustainable investment criteria, a more comprehensive evaluation of governance is conducted. This includes evaluating company's actions concerning its employees, as well as its practices related to compensation and taxation. In the assessment of good governance, we rely on an external service provider's analysis and our own qualitative analysis when external information is not available. The funds are regularly screened against the criteria of good governance, with minimum thresholds in place.

We also expect good governance from our external fund managers, and its examination is an essential part of the due diligence process which is conducted before investment decisions and with an annual survey. The examination focuses on aspects such as the appropriateness of the company's governance structures, the company's actions in relation to its personnel, and its practices regarding compensation and taxation. Additionally, the company's operations should be transparent.

What is the asset allocation planned for this financial product?

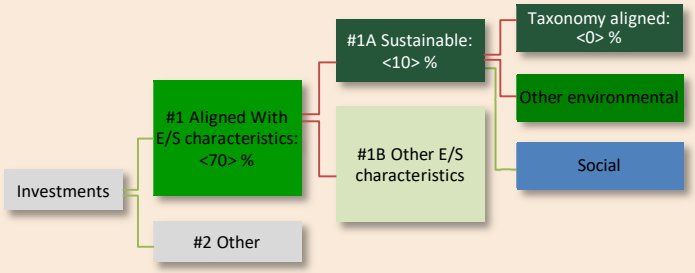
The Fund promotes environmental and social characteristics by using exclusion, considering ESG factors as part of the investment process, conducting a comprehensive audit of ESG functions for externally managed fund providers and setting a fund-specific minimum allocation for sustainable investments. 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.

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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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 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.

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.

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

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?

———————

[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.

The fund does not commit to a minimum share.

are environmentally sustainable investments that **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 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 minimum shares are set for these goals.

What is the minimum share of socially sustainable investments?

The minimum amount of sustainable investments can include both socially and environmentally sustainable investments. The ratio of socially and environmentally sustainable investments might vary.

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

The Fund invests in securities mainly through funds. 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.

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

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?

No.

Where can I find more product specific information online?

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

www.op.fi

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-Private Strategy 75 Fund

Legal entity identifier: FI4000120696

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 invests in securities mainly through funds managed by OP Fund Management Company and external managers. It promotes environmental and social characteristics by integrating a fund level as well as fund-look-through analysis and monitoring of sustainability factors into the investment process. The analysis and monitoring consist of limiting the exposure to specific industries through exclusions and taking climate aspects and active ownership into account as part of the managers' investing process. The fund mainly invests in funds that promote environmental and/or social characteristics or whose object is to make sustainable investments.

Mutual funds managed by OP Fund Management Company Ltd promote environmental and/or 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 screened regularly for global norms breaches using an external service provider's analysis.

Regarding the investments in external managers' funds, a comprehensive audit of the external managers' ESG functions has been carried out. The audit reviews the external asset managers' ESG policy and resources, ESG reporting capabilities, exclusion principles and consideration of sustainability factors in investment activities. The external managers' ESG audit results are scored by OP Asset Management and their sustainability work its development is monitored using an annual survey. The fund does not invest in external managers' funds that do not have an ESG policy or that are not committed to responsible investment practices.

Environmental and social characteristics include following factors:

Fund-specific minimum allocation: The fund partly invests in sustainable investments through investing in companies involved in activities that contribute to one or more of the UN's Sustainable Development Goals, are in line with the environmental goals of the EU Taxonomy, or contribute to green revenue, and do not cause significant harm to the environment or society and follow good governance.

Exclusion: Regarding investments in OP-managed funds the following exclusion criteria applies. The OP funds do not make any active direct investments in 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 involved in unconventional oil and gas extraction. Externally managed funds invested by the fund follow their own exclusion policies. Internal monitoring tool is used pre-trade and limit monitoring screen is post-trade for the holdings of the fund to make sure the externally managed funds' exposure to the OP exclusion policy stays within pre-defined minimum threshold.

ESG integration: ESG factors are considered as part of the investment process by using an external service provider's data and an ESG tool, developed internally by 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. A sustainable investment percentage is then calculated for each internally and externally managed fund and ETF. OP monitors that each ETF provider has an ESG policy or that they are committed to responsible investment practices. A list of accepted ETFs providers is maintained and updated regularly.

Global norms breaches: Investments in OP Funds are screened regularly for non-compliances with global norms. If a non-compliance is detected, an engagement process is begun with the company in question. The aim is to make non-compliant companies change their practices and begin to comply with global norms in their operations. If engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list. Funds managed by external managers follow their own principles of responsible investments and may engage or exclude the company that violates international standards.

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

  The investment analysis uses both an external provider's ESG analysis and OP Asset Management's internal ESG analysis tools. Assessment of good governance forms an integral part of our investment analysis.

  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?***

  Sustainable investment is considered to be an investment whose business contributes to one or more of the UN's Sustainable Development Goals (SDGs), without harming other sustainability factors or goals. Sustainable investments are identified by applying OP Asset Management's analytical Sustainable Investment -model, which utilizes data

from external service providers on SDGs, EU Taxonomy, and green revenue. Sustainable investments contribute to environmental objectives through fund's investments in companies that support sustainable development goals related to the environment (SDG 6 - Clean Water and Sanitation, SDG 7 - Affordable and Clean Energy, SDG 9 - Industry, Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities, SDG 12 - Responsible Consumption and Production, SDG 13 – Climate Action, SDG 14 – Life Below Water, SDG 15 – Life on Land), are in line with the environmental goals of the EU Taxonomy, or are related to e.g. renewable energy, energy efficiency, environmentally friendly construction, sustainable water resources use, pollution prevention and sustainable agriculture. Sustainable investments contribute to social objectives through fund's investments in companies that support the following sustainable development goals: SDG 1 – No Poverty, SDG 2 – Zero Hunger, SDG 3 – Good Health and Well-being, 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 – Partnership for the Goals. Sustainable investment analysis can be supplemented with the portfolio manager's own manual analysis.

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 target 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. Investments in external funds may have slightly different Do Not Significant Harm processes. The internal sustainable investment tool is used to monitor how much the externally managed funds are in align with OP's model.

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

To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

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 breached global norms (UN Global Compact and OECD guidelines for multinationals). If a breach is identified, the company cannot be determined as a sustainable investment.

The Fund does not make active direct investments in companies that have breached global norms and where engagement has been unsuccessful. The investments are screened each quarter for possible global norms breaches. If a norms breach is detected, the preferred option is to initiate engagement to influence corporate behaviour. The second option is divesting from 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.** To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

☐ No

What investment strategy does this financial product follow?

The fund is an allocation fund that invests globally in equities and fixed income. Investments are made primarily through other mutual funds and ETPs. More specific asset classes include, but are not limited to, developed market equities, emerging market equities, government bonds, corporate bonds, hedge funds, private equities, private credits and properties. Asset allocation decisions are made in OP Asset Management's Investment Committee (IC) and they are applied to the fund, as suitable. Portfolio returns and risk exposures are monitored regularly. Instrument-level investment decisions are made at a portfolio manager level using both quantitative and qualitative selection methods.

The fund invests in other funds that are managed by OP Asset Management, third-party funds, ETPs and individual securities. Derivatives can be used as part of efficient portfolio management to enhance portfolio management, to hedge risk exposures or to replace direct investments.

The fund promotes environmental and/or social characteristics in accordance with OP's Principles for Responsible Investment with regards to assets invested in mutual funds managed by OP. Regarding assets invested in externally managed funds, the fund aims to choose those that promote environmental and/or social characteristics or whose object is to make sustainable investments. Mutual funds managed by OP promote Environmental and/or social characteristics by using exclusion, considering ESG factors as part of the investment process, and setting a fund-specific minimum allocation for sustainable investments. Externally managed funds have their own principles of responsible investments. A comprehensive audit of ESG functions has been carried out for those funds' providers. OP has built internal tools to choose and monitor investments.

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?

OP-managed funds invested by the fund cannot make active direct investments in companies that are on OP Asset Management's official exclusion list. In addition, OP-managed article 8 funds do not invest in companies involved heavily in unconventional oil and gas extractions. Externally managed funds invested by the fund may have other biding elements. In sum, the fund's exposure to companies that are on OP Asset Management's official exclusion list and on the unconventional oil and gas exclusion list is minimized, regardless of whether the investment is in OP-managed or externally managed funds. In addition, external managers must meet OP's minimum criteria for responsible investment.

