

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-Sustainable Wellbeing

Legal entity identifier: FI4000561311

Sustainable investment objective

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.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input type="radio"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: % <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<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 ____% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with a social objective: 75 %	<input type="checkbox"/> 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.

### *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

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

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?*

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)

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

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

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 initiate 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.

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**No**

### What investment strategy does this financial product follow?

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?*

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

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.

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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 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 and the minimum share of sustainable investments?

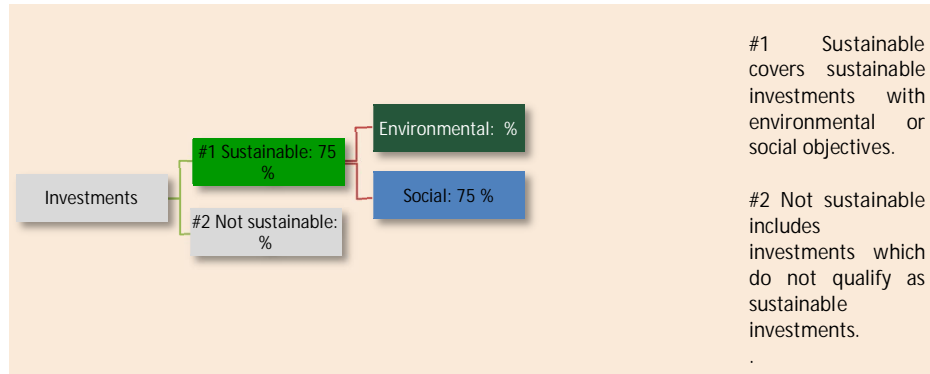
At least 75% of the fund's market value (including at least 100% of equity investments) are sustainable investments in accordance with SFDR Article 2, Section 17, i.e. they promote social goals. The fund has no environmental goals.



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.

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 Sustainable covers sustainable investments with environmental or social objectives.

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

● *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.

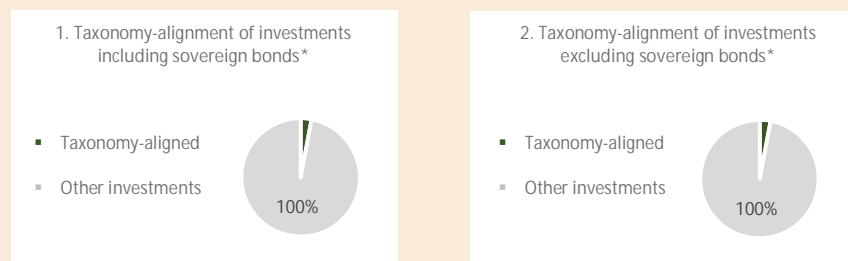


*To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?*

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 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.



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](http://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](http://www.op.fi/private-customers/savings-and-investments/funds/supplementary-sustainability-data)