

Pre-contractual disclosure Article 9 Disclosure Regulation

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: UI – Aktia Sustainable Corporate Bond Fund		Legal entity identity (LEI-Code): LEI-Code des Fonds	
Sustainable investment objective			
Does this financial product have a sustainable investment objective?			
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes		<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> No	
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: <u>89</u> %		<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 <u> </u> % of sustainable investments	
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy		<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy	
<input checked="" type="checkbox"/> in economic activities that do not 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 checked="" type="checkbox"/> It will make a minimum of sustainable investments with a social objective: <u>9</u> %		<input type="checkbox"/> with a social objective	
		<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?

This Sub-Fund has sustainable investments as its objective within the meaning of Article 9 Disclosure Regulation.

The minimum proportion of sustainable investments is 98 %.

The objective of the Sub-Fund is to make a positive net impact through investing in ICMA compliant (this means that the labelled bond in question is aligned with principles on sustainable finance of the International Capital Markets Association (ICMA)), social projects (social bonds), the combination of these (sustainability bonds) or sustainability linked bonds. The positive impact focuses on four sustainability themes that address the global and local fields of action: Environment, Society, Knowledge and Health. Aktia examines issuers and bonds true impact using net impact model of The Upright Project (The Upright net impact model is a mathematical model of the economy that produces continuously updated estimates of the net impact of e.g. companies, products, services or funds (the

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

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.

“Upright Project”). The Model analyses three parts of the value chain: internal impact; upstream impacts and downstream impacts. Aktia consider both instrument level and company level net impact. The sub-fund only invests in ICMA compliant sustainable corporate bonds which use of proceeds have an overall positive net impact. The use of proceeds for the instruments used may include e.g. green energy, energy efficiency, social housing or other environmental or social projects. The investment universe comprises all bonds that meet the Aktia’s Responsible Investment Policy and fund’s ESG screening criteria and have undergone fundamental analysis within the sustainability themes. In Aktia, investment decisions and portfolio management are based on overall, in-debt analysis and views of positive and negative factors, including ESG and impact, aiming to achieve the best possible return on the chosen risk level.

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

Net impact scores provided by The Upright Project.

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

The decision making process of the fund takes into account sustainability risks and -factors and main Principle Adverse Impact-indicators (PAI). The evaluation is made using both own and external tools, through which different sustainability risks and -factors can be identified and reviewed diversely in the decision making process. These tools are also used to identify sustainability risks and PAI's before investment decisions and also in reporting after investment.

The Sub-Fund applies activity-based exclusions. Companies with the following activities are excluded:

- Pornography/ Adult Entertainment (Upstream, Production and Downstream) > 5 % revenue
- Alcohol (Production and Downstream) > 5% revenue
- Cannabis (Production and Downstream) > 5% revenue
- Conventional Weapons (Production and Downstream) > 5% revenue
- Coal (Production and Downstream) > 5 % Revenue
- Gambling (Production and Downstream) >5% revenue
- Nuclear Weapon (Upstream, Production and Downstream)> 0% revenue
- Oil (Upstream, Production and Downstream) > 5% revenue
- New development of oil project
- Other fossil fuel (Upstream, Production and Downstream) > 0 % revenue
- new development of other fossil fuel project
- Tobacco (Production) > 5% revenue
- Unconventional Weapons (Upstream, Production and Downstream) > 0% revenue

The Sub-Fund applies norm-based screening in connection with “UN Global Compact”/ “OECD Guidelines” and “ILO” (International Labour Organization).

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

Portfolio’s investments are monitored on a regular basis. ESG data from Morningstar/Sustainalytics and ISS ESG is used as part of our investment analysis to assess the DNSH principle and the requirements for the issuers to meet the minimum social safeguards and good corporate governance. The data is used to consider e.g. ESG risks, controversies and norm-based screening. In addition, ISS ESG is used for stewardship activities such as pooled engagement and carbon data, physical and transition risks related to climate change and for climate scenario analysis. Adverse impacts are considered with the data by Morningstar/Sustainalytics and Upright Project. Based on the ESG analysis of our external ESG data providers, all companies are identified that are involved in particularly serious ESG controversies, risks or norm-breaches. As part of ESG integration and impact analysis, portfolio management also engages with companies on their approach to ESG and sustainability issues and related