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.

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

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

To the extent that this investment fund invests in other OP-funds, analysis of the investee company's governance practices is an essential part of the investment process. We consider good governance as a fundamental pillar for any company's financial success, regardless of the industry. By using external service provider's analysis, all companies are regularly screened for global norm breaches to identify governance-related controversies. If a controversy is identified, investment is possible only if an engagement dialogue is initiated. If engagement proves ineffective or impossible, the company will be excluded from the investment universe.

When evaluating the governance of investee companies, we focus on the appropriateness of their governance structures and their comprehensive ESG (Environmental, Social, and Governance) risk management. We believe that a company's ability to manage its ESG risks also provides a comprehensive indication of its governance. When assessing whether an investee company aligns with our sustainable investment criteria, a more comprehensive evaluation of governance is conducted. This includes evaluating company's actions concerning its employees, as well as its practices related to compensation and taxation. In the assessment of good governance, we rely on an external service provider's analysis and our own qualitative analysis when external information is not available. The funds are regularly screened against the criteria of good governance, with minimum thresholds in place.

We also expect good governance from our external fund managers, and its examination is an essential part of the due diligence process which is conducted before investment decisions and with an annual survey. The examination focuses on aspects such as the appropriateness of the company's governance structures, the company's actions in relation to its personnel, and its practices regarding compensation and taxation. Additionally, the company's operations should be transparent.

What is the asset allocation planned for this financial product?

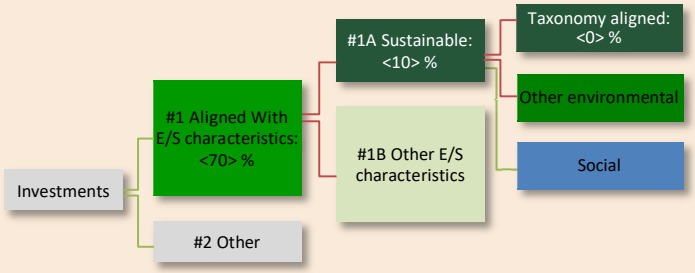
The Fund promotes environmental and social characteristics by using exclusion, considering ESG factors as part of the investment process, conducting a comprehensive audit of ESG functions for externally managed fund providers and setting a fund-specific minimum allocation for sustainable investments. 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.

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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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 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.

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.

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

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?

[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.

The fund does not commit to a minimum share.

are environmentally sustainable investments that **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 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 minimum shares are set for these goals.

What is the minimum share of socially sustainable investments?

The minimum amount of sustainable investments can include both socially and environmentally sustainable investments. The ratio of socially and environmentally sustainable investments might vary.

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

The Fund invests in securities mainly through funds. 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.

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

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?

No.

Where can I find more product specific information online?

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

www.op.fi

LIITE III

Template pre-contractual disclosure for the financial products referred to in Article 9 paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, 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.

Product name: OP-Clean Water

Legal entity identifier: FI4000048442

Sustainable investment objective

Does this financial product have a sustainable investment objective?

✖ **Yes**	☐ **No**
✖ It will make a minimum of **sustainable investments with an environmental objective:** 75 %	☐ 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 ____% 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:** 25 %	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What is the sustainable investment objective of this financial product?

OP-Clean Water invests in companies whose business can secure the supply of clean water in the future. The volume of potable water reduces continuously as a consequence of pollution,

groundwater depletion and climate change. At the same time, population growth and rising living standards increase water consumption everywhere. According to the UN and World Bank estimates, 2.5 billion people live in areas suffering from shortage of water, and by 2050 up to half of the world's population will suffer from water shortage. Clean water is required, in addition to households, in many industries, such as food production and the pharmaceutical industry. Solutions to water issues lie in innovations related to consumption, distribution, purification and production.

OP-Clean Water invests in water industry companies whose business is significantly related to securing the sufficiency of water also in the future. This especially means companies focused on supplying water management infrastructure or developing water technology, as well as conglomerates that are market leaders in some water industry sub-sector.

The Fund aims to make only sustainable investments. 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.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

All investments of the Fund must have business operations that are considered to promote environmental goals. The Fund uses the share of services and products providing environmental solutions of the company's total revenue as its sustainability indicator.

In addition to the corporate sustainability principles of the Fund, the Fund complies with OP Asset Management's principles for sustainable investing.

Exclusion: The Fund excludes from its active direct investments controversial weapon manufacturers, companies producing thermal coal, power companies using thermal coal (if over 20% of the revenue relates to thermal coal), and companies that have breached international standards and where engagement has been unsuccessful. In addition to general exclusion rules, the Fund excludes companies with business in fossil fuels (if the revenue is 50% or more) or tobacco.

Shareholders' meetings: OP funds participate in shareholders' meetings in Finland and abroad in line with OP Fund Management Company Ltd's shareholder engagement principles that take sustainability aspects into account.

Violations of international standards: In active direct investments in OP funds, OP Asset Management exercises influence on companies that are considered to have violated international standards. The Funds are screened regularly for non-compliances with international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, the company may be placed on the list of exclusions.

We monitor and report on factors such as the investments' share of green revenue, carbon intensity and ESG risk category.

How do sustainable investments 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.

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-

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

Principal adverse impacts (PAI) on sustainability are regularly analysed by screening all investments for their PAI indicators. If screening reveals target companies with significant principal adverse impacts on sustainability 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.

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 checks whether a company 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.

The Fund does 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 standard violation is detected, the preferred option is to influence the company's behaviour. The second option is the discontinuation of the investment.

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

☒ Yes Principal adverse impacts (PAI) on sustainability are regularly analysed by screening all investments for their PAI indicators. If screening reveals companies with significant principal adverse impacts on sustainability in comparison to its peers and if the said PAI indicator is deemed material for the company, the company will be monitored more closely and excluded, if necessary. Also a process to influence the company's behaviour can be started. 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 investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

OP-Clean Water is an equity fund which invests its assets in the global equity market. Investments may be made both in developed and emerging equity markets.

OP-Clean Water invests in water industry companies whose business is significantly related to securing the sufficiency of water also in the future. This especially means companies focused on supplying water management infrastructure or developing water technology, as well as conglomerates that are market leaders in some water industry sub-sector.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

All investments of the Fund must have business operations that are considered to promote environmental goals.

The Fund excludes from its active direct investments controversial weapon manufacturers, companies producing thermal coal, power companies using thermal coal (if over 20% of the revenue relates to thermal coal), and companies that have breached international standards and where engagement has been unsuccessful. In addition to general exclusion rules, the Fund excludes companies with business in fossil fuels (if the revenue is 50% or more) or tobacco.

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

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

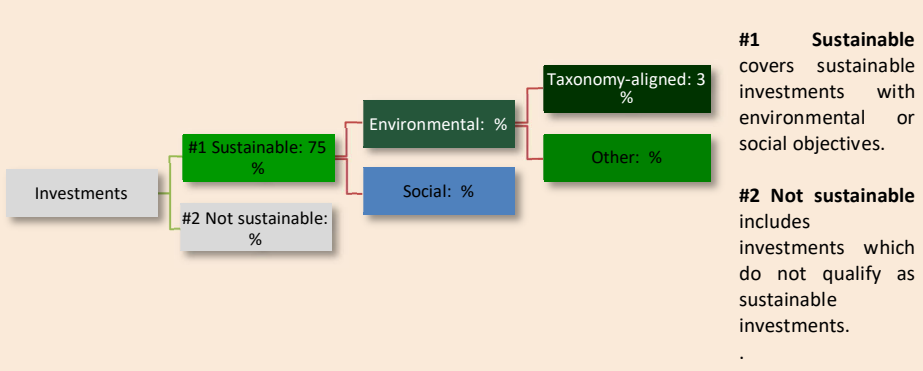
Analysing the target company's governance is an important part of the investment process. To us, good governance is a key foundation for any company's financial success, regardless of the industry. When assessing governance, some of the areas considered include the appropriateness of the target company's 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.

What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

According to the Fund's rules, three fifths (3/5) of the Fund's total assets must always be invested in real property in Finland or real estate securities related to such real property. All such investments by the Fund promote environmental and social characteristics in the manner described in this Annex, and the minimum proportion of such investments is 60%. "Other" may comprise short-term net assets such as cash investments and derivatives used for interest rate hedging, for example. Derivatives or cash investments cannot be considered to promote environmental or social characteristics. To the extent that the Fund makes sustainable investments, those investments aligned with the EU Taxonomy which have set climate change mitigation as their environmental goals are considered sustainable investments. The Fund has a 20% minimum allocation to sustainable investments.

