

**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, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Template pre-contractual disclosure for financial products referred to in Article 9(1), (2) and (3) of Regulation (EU) 2019/2088 and Article 5 of Regulation (EU) 2020/852

**Product name:** Evli Renewable Energy Infrastructure Fund II Ky  
**Legal entity identifier:** 3183619-3

## 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: 100%**

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

It will make a minimum of **sustainable investments with a social 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 \_\_\_\_%:n of sustainable investments

with an environmental objective in economic activities that 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 promotes E/S characteristics, but **will not make any sustainable investments**



### What is the sustainable investment objective of this financial product?

The objective of the fund is to make sustainable investments in renewable energy infrastructure with a focus on solar and wind power. Solar and wind energy are renewable, carbon-neutral energy sources, and investing in their infrastructure will help curb carbon emissions from energy production and help meet global climate targets and the Paris Agreement's target limit on global warming. The fund uses the tools described below to promote these characteristics:

**Climate change mitigation:** The fund aims to produce as much renewable energy as possible in an economically viable way. Renewable energy reduces both direct and indirect greenhouse gas emissions. Moreover, investments in energy efficiency reduce the intensity of energy consumption. These measures are aimed at mitigating climate change and contributing to the attainment of the targeted warming limit of the Paris Agreement. The fund does not use a benchmark index to measure the achievement of targets, as there is no Paris Agreement index available for the fund's asset class. The fund follows EU guidelines on benchmarking when assessing the climate impact of investments and in its efforts to keep the fund's warming ratio below the 1.5°C target. Its investments take into account various ESG factors linked to environmental and social characteristics. The fund monitors the carbon intensity of its investments, its exposure to high-emitting industries, climate-related opportunities, and its exposure to controversial weapons, tobacco and violations of the UN Global Compact principles, which it aims to minimize.

**ESG integration:** The fund assesses sustainability factors (environmental, social and governance responsibilities) when selecting investments. The fund assesses sustainability factors as part of the Due Diligence process for potential investments, for example. Environmental factors are at the core of the assessment, and the environmental factors analyzed concern reducing direct and indirect CO2 emissions, renewable energy production, improving energy efficiency, reducing water consumption, preserving natural capital (ecosystems, land, water) and mitigating climate change. Social factors focus on providing good working conditions and safety at work, preventing discrimination, standards that promote diversity, and complying with trade union guidelines. Communication with stakeholders, cybersecurity and product safety are also considered important ESG factors.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the 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 antibribery matters.



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

The attainment of the fund's sustainable investment objective is measured and reported with specific environmental indicators, and uses the amount of renewable energy produced, the amount of water consumed, the amount of greenhouse gas emissions avoided and the amount of hazardous waste generated as sustainability indicators.

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

The fund does not make investments that would cause significant harm to other environmental or social objectives. The aim of the fund's strategy is to produce as much renewable energy as possible in an economically viable way. The production of renewable energy makes it possible to avoid carbon dioxide emissions. In addition, the fund considers water consumption and aims to reduce it. It preserves biodiversity in its projects and monitors the volume of waste generated and aims to reduce it.

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

The fund also takes into account the principal adverse impacts (PAI indicators) on sustainability factors. As part of the investment process, the fund assesses indicators relevant to the fund's investment operations.

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

The consideration of PAI indicators also covers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The Fund's sustainable investments are aligned with these principles.

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

**Yes**

Yes, Evli takes account of the principal adverse impacts on sustainability factors. PAI indicators are considered as part of and during the investment process, and information on the relevant indicators is collected on investment targets. Information on the main adverse impacts on sustainability factors is available in the fund's annual report.

**No**

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

The fund focuses its investments on European renewable energy projects, particularly in solar and wind power. The fund invests in renewable energy production facilities, infrastructure, storage and supporting technologies.

● **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 assesses sustainability factors as part of the Due Diligence process for potential investments. Environmental factors are at the core of the assessment, and the environmental factors analyzed concern reducing direct and indirect CO2 emissions, renewable energy production, improving energy efficiency, reducing water consumption, preserving natural capital (ecosystems, land, water) and mitigating climate change. Social factors focus on providing good working conditions and safety at work, preventing discrimination, standards that promote diversity, and complying with trade union guidelines. Communication with stakeholders, cybersecurity and product safety are also considered important ESG factors. Investment decisions are made in accordance with the UN Principles Responsible Investment, (PRI).

