

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 Fixed Income Strategy Fund

Legal entity identifier: FI4000120712

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 5 % of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



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

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 bidding 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.

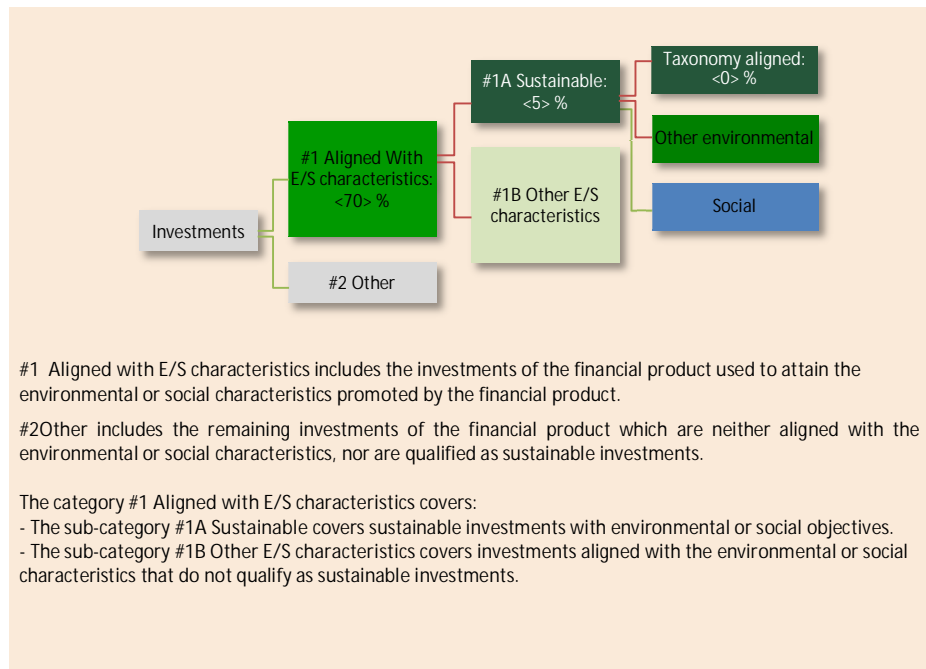
Taxonomy-aligned activities are expressed as a share of:

- 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.

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.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

- Yes:
- in fossil gas in nuclear energy
- No

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

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

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