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.



How does the use of derivatives attain the sustainable investment objective?

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 ad among others have greenhouse gas emission levels corresponding to the best performance.

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

3%

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

☐ Yes:

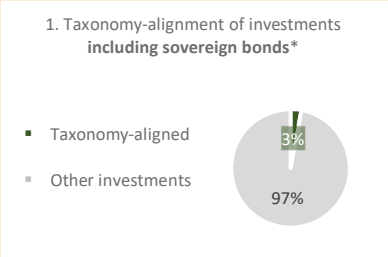
☐ in fossil gas ☐ in nuclear energy

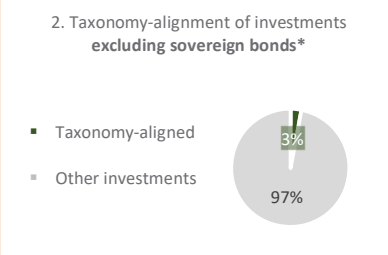
☐ No

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.

[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.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

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

The Fund does not commit to a minimum share.

are environmentally sustainable investments that **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 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 minimum shares are set for these goals.

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

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 Not sustainable", 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 meet the sustainable investment objective?

The benchmark index for the Fund is the S&P Global Water USD NTR.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

The benchmark index for the Fund is the S&P Global Water NTR Index. It supports the objective of the OP-Clean Water fund to invest in companies that provide solutions to ensure the availability and sufficiency of clean water worldwide. The index consists of 50 liquid companies. The index has a balanced diversification, both globally and within water related businesses, and includes both water utilities and infrastructure companies and companies that provide water equipment and materials.

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

The Fund invests in the same themes as the benchmark index S&P Global Water USD NTR but 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 S&P Global Water USD NTR differs significantly from the broad market index in that S&P Global Water USD NTR only includes companies related to the water theme and excludes many other industries that are represented in the general world index. The index has been developed for this theme and has no actual general parent index.

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

The methodology of the index is available on the S&P's website.

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

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-Inflation-linked Bond

Legal entity identifier: FI0008811120

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 0 % 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?

The Fund promotes sustainability characteristics by positive selection and negative restrictions.

The Fund excludes countries with significant adverse impacts on society from its investments. The Fund does not invest in excluded countries, and if an investment product of the fund later falls within the scope of the exclusion, the aim is to terminate the investment within a reasonable time period.

The average values of the sustainability indicators of the Fund's investments are regularly monitored. The values of the indicators are considered when making investment decisions, and the average values of the portfolio and their development in relation to the benchmark index are monitored.

The investment process of the Fund includes analysing the creditworthiness of the investment products. In analysing creditworthiness, environmental and social characteristics as well as good governance are considered, among other factors.

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

As an environmental indicator, the Fund monitors countries' greenhouse gas emissions, and various social indicators provide information on income gaps, corruption and fundamental rights.

In addition, the Fund excludes countries with significant adverse impacts on society from its investment products. Exclusions are based on the following listings:
– High-Risk Jurisdictions subject to a Call for Action countries determined by Financial Action Task Force (FATF).
• The countries in this list are deemed to have significant adverse impacts on society in terms of prevention of money laundering and the financing of terrorism.
– Countries within the scope of EU arms trade sanctions (Import, Export, Procurement).
• The countries in this list are deemed to have significant adverse impacts on society in terms of social order.

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. The values of the indicators are considered when making investment decisions, and the average values of the portfolio and their development in relation to the benchmark index are monitored. 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 OP-Inflation-Linked Bond is a long-term bond fund which mainly invests its assets in inflation-linked fixed income instruments of governments, public-sector entities and credit institutions in the EEA and OECD area. The Fund's investments are mainly targeted to the following countries: Australia, Sweden, Canada, France, the United Kingdom, New Zealand, and the United States. The Fund's investments are mainly direct fixed income investments, but the Fund may also use derivatives to hedge against market changes or to replace direct investments. The Fund normally invests its assets in some 20–50 issues but this number may vary depending on the portfolio manager's view. The Fund aims to hedge investments in non-euro currencies against exchange rate risk.

The Fund promotes environmental and social characteristics by using exclusions and considering the countries' ESG factors as part of the investment process.

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 countries with significant adverse impacts on society from its investments. The Fund does not invest in excluded countries, and if an investment product of the fund later falls within the scope of the exclusion, the aim is to terminate the investment within a reasonable time period. Exclusions of government bond investments are based on the following listings:
– High-Risk Jurisdictions subject to a Call for Action countries determined by Financial Action Task Force (FATF).
• The countries in this list are deemed to have significant adverse impacts on society in terms of prevention of money laundering and the financing of terrorism.
– Countries within the scope of EU arms trade sanctions (Import, Export, Procurement).
• The countries in this list are deemed to have significant adverse impacts on society in terms of social order.

- ***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.

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

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

The fund does not invest in companies, so the operating principles for evaluating good corporate governance practices do not apply to the fund.

What is the asset allocation planned for this financial product?

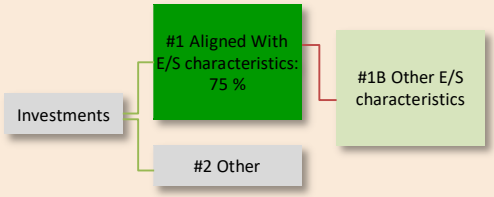
Asset allocation describes the share of investments in specific assets.

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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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.

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.

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

The fund does not invest in companies, so the EU Taxonomy does not apply to the fund

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

For reasons relating to risk management or to promote efficient portfolio management, the Fund can keep its funds in a cash account and make derivative contracts. Derivative contracts used in portfolio management can include, for example, interest rate swaps, forwards or futures whose underlying instruments are government bonds. Sustainability characteristics are not taken into account for cash accounts and derivative contracts.

To promote efficient portfolio management, the Fund can invest in government bonds, as well as in bonds issued by other public sector operators and multinational entities. For these bonds, sustainability characteristics are not systematically integrated in the investment process.

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

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-Real Asset Companies

Legal entity identifier: FI0008807573

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 20 % 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?

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 screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.

ESG integration: ESG factors are considered as 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 screened regularly for non-compliances with international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, 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 investment analysis uses both an external provider's ESG analysis and OP Asset Management's ESG analysis model. Assessment of good governance forms an integral part of our investment analysis.

  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.

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 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 target 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.

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 and excluded, if necessary. Also, a process to influence the company's behaviour can be started. 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 invests its assets mainly in Western European equity markets, in the stocks of companies that invest in real property, infrastructure and forest, or whose business otherwise involves these sectors. The Fund mainly focuses its investments on rental apartments, commercial properties and logistics real estate.

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 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 OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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?***

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

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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

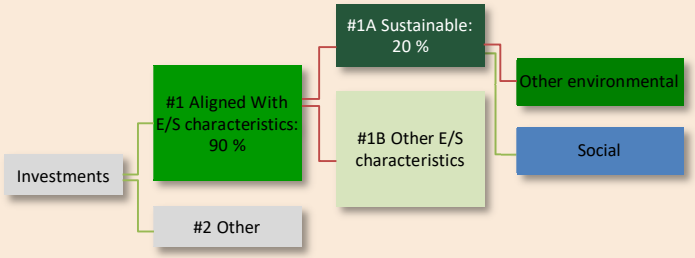
Taxonomy-aligned activities are expressed as a share of:

- **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 20% 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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?

☐ 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.

not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

[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 minimum shares are set for these goals.

What is the minimum share of socially sustainable investments?

The minimum amount of sustainable investments can include both socially and environmentally sustainable investments. The ratio of socially and environmentally sustainable investments might vary.

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.

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

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-Brave Fund

Legal entity identifier: FI0008802376

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 invests in securities mainly through funds managed by OP Fund Management Company and external managers. It promotes environmental and social characteristics by integrating a fund level as well as fund-look-through analysis and monitoring of sustainability factors into the investment process. The analysis and monitoring consist of limiting the exposure to specific industries through exclusions and taking climate aspects and active ownership into account as part of the managers' investing process. The fund mainly invests in funds that promote environmental and/or social characteristics or whose object is to make sustainable investments.