questions. Within the framework of a structured engagement process, existing and/or potential ESG controversies as well as other ESG-relevant aspects are addressed. Through this engagement process, portfolio management can determine whether a company or issuer recognises existing and/or potential issues and develop strategies to address them, as well as identify ESG/sustainability opportunities. In the case of serious ESG controversies, risks or norm-breaches, the portfolio management applies direct engagement with the company, in order to analyse the controversy with the company, influence company to take actions and make a final decision to continue investment or divestment based on this. Aktia's ESG committee, comprising members of Aktia Asset Management's units, can support portfolio managements in the process and final investment decisions.

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

The Sub-Fund's decision-making process takes into account sustainability risks and factors as well as the main adverse sustainability effects (PAI). As assessment methods, Aktia uses both its own tools and those developed by external service providers, which enable the identification and comprehensive examination of various sustainability risks and factors in the investment decision-making process. These tools are used as part of the decision-making process to identify sustainability risks and the main adverse sustainability effects before investment decisions, as well as to report them after investments.

Key international agreements and norms, such as the UN Declaration of Human Rights and other UN agreements, the UN Sustainable Development Goals (UN Sustainable Development Goals), ILO agreements, and OECD guidelines for multinational companies create Aktia's value base for responsible investing. To evaluate these as part of the investment process, Aktia uses data from external service providers.

Fund utilises norm-based screening (to the extent that it is available from potential investment targets as part of the investment process and monitoring. Norm-based screening is based on UN Global Compact principles.

The responsibility of investment targets and ESG risk management are examined based on objective ESG data. The investment target's ESG risk management and responsibility analysis, including aspects related to the environment (E, environmental), society (S, social) and governance (G, governance) (to the extent that it is available for potential investment targets), are part of the portfolio management.



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

Yes, ___

In the decision-making process regarding investments, the aim is to understand as well as possible all the financially relevant risks and opportunities related to the investment. This also applies to principle adverse impacts. As a starting point, we aim to form an understanding of how these sustainability effects affect the profitability and future prospects of the investment target, also taking into account the asset class and investment horizon in question at any given time. Information on the main adverse principle adverse impacts is utilized in portfolio management as part of the qualitative analysis. Which PAI factors are considered depends on data availability and may evolve as data quality and availability improve.

As assessment methods, Aktia uses both its own tools and those developed by external service providers, which enable the identification and comprehensive examination of various principle adverse impacts and factors in the investment decision-making process. These tools are also used as part of the decision-making process to identify sustainability risks and main

principal adverse impacts before investment decisions, and to report them after investments. The methods and tools used to identify these risks vary according to the regulatory definitions of sustainability risks and available data in force at any given time. The consideration of sustainability risks is also influenced by the investment horizon, goals and other regulations regarding the portfolio's investment universe.

PAI-indicators are taken into account as part of the investment process as well as continuous monitoring of investments. Information will be presented in annual review regarding SFDR 11 article part 2 regulation.

The following PAI are considered:

- GHG_Emissions_Scope_1
- GHG_Emissions_Scope_2
- GHG_Emissions_Scope_3
- GHG_Emissions_Total_Scope_12
- GHG_Emissions_Total_Scope_123
- Carbon_Footprint_Scope12
- Carbon_Footprint_Scope123
- GHG_Intensity_Of_Investee_Companies_Scope12
- GHG_Intensity_Of_Investee_Companies_Scope123
- Exposure_To_Companies_Active_In_The_Fossil_Fuel_Sector
- Share_Energy_Consumption_From_Non-Renewable_Sources
- Share_Energy_Production_From_Non-Renewable_Source
- Energy_Consumption_Intensity_Per_High_Impact_Climate_Sector_NACE_A
- Energy_Consumption_Intensity_Per_High_Impact_Climate_Sector_NACE_B
- Energy_Consumption_Intensity_Per_High_Impact_Climate_Sector_NACE_C
- Energy_Consumption_Intensity_Per_High_Impact_Climate_Sector_NACE_D
- Energy_Consumption_Intensity_Per_High_Impact_Climate_Sector_NACE_E
- Energy_Consumption_Intensity_Per_High_Impact_Climate_Sector_NACE_F
- Energy_Consumption_Intensity_Per_High_Impact_Climate_Sector_NACE_G
- Energy_Consumption_Intensity_Per_High_Impact_Climate_Sector_NACE_H
- Energy_Consumption_Intensity_Per_High_Impact_Climate_Sector_NACE_L
- Activities_Negatively_Affecting_Biodiversity-sensitive_Areas
- Water Emissions
- Hazardous_Waste_Ratio
- Share_Of_Companies_Involved_In_Violation_Of_UN_Global_Compact_Principles_And_OECD_Guidelines_For_Multinational_Enterprises
- Share_Of_Companies_Without_Policies_To_Monitor_Compliance_With_UNGCP_And_OECD_Guidelines_For_Multinational_Enterprises
- Unadjusted_Gender_Pay_Gap
- Board_Gender_Diversity
- Share_Of_Investments_Involved_In_Controversial_Weapons
- GHG Intensity
- Number_Of_Countries_Subject_To_Social_Violations
- Percent_Of_Countries_Subject_To_Social_Violations
- Emissions_Of_Air_Pollutants
- Share_Of_Securities_Not_Certified_Green
- Share_Of_Bonds_Non_Certified_Green
- Exposure_To_Compagnies_With_Alack_Of_Anti_Corruption_And_Anti-Bribery_Policies

Information on PAI is available in the annual report of the Sub-Fund (annual reports as of 01.01.2023).

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.

The Sub-Fund is based on a transparent and stringent investment process. The entire process is characterised by an interdisciplinary cooperation of several competence teams of the contractual partner. In Aktia, investment decisions and portfolio management are based on overall, in-debt analysis and views of positive and negative factors, including ESG and impact. The analysis is based on the integration of sustainability aspects into the issuer analysis and the identification of the positive impact to sustainability themes.

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 the sustainable investment objective?***

The sustainability indicators, as described above, for measuring the attainment of the sustainable investment objective of the Sub-Fund are the binding elements of the investment strategy of the Sub-Fund.

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

The investment process of the Sub-Fund states that the governance principles of companies the Sub-Fund invests in are analyzed before investment and are monitored after investment. Good governance practice is analyzed according to Aktia's guidelines set in the principles of sustainable investment through ESG integration (evaluating sustainability factors) and norm based screening. Service provider's ESG data is used as part of our investment analysis to assess the DNSH principle and the requirements for the issuers to meet the minimum social safeguards and good corporate governance. Active ownership and engagement are also methods included in sustainable investment.



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

The minimum proportion of sustainable investments is 98 %.

The asset allocation of the Sub-Fund and the extent to which the Sub-Fund has direct or indirect exposures in investee entities can be found in the investment limits and guidelines.

Asset allocation

describes the share of investments in specific assets.

