

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?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="radio"/> 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 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 0 % 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 type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



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

The Fund promotes 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.

- *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.

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



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

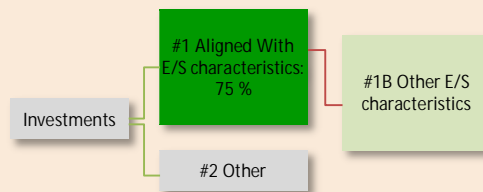
Taxonomy-aligned activities are expressed as a share of:

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

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

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

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



#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 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