Mutual funds managed by OP Fund Management Company Ltd promote environmental and/or 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 screened regularly for global norms breaches using an external service provider's analysis.

Regarding the investments in external managers' funds, a comprehensive audit of the external managers' ESG functions has been carried out. The audit reviews the external asset managers' ESG policy and resources, ESG reporting capabilities, exclusion principles and consideration of sustainability factors in investment activities. The external managers' ESG audit results are scored by OP Asset Management and their sustainability work its development is monitored using an annual survey. The fund does not invest in external managers' funds that do not have an ESG policy or that are not committed to responsible investment practices.

Environmental and social characteristics include following factors:

Fund-specific minimum allocation: The fund partly invests in sustainable investments through investing in companies involved in activities that contribute to one or more of the UN's Sustainable Development Goals, are in line with the environmental goals of the EU Taxonomy, or contribute to green revenue, and do not cause significant harm to the environment or society and follow good governance.

Exclusion: Regarding investments in OP-managed funds the following exclusion criteria applies. The OP funds do not make any active direct investments in 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 involved in unconventional oil and gas extraction. Externally managed funds invested by the fund follow their own exclusion policies. Internal monitoring tool is used pre-trade and limit monitoring screen is post-trade for the holdings of the fund to make sure the externally managed funds' exposure to the OP exclusion policy stays within pre-defined minimum threshold.

ESG integration: ESG factors are considered as part of the investment process by using an external service provider's data and an ESG tool, developed internally by 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. A sustainable investment percentage is then calculated for each internally and externally managed fund and ETF. OP monitors that each ETF provider has an ESG policy or that they are committed to responsible investment practices. A list of accepted ETFs providers is maintained and updated regularly.

Global norms breaches: Investments in OP Funds are screened regularly for non-compliances with global norms. If a non-compliance is detected, an engagement process is begun with the company in question. The aim is to make non-compliant companies change their practices and begin to comply with global norms in their operations. If engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list. Funds managed by external managers follow their own principles of responsible investments and may engage or exclude the company that violates international standards.

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

  The investment analysis uses both an external provider's ESG analysis and OP Asset Management's internal ESG analysis tools. Assessment of good governance forms an integral part of our investment analysis.

  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?***

  Sustainable investment is considered to be an investment whose business contributes to one or more of the UN's Sustainable Development Goals (SDGs), without harming other sustainability factors or goals. Sustainable investments are identified by applying OP Asset Management's analytical Sustainable Investment -model, which utilizes data

from external service providers on SDGs, EU Taxonomy, and green revenue. Sustainable investments contribute to environmental objectives through fund's investments in companies that support sustainable development goals related to the environment (SDG 6 - Clean Water and Sanitation, SDG 7 - Affordable and Clean Energy, SDG 9 - Industry, Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities, SDG 12 - Responsible Consumption and Production, SDG 13 – Climate Action, SDG 14 – Life Below Water, SDG 15 – Life on Land), are in line with the environmental goals of the EU Taxonomy, or are related to e.g. renewable energy, energy efficiency, environmentally friendly construction, sustainable water resources use, pollution prevention and sustainable agriculture. Sustainable investments contribute to social objectives through fund's investments in companies that support the following sustainable development goals: SDG 1 – No Poverty, SDG 2 – Zero Hunger, SDG 3 – Good Health and Well-being, 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 – Partnership for the Goals. Sustainable investment analysis can be supplemented with the portfolio manager's own manual analysis.

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 target 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. Investments in external funds may have slightly different Do Not Significant Harm processes. The internal sustainable investment tool is used to monitor how much the externally managed funds are in align with OP's model.

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

To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

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 breached global norms (UN Global Compact and OECD guidelines for multinationals). If a breach is identified, the company cannot be determined as a sustainable investment.

The Fund does not make active direct investments in companies that have breached global norms and where engagement has been unsuccessful. The investments are screened each quarter for possible global norms breaches. If a norms breach is detected, the preferred option is to initiate engagement to influence corporate behaviour. The second option is divesting from 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.** To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 i n the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

☐ No

What investment strategy does this financial product follow?

The fund is an allocation fund that invests globally in equities and fixed income. Investments are made primarily through other mutual funds and ETPs. More specific asset classes include, but are not limited to, developed market equities, emerging market equities, government bonds and corporate bonds. Asset allocation decisions are made in OP Asset Management's Investment Committee (IC) and they are applied to the fund, as suitable. Portfolio returns and risk exposures are monitored regularly. Instrument-level investment decisions are made at a portfolio manager level using both quantitative and qualitative selection methods.

The fund invests in other funds that are managed by OP Asset Management, third-party funds, ETPs and individual securities. Derivatives can be used as part of efficient portfolio management to enhance portfolio management, to hedge risk exposures or to replace direct investments.

The fund promotes environmental and/or social characteristics in accordance with OP's Principles for Responsible Investment with regards to assets invested in mutual funds managed by OP. Regarding assets invested in externally managed funds, the fund aims to choose those that promote environmental and/or social characteristics or whose object is to make sustainable investments. Mutual funds managed by OP promote Environmental and/or social characteristics by using exclusion, considering ESG factors as part of the investment process, and setting a fund-specific minimum allocation for sustainable investments. Externally managed funds have their own principles of responsible investments. A comprehensive audit of ESG functions has been carried out for those funds' providers. OP has built internal tools to choose and monitor investments.

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?

OP-managed funds invested by the fund cannot make active direct investments in companies that are on OP Asset Management's official exclusion list. In addition, OP-managed article 8 funds do not invest in companies involved heavily in unconventional oil and gas extractions. Externally managed funds invested by the fund may have other biding elements. In sum, the fund's exposure to companies that are on OP Asset Management's official exclusion list and on the unconventional oil and gas exclusion list is minimized, regardless of whether the investment is in OP-managed or externally managed funds. In addition, external managers must meet OP's minimum criteria for responsible investment.

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.

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

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

To the extent that this investment fund invests in other OP-funds, analysis of the investee company's governance practices is an essential part of the investment process. We consider good governance as a fundamental pillar for any company's financial success, regardless of the industry. By using external service provider's analysis, all companies are regularly screened for global norm breaches to identify governance-related controversies. If a controversy is identified, investment is possible only if an engagement dialogue is initiated. If engagement proves ineffective or impossible, the company will be excluded from the investment universe.

When evaluating the governance of investee companies, we focus on the appropriateness of their governance structures and their comprehensive ESG (Environmental, Social, and Governance) risk management. We believe that a company's ability to manage its ESG risks also provides a comprehensive indication of its governance. When assessing whether an investee company aligns with our sustainable investment criteria, a more comprehensive evaluation of governance is conducted. This includes evaluating company's actions concerning its employees, as well as its practices related to compensation and taxation. In the assessment of good governance, we rely on an external service provider's analysis and our own qualitative analysis when external information is not available. The funds are regularly screened against the criteria of good governance, with minimum thresholds in place.

We also expect good governance from our external fund managers, and its examination is an essential part of the due diligence process which is conducted before investment decisions and with an annual survey. The examination focuses on aspects such as the appropriateness of the company's governance structures, the company's actions in relation to its personnel, and its practices regarding compensation and taxation. Additionally, the company's operations should be transparent.

What is the asset allocation planned for this financial product?

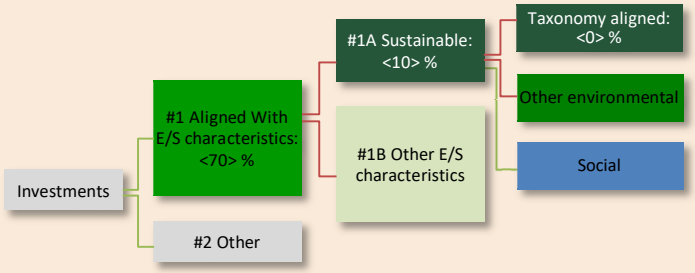
The Fund promotes environmental and social characteristics by using exclusion, considering ESG factors as part of the investment process, conducting a comprehensive audit of ESG functions for externally managed fund providers and setting a fund-specific minimum allocation for sustainable investments. 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.

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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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 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.

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.

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

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?

[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.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The fund does not commit to a minimum share.

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 minimum shares are set for these goals.

What is the minimum share of socially sustainable investments?

The minimum amount of sustainable investments can include both socially and environmentally sustainable investments. The ratio of socially and environmentally sustainable investments might vary.