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

The fund assesses governance quality to ensure that its investments comply with the OECD Principles for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The assessment includes factors such as competitive behavior, bribery and corruption, governance and business ethics, human resources and tax compliance.



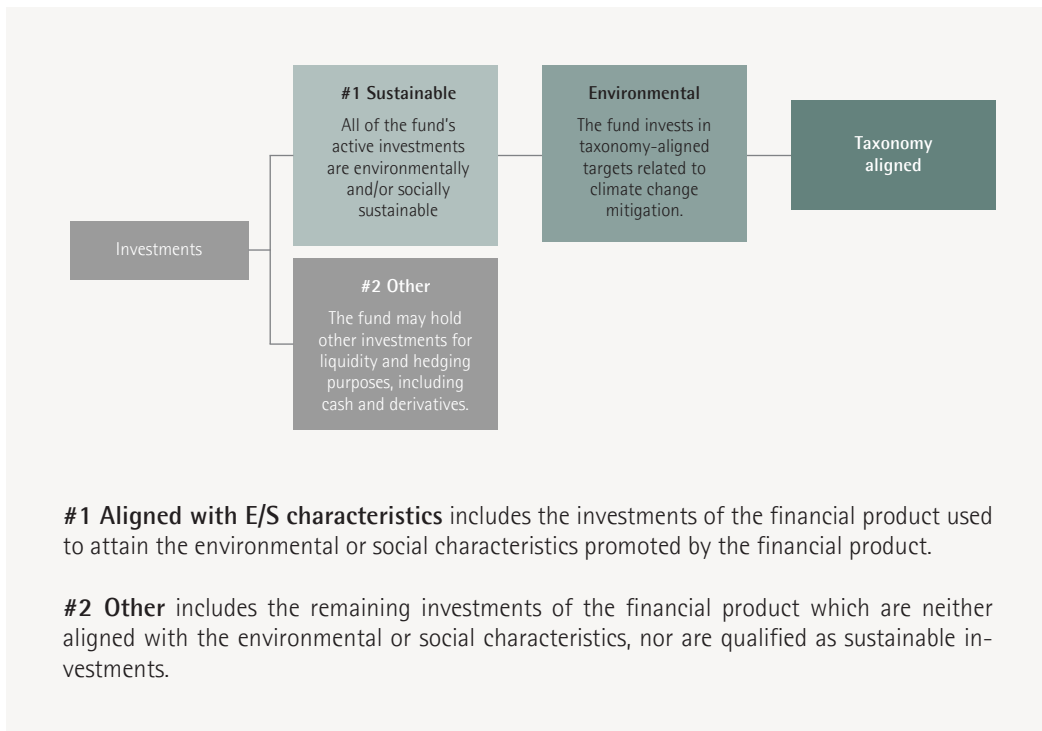
**What is the asset allocation and the minimum share of sustainable investments?**

**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 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 emission and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



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

The fund is committed to investing in economy activities in alignment with the EU Taxonomy Regulation to mitigate climate change, as described below. The proportion of taxonomy-aligned investments is expressed as a share of revenue. The proportion of taxonomy-aligned investments is based on data collected from the investment targets that are not verified by a third party.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas       In nuclear energy

No

<sup>1</sup> 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.

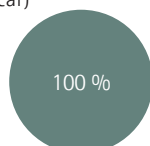
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**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.

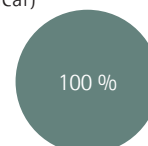
1. Taxonomy-alignment of investments **including sovereign bonds\***

- Taxonomy-aligned (no fossil gas & nuclear)
- Other investments



2. Taxonomy-alignment of investments **excluding sovereign bonds\***

- Taxonomy-aligned (no fossil gas & nuclear)
- Other investments



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

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

The fund may also invest in transitional and enabling economic activities associated with climate-change mitigation.



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

The fund may occasionally, regularly, extensively or never use derivatives that do not meet the criteria for sustainable investment (for purposes of liquidity or hedging). Such investments help manage currency, interest rate and price risk and help the fund meet its environmental objectives. Such investments comply with minimum hedging measures.



**Where can I find more product specific information online?**

More product-specific information can be found on the website:  
<https://www.evli.com/en/products-and-services/mutual-funds>