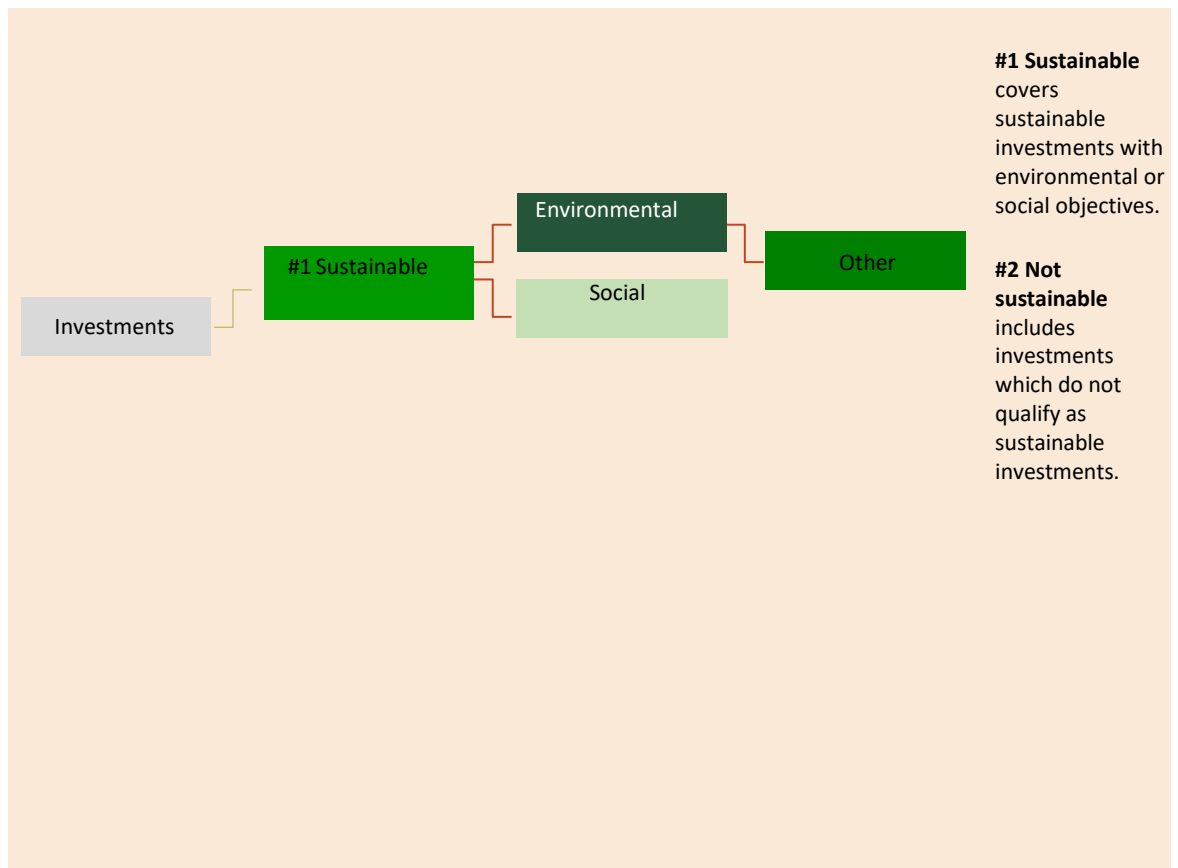
Taxonomy-aligned

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.



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

Derivatives are used in accordance with the requirements of the investment limits and guidelines. For the sustainability strategy, derivatives are neutral positions in the portfolio and are not explicitly used to attain the sustainable investment objective of the Sub- Fund.

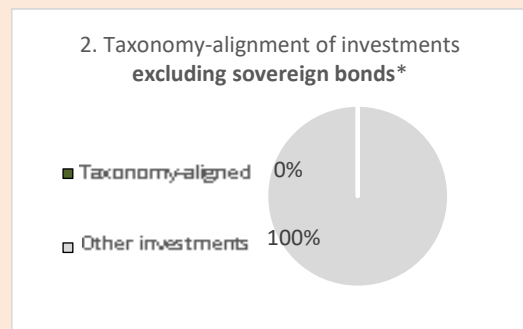
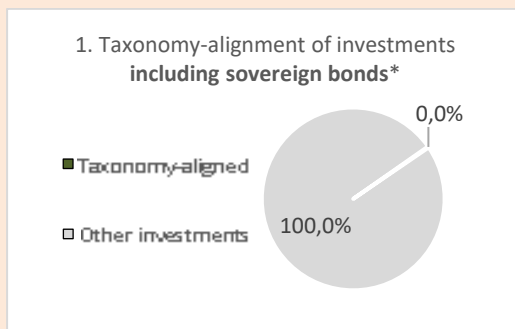
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.



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

The minimum proportion of sustainable investments with an environmental objective as defined by the EU Taxonomy is 0%

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 purposes of these graphs, 'sovereign bonds' consist of all sovereign exposures

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.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU

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

Not applicable.



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

It will make a minimum of sustainable investments with an environmental objective: 89 %.



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

It will make a minimum of sustainable investments with a social objective: 9 %



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

For "Not sustainable investment" that are not part of the Sub-Fund's sustainability strategy, there are no binding criteria to consider minimum environmental and/or social safeguards. This is also due to the nature of the assets, where at the time of the preparation of the Sub-Fund's documents there are no legal requirements or standard market procedures on how to consider minimum environmental and/or social safeguards for such assets."



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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.



Where can I find more product specific information online?

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

<https://fondsfinder.universal-investment.com/api/v1/LU/LU2459309410/document/SRD/en>