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

The Fund invests in securities mainly through funds. 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.

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

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?

No.

Where can I find more product specific information online?

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

www.op.fi

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-Finland

Legal entity identifier: FI0008800206

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?

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 screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.

ESG integration: ESG factors are considered as 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 screened regularly for non-compliances with international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, 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 investment analysis uses both an external provider's ESG analysis and OP Asset Management's ESG analysis model. Assessment of good governance forms an integral part of our investment analysis.

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.

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 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 target 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.

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 is an equity fund which invests its assets mainly in the equities of companies in the Finnish equity market whose return potential consists of dividends and value performance. 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 investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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

- ***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 OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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.

What is the asset allocation planned for this financial product?

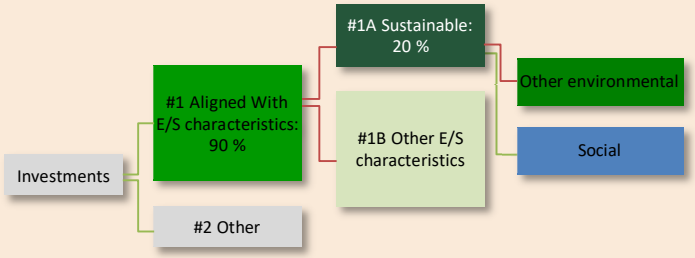
Asset allocation describes the share of investments in specific assets.

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 20% 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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?**

☐ 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.

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 minimum shares are set for these goals.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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

[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.

management. Sustainability data might not be available for possible derivatives.

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

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-Target 2

Legal entity identifier: FI4000410931

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 3 % 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?

The Fund promotes sustainability characteristics by positive selection and negative restrictions.

The Fund uses best-in-class weighting based on the ESG rating, which means that companies that are among the best in their sector in terms of sustainability issues are selected for inclusion in the Fund.

The Fund excludes tobacco, alcohol, gambling, weapons, adult entertainment and nuclear power.

In addition, the Fund's investments are screened regularly for violations of international standards using an external service provider's analysis. If a standard violation is detected, the preferred option is to influence the company's behaviour. If that is impossible or unsuccessful, the company is excluded.

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?

The Fund uses sustainability indicators, such as the ESG rating, which reveals how well a company manages material risks and opportunities related to the environment, social responsibility and good governance in comparison to its peers.

- ***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.

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 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.

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 and excluded, if necessary. Also, a process to influence the company's behaviour can be started. 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 is an actively managed balanced fund which mainly invests its assets in global stock and fixed income markets.

The Fund may also invest in the units of other mutual funds.

The Fund promotes environmental and social characteristics by using exclusions and best-in-class weighting based on the ESG rating. This means that companies that are among the best in their sector in terms of sustainability issues are selected for inclusion in the fund. In addition, the Fund has a minimum allocation for sustainable investments.

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 tobacco, alcohol, gambling, weapons, adult entertainment and nuclear power.

- ***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?***

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

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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

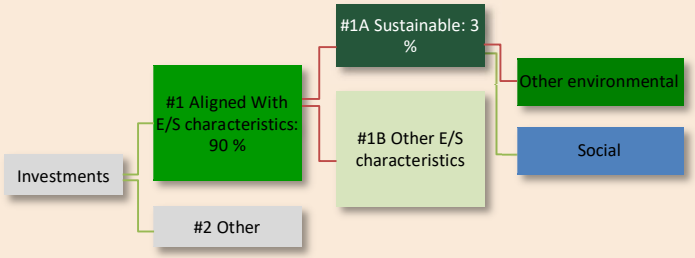
Taxonomy-aligned activities are expressed as a share of:

- **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 3% 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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?

☐ 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.

not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

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

The Fund may invest its assets in exchange-traded derivatives and OTC derivatives in order to hedge against market fluctuations, to replace direct investments and otherwise to promote efficient portfolio management. The Fund may also invest in derivative contracts intended for credit risk transfer. Sustainability factors cannot be determined for possible derivatives.

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

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-Target 3

Legal entity identifier: FI4000410949

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 3 % 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?

The Fund promotes sustainability characteristics by positive selection and negative restrictions.

The Fund uses best-in-class weighting based on the ESG rating, which means that companies that are among the best in their sector in terms of sustainability issues are selected for inclusion in the Fund.

The Fund excludes tobacco, alcohol, gambling, weapons, adult entertainment and nuclear power.

In addition, the Fund's investments are screened regularly for violations of international standards using an external service provider's analysis. If a standard violation is detected, the preferred option is to influence the company's behaviour. If that is impossible or unsuccessful, the company is excluded.

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?

The Fund uses sustainability indicators, such as the ESG rating, which reveals how well a company manages material risks and opportunities related to the environment, social responsibility and good governance in comparison to its peers.

- ***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.

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 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.

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 and excluded, if necessary. Also, a process to influence the company's behaviour can be started. 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 is an actively managed balanced fund which mainly invests its assets in global stock and fixed income markets.

The Fund may also invest in the units of other mutual funds.

The Fund promotes environmental and social characteristics by using exclusions and best-in-class weighting based on the ESG rating. This means that companies that are among the best in their sector in terms of sustainability issues are selected for inclusion in the fund. In addition, the Fund has a minimum allocation for sustainable investments.

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 tobacco, alcohol, gambling, weapons, adult entertainment and nuclear power.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

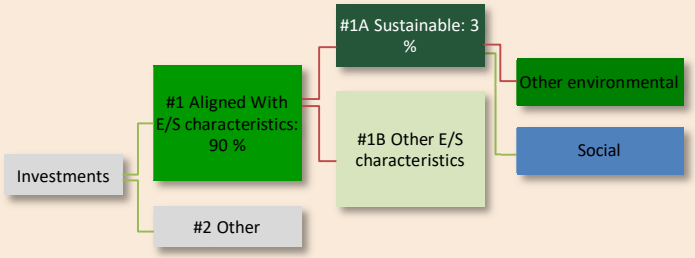
Taxonomy-aligned activities are expressed as a share of:

- **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 3% 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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?

☐ 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.

investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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

The Fund may invest its assets in exchange-traded derivatives and OTC derivatives in order to hedge against market fluctuations, to replace direct investments and otherwise to promote efficient portfolio management. The Fund may also invest in derivative contracts intended for credit risk transfer. Sustainability factors cannot be determined for possible derivatives.

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

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-Target 4

Legal entity identifier: FI4000410956

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 3 % 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?

The Fund promotes sustainability characteristics by positive selection and negative restrictions.

The Fund uses best-in-class weighting based on the ESG rating, which means that companies that are among the best in their sector in terms of sustainability issues are selected for inclusion in the Fund.

The Fund excludes tobacco, alcohol, gambling, weapons, adult entertainment and nuclear power.

In addition, the Fund's investments are screened regularly for violations of international standards using an external service provider's analysis. If a standard violation is detected, the preferred option is to influence the company's behaviour. If that is impossible or unsuccessful, the company is excluded.
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?

The Fund uses sustainability indicators, such as the ESG rating, which reveals how well a company manages material risks and opportunities related to the environment, social responsibility and good governance in comparison to its peers.

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.

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 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.

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 and excluded, if necessary. Also, a process to influence the company's behaviour can be started. 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 is an actively managed balanced fund which mainly invests its assets in global stock and fixed income markets.

The Fund may also invest in the units of other mutual funds.

The Fund promotes environmental and social characteristics by using exclusions and best-in-class weighting based on the ESG rating. This means that companies that are among the best in their sector in terms of sustainability issues are selected for inclusion in the fund. In addition, the Fund has a minimum allocation for sustainable investments.

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 tobacco, alcohol, gambling, weapons, adult entertainment and nuclear power.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

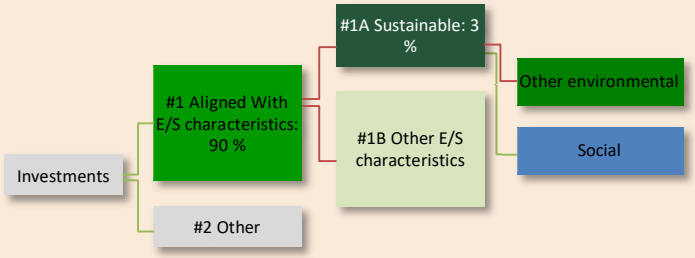
Taxonomy-aligned activities are expressed as a share of:

- **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 3% 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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?

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

The Fund may invest its assets in exchange-traded derivatives and OTC derivatives in order to hedge against market fluctuations, to replace direct investments and otherwise to promote efficient portfolio management. The Fund may also invest in derivative contracts intended for credit risk transfer. Sustainability factors cannot be determined for possible derivatives.

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

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-Conservative Fund

Legal entity identifier: FI0008814702

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 5 % 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 invests in securities mainly through funds managed by OP Fund Management Company and external managers. It promotes environmental and social characteristics by integrating a fund level as well as fund-look-through analysis and monitoring of sustainability factors into the investment process. The analysis and monitoring consist of limiting the exposure to specific industries through exclusions and taking climate aspects and active ownership into account as part of the managers' investing process. The fund mainly invests in funds that promote environmental and/or social characteristics or whose object is to make sustainable investments.

Mutual funds managed by OP Fund Management Company Ltd promote environmental and/or 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 screened regularly for global norms breaches using an external service provider's analysis.

Regarding the investments in external managers' funds, a comprehensive audit of the external managers' ESG functions has been carried out. The audit reviews the external asset managers' ESG policy and resources, ESG reporting capabilities, exclusion principles and consideration of sustainability factors in investment activities. The external managers' ESG audit results are scored by OP Asset Management and their sustainability work its development is monitored using an annual survey. The fund does not invest in external managers' funds that do not have an ESG policy or that are not committed to responsible investment practices.

Environmental and social characteristics include following factors:

Fund-specific minimum allocation: The fund partly invests in sustainable investments through investing in companies involved in activities that contribute to one or more of the UN's Sustainable Development Goals, are in line with the environmental goals of the EU Taxonomy, or contribute to green revenue, and do not cause significant harm to the environment or society and follow good governance.

Exclusion: Regarding investments in OP-managed funds the following exclusion criteria applies. The OP funds do not make any active direct investments in 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 involved in unconventional oil and gas extraction. Externally managed funds invested by the fund follow their own exclusion policies. Internal monitoring tool is used pre-trade and limit monitoring screen is post-trade for the holdings of the fund to make sure the externally managed funds' exposure to the OP exclusion policy stays within pre-defined minimum threshold.

ESG integration: ESG factors are considered as part of the investment process by using an external service provider's data and an ESG tool, developed internally by 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. A sustainable investment percentage is then calculated for each internally and externally managed fund and ETF. OP monitors that each ETF provider has an ESG policy or that they are committed to responsible investment practices. A list of accepted ETFs providers is maintained and updated regularly.

Global norms breaches: Investments in OP Funds are screened regularly for non-compliances with global norms. If a non-compliance is detected, an engagement process is begun with the company in question. The aim is to make non-compliant companies change their practices and begin to comply with global norms in their operations. If engagement proves unsuccessful, the company may be removed from the fund portfolio and placed on the exclusion list. Funds managed by external managers follow their own principles of responsible investments and may engage or exclude the company that violates international standards.

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

  The investment analysis uses both an external provider's ESG analysis and OP Asset Management's internal ESG analysis tools. Assessment of good governance forms an integral part of our investment analysis.

  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?***

  Sustainable investment is considered to be an investment whose business contributes to one or more of the UN's Sustainable Development Goals (SDGs), without harming other sustainability factors or goals. Sustainable investments are identified by applying OP Asset Management's analytical Sustainable Investment -model, which utilizes data

from external service providers on SDGs, EU Taxonomy, and green revenue. Sustainable investments contribute to environmental objectives through fund's investments in companies that support sustainable development goals related to the environment (SDG 6 - Clean Water and Sanitation, SDG 7 - Affordable and Clean Energy, SDG 9 - Industry, Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities, SDG 12 - Responsible Consumption and Production, SDG 13 – Climate Action, SDG 14 – Life Below Water, SDG 15 – Life on Land), are in line with the environmental goals of the EU Taxonomy, or are related to e.g. renewable energy, energy efficiency, environmentally friendly construction, sustainable water resources use, pollution prevention and sustainable agriculture. Sustainable investments contribute to social objectives through fund's investments in companies that support the following sustainable development goals: SDG 1 – No Poverty, SDG 2 – Zero Hunger, SDG 3 – Good Health and Well-being, 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 – Partnership for the Goals. Sustainable investment analysis can be supplemented with the portfolio manager's own manual analysis.

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 target 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. Investments in external funds may have slightly different Do Not Significant Harm processes. The internal sustainable investment tool is used to monitor how much the externally managed funds are in align with OP's model.

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

To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

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 breached global norms (UN Global Compact and OECD guidelines for multinationals). If a breach is identified, the company cannot be determined as a sustainable investment.

The Fund does not make active direct investments in companies that have breached global norms and where engagement has been unsuccessful. The investments are screened each quarter for possible global norms breaches. If a norms breach is detected, the preferred option is to initiate engagement to influence corporate behaviour. The second option is divesting from 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.** To the extent that this investment fund invests in other OP-funds, all principal adverse impacts (PAI) indicators from Table 1 of Annex 1 in the SFDR RTS are regularly analysed by screening all direct investments and using the OP Asset Management's internally developed PAI tool, which is based on an external service provider's data. These indicators are listed below.

For investee companies these include: #1. GHG emissions, #2. Carbon footprint, #3. GHG intensity of investee companies, #4. Exposure to companies active in the fossil fuel sector, #5. Share of non-renewable energy consumption and production, #6. Energy consumption intensity per high impact climate sector, #7. Activities negatively affecting biodiversity-sensitive areas, #8. Emissions to water, #9. Hazardous waste and radioactive waste ratio, #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, #12. Unadjusted gender pay gap, #13. Board gender diversity, and #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For sovereigns and supranationals: #15. GHG intensity and #16. Investee countries subject to social violations.

For real estate assets: #17. Exposure to fossil fuels through real estate assets and #18. Exposure to energy-inefficient real estate assets.

The additional indicator #4 Investments in companies without carbon emission reduction initiatives from Table 2 and the additional indicator #14 Number of identified cases of severe human rights issues and incidents from Table 3 of Annex 1 in the SFDR RTS are also considered.

If this 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 deemed necessary. Also, a process to engage with the company can be started. Portfolio managers use the PAI tool to see each company's value and within-industry ranking for each PAI metric and thus make better investment decisions for the current holdings and potential investments. 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).

To the extent this fund invests in external funds, how principal adverse impacts on sustainability factors are currently considered depends on data availability and processes may evolve as data quality and availability will improve.

☐ No

What investment strategy does this financial product follow?

The fund is an allocation fund that invests globally in equities and fixed income. Investments are made primarily through other mutual funds and ETPs. More specific asset classes include, but are not limited to, developed market equities, emerging market equities, government bonds and corporate bonds. Asset allocation decisions are made in OP Asset Management's Investment Committee (IC) and they are applied to the fund, as suitable. Portfolio returns and risk exposures are monitored regularly. Instrument-level investment decisions are made at a portfolio manager level using both quantitative and qualitative selection methods.

The fund invests in other funds that are managed by OP Asset Management, third-party funds, ETPs and individual securities. Derivatives can be used as part of efficient portfolio management to enhance portfolio management, to hedge risk exposures or to replace direct investments.

The fund promotes environmental and/or social characteristics in accordance with OP's Principles for Responsible Investment with regards to assets invested in mutual funds managed by OP. Regarding assets invested in externally managed funds, the fund aims to choose those that promote environmental and/or social characteristics or whose object is to make sustainable investments. Mutual funds managed by OP promote Environmental and/or social characteristics by using exclusion, considering ESG factors as part of the investment process, and setting a fund-specific minimum allocation for sustainable investments. Externally managed funds have their own principles of responsible investments. A comprehensive audit of ESG functions has been carried out for those funds' providers. OP has built internal tools to choose and monitor investments.

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?

OP-managed funds invested by the fund cannot make active direct investments in companies that are on OP Asset Management's official exclusion list. In addition, OP-managed article 8 funds do not invest in companies involved heavily in unconventional oil and gas extractions. Externally managed funds invested by the fund may have other biding elements. In sum, the fund's exposure to companies that are on OP Asset Management's official exclusion list and on the unconventional oil and gas exclusion list is minimized, regardless of whether the investment is in OP-managed or externally managed funds. In addition, external managers must meet OP's minimum criteria for responsible investment.

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.

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

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

To the extent that this investment fund invests in other OP-funds, analysis of the investee company's governance practices is an essential part of the investment process. We consider good governance as a fundamental pillar for any company's financial success, regardless of the industry. By using external service provider's analysis, all companies are regularly screened for global norm breaches to identify governance-related controversies. If a controversy is identified, investment is possible only if an engagement dialogue is initiated. If engagement proves ineffective or impossible, the company will be excluded from the investment universe.

When evaluating the governance of investee companies, we focus on the appropriateness of their governance structures and their comprehensive ESG (Environmental, Social, and Governance) risk management. We believe that a company's ability to manage its ESG risks also provides a comprehensive indication of its governance. When assessing whether an investee company aligns with our sustainable investment criteria, a more comprehensive evaluation of governance is conducted. This includes evaluating company's actions concerning its employees, as well as its practices related to compensation and taxation. In the assessment of good governance, we rely on an external service provider's analysis and our own qualitative analysis when external information is not available. The funds are regularly screened against the criteria of good governance, with minimum thresholds in place.

We also expect good governance from our external fund managers, and its examination is an essential part of the due diligence process which is conducted before investment decisions and with an annual survey. The examination focuses on aspects such as the appropriateness of the company's governance structures, the company's actions in relation to its personnel, and its practices regarding compensation and taxation. Additionally, the company's operations should be transparent.

What is the asset allocation planned for this financial product?

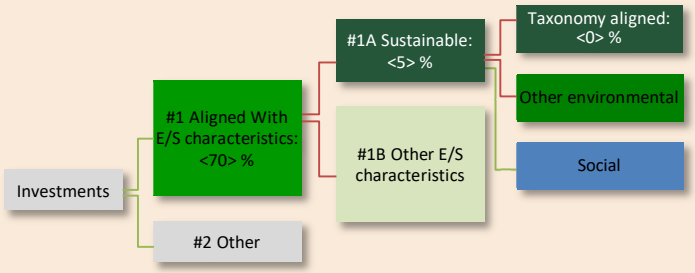
The Fund promotes environmental and social characteristics by using exclusion, considering ESG factors as part of the investment process, conducting a comprehensive audit of ESG functions for externally managed fund providers and setting a fund-specific minimum allocation for sustainable investments. 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 5% minimum allocation to sustainable investments. Sustainable investments are defined using the sustainable investment model by OP Asset Management.

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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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 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.

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.

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

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?

[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.

The fund does not commit to a minimum share.

are environmentally sustainable investments that **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 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 minimum shares are set for these goals.

What is the minimum share of socially sustainable investments?

The minimum amount of sustainable investments can include both socially and environmentally sustainable investments. The ratio of socially and environmentally sustainable investments might vary.

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

The Fund invests in securities mainly through funds. 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.

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

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?

No.

Where can I find more product specific information online?

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

www.op.fi

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-Rental Yield special common fund

Legal entity identifier: FI4000060934

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 20% 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?

The Fund promotes environmental and social sustainability by supporting sustainable urbanisation in the form of infill development and by favouring energy-efficient solutions. In selecting investments, locations that enable access to services on foot or by bicycle or public transport are prioritised. The Fund enables the construction of new, healthy homes and a high-quality alternative to home ownership. To the extent that the Fund makes investments in line with the EU Taxonomy, its aim is to promote climate change mitigation.

No benchmark value has been set to achieve the environmental and social characteristics promoted by the Fund.

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

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

The sustainability indicators monitored include the average energy class of properties, the production of renewable energy in properties, the number of homes built and the number of certified properties.

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?

Insofar as sustainable investments are made in the Fund, those investments in line with the EU Taxonomy which have set climate change mitigation as their environmental goals are considered sustainable investments. Climate change mitigation is promoted by investing in the options that meet the requirements of the EU Taxonomy.

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?

Insofar as the Fund makes sustainable investments with climate change mitigation as the environmental goal, it is assessed in line with the EU Taxonomy that the investment does not cause significant harm to other goals following the EU Taxonomy. The "do no significant harm" assessment related to property acquisition and possession comprises the assessment of physical climate risks concerning taxonomy-aligned investments. As part of the assessment, climate risk analysis is carried out for sustainable investments. This assessment progresses in phases and involves (i) a review of activities in order to define which physical climate risks may affect the properties during their expected lifetime; (ii) if the activities are assumed to be in danger due to one or more physical climate risks, an assessment of the significance of the climate risk based on the vulnerability of the property; and (iii) a review of adjustment solutions that decrease the identified physical climate risks related to properties.

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

Principal adverse impacts (PAI) on sustainability factors are regularly assessed by considering the PAI indicators applicable to investments in real estate assets. These indicators apply to risks related to fossil fuels and energy inefficiency, as well as greenhouse gas emissions.

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

The Fund invests mainly in housing or real estate companies owned by the Fund for 100% of their shares. As part of OP Financial Group, we support the UN's Global Compact initiative and follow the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Insofar as the Fund may have investments in companies, these companies are reviewed in terms of quality in accordance with OECD's instructions and UN principles.

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

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 Insofar as the Fund invests in real estate assets, principal adverse impacts (PAI) on sustainability are regularly assessed by considering the PAI indicators applicable to investments in real estate assets. The indicators apply to risks related to fossil fuels and energy inefficiency, as well as greenhouse gas emissions.

Insofar as the Fund invests in other funds or companies that invest in real estate assets, principal adverse impacts (PAI) on sustainability factors are regularly assessed by reviewing the PAI indicators applicable to investments in either real estate assets or companies, as appropriate.

In the future, information about 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 investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

OP-Rental Yield is a special common fund which mainly invests its assets in homes, commercial premises and residential construction contracting in Finland. The Fund promotes environmental and social characteristics and, to ensure it, uses environmental, social and governance (ESG) analysis and excludes certain investments. The Fund's investments are mainly made in rental apartments, which typically account for at least half the Fund's portfolio. In addition, the Fund invests a maximum of a fifth of its gross assets in residential construction contracting. These investments are made either directly to OP-Rental Yield's own construction contracting or indirectly in shares in limited partnerships engaged in building and renting homes. The Fund also invests in commercial premises, such as business and office premises. The Fund's yield and value are greatly affected by the general trend in the values and rental yields in the Finnish real estate market. The Fund's investments typically focus on growth poles and other regions considered the most attractive by the portfolio management.

- ***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 has a minimum allocation for sustainable investments.

The following operations are excluded from investments, and the Fund's investment properties are not rented out to the following operations:
- mining, storing, transporting or producing fossil fuels
- storing, transporting, producing or supplying controversial weapons or nuclear weapons
- producing products that are addictive or harmful to health (such as the production of tobacco or large-scale production of intoxicating substances) or considered as adult entertainment
- with identified extremely severe environmental or social violations or UN Global Compact violations such as forced 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.

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

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

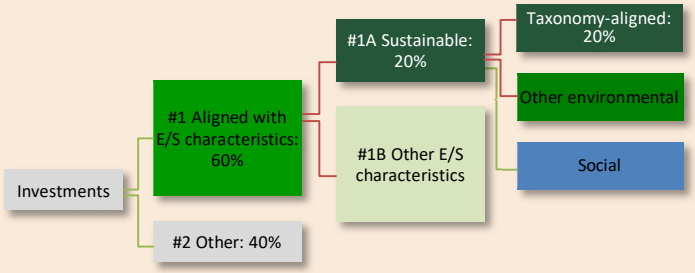
Insofar as the Fund can invest in companies, they undergo a qualitative analysis based on which the implementation of good governance is assessed. When assessing a company's governance, some of the areas considered include the appropriateness of the company's administrative organisation, the company's actions in relation to its personnel, and the company's remuneration and taxation practices. In addition, the company's operations should be transparent.

What is the asset allocation planned for this financial product?

According to the Fund's rules, three fifths (3/5) of the Fund's total assets must always be invested in real property in Finland or real estate securities related to such real property. All such investments by the Fund promote environmental and social characteristics in the manner described in this Annex, and the minimum proportion of such investments is 60%. "Other" may comprise short-term net assets such as derivatives used for hedging of cash and the interest rate of loans, for example. Derivatives or cash cannot be considered to promote environmental or social characteristics. To the extent that the Fund makes sustainable investments, those investments aligned with the EU Taxonomy which have set climate change mitigation as their environmental goals are considered sustainable investments. The Fund's minimum allocation in sustainable investments is 20%.

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 the transition to a green economy
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies



#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 attain the environmental or social characteristics promoted by the financial product?

The Fund may invest its assets in derivative contracts and OTC derivatives in order to hedge against the risk of adverse market movements, to replace direct investments, and to otherwise promote effective portfolio management. Sustainability factors cannot be determined for possible derivatives.

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

To the extent that the Fund makes sustainable investments, such investment objects whose environmental goal according to the EU Taxonomy is to limit climate change are considered sustainable investments. The Fund's minimum allocation in sustainable investments is 20%.

The compatibility with the EU Taxonomy regarding the acquisition and ownership of buildings may presuppose, for example, that the energy class according to the energy certificate for the building is "A", or that the building belongs to the top 15% of Finland's building stock in terms of energy efficiency. Thus, not all investment objects are in accordance with the EU Taxonomy (and thus not sustainable from the Fund's perspective). Over time, a building may cease to belong to the top 15%, depending on the energy efficiency of Finland's entire building stock.

The Fund calculates the taxonomy alignment of investments based on the net asset value of investments.

An inspector or another third party has not checked that the investments in question meet the requirements stipulated in the EU Taxonomy (Article 3 of Regulation (EU) 2020/852).

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.

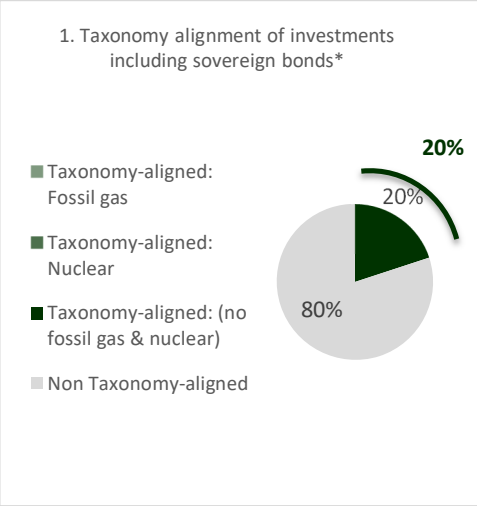
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

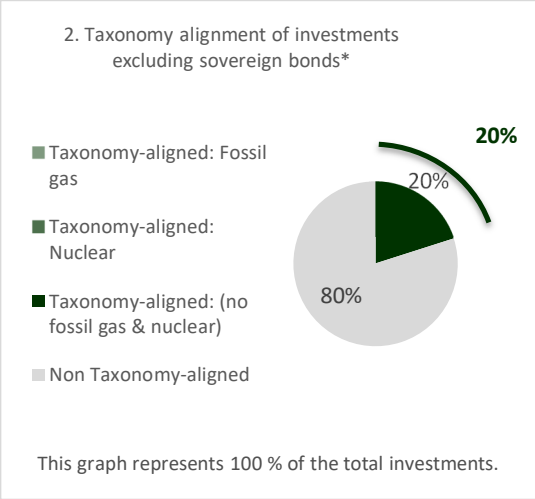
☐ Yes:

☐ in fossil gas ☐ in nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.*

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

The Fund does not commit to a minimum share.

are environmentally sustainable investments that **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 does not have a minimum share of sustainable investments not in line with the EU Taxonomy.

[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.

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

"Other" may comprise short-term net assets such as cash or derivatives used for hedging of the interest rate of loans, for example. The Fund may invest its assets in derivative contracts and OTC derivatives in order to hedge against the risk of adverse market movements, to replace direct investments, and to otherwise promote effective portfolio management. Sustainability factors cannot be considered separately for possible derivatives.

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

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?

●● ☐ **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?

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.

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 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.

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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

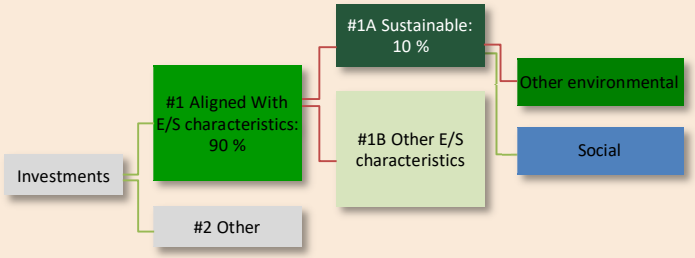
Taxonomy-aligned activities are expressed as a share of:

- **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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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 Taxonomy[1]?

☐ 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

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-US Corporate Bond

Legal entity identifier: FI4000153648

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?

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 screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.

ESG integration: ESG factors are considered as 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.

Violations of international standards: The Fund is screened regularly for non-compliances with international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, 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 investment analysis uses both an external provider's ESG analysis and OP Asset Management's ESG analysis model. Assessment of good governance forms an integral part of our investment analysis.

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.

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 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 target 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.

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 has violated international norms (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 standard 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 and excluded, if necessary. Also, a process to influence the company's behaviour can be started. 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 is a long-term bond fund which mainly invests its assets in US dollar-denominated bonds issued by US companies with a high credit rating. The Fund performs as full as possible hedging against currency risk. 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 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 OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

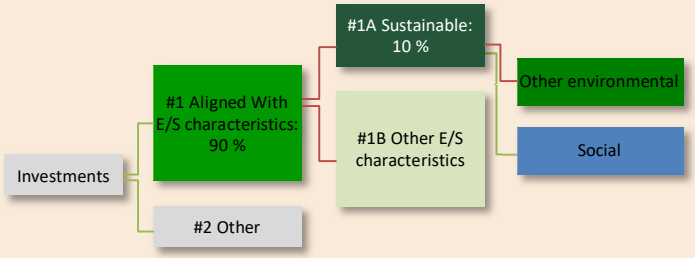
Taxonomy-aligned activities are expressed as a share of:

- **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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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.

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 Taxonomy[1]?**

☐ 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.

Investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

[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 minimum shares are set for these goals.

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?

To manage the liquidity risk of the Fund, the Fund has allocated cash and has the possibility to invest in ETF. Using these options ensures the Fund's sufficient liquidity in various market conditions and efficient management of fund subscriptions and redemptions. The ETF used in the Fund reflects broad market index, and it does not take into account sustainability factors. The Fund may 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. The Fund may also invest in derivative contracts intended for credit risk transfer. Derivatives are mainly used to manage interest rate and credit risks. Sustainability data might not be available for possible derivatives.

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

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-Corporate Bond

Legal entity identifier: FI0008805304

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?

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 screened regularly for violations of international standards using an external service provider's analysis.

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 involved in unconventional oil and gas extraction.

ESG integration: ESG factors are considered as 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.

Violations of international standards: The Fund is screened regularly for non-compliances with international standards. In the event that a non-compliance is detected, an engagement 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 engagement proves unsuccessful, 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 investment analysis uses both an external provider's ESG analysis and OP Asset Management's ESG analysis model. Assessment of good governance forms an integral part of our investment analysis.

  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.

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 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 target 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.

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 has violated international norms (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 standard 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 and excluded, if necessary. Also, a process to influence the company's behaviour can be started. 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 is a long-term bond fund which mainly invests its assets in euro-denominated bonds issued by European companies with a high credit rating. The Fund's assets may also be invested to a limited extent in bonds issued by companies in OECD member countries or domiciled in an OECD member country. 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 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 OP Asset Management's general list of exclusions, the Fund does not invest in companies involved full-time in unconventional oil and gas extraction.

- ***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.

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

- ***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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

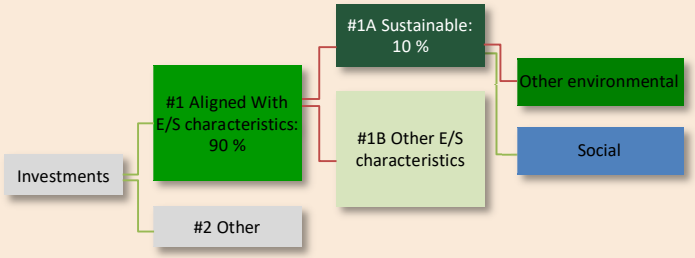
Taxonomy-aligned activities are expressed as a share of:

- **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.



#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**.**

#2Other includes the remaining investments of the financial product which are neither aligned with 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 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 Taxonomy[1]?

☐ 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.

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

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