

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.

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 identifier (Lei-Code): 5299007Y8HOXT88LO182	
Sustainable investment objective			
Does this financial product have a sustainable investment objective?			
●● <input checked="" type="checkbox"/> Yes		●● <input type="checkbox"/> No	
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 65% <input type="checkbox"/> 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 checked="" type="checkbox"/> It will make a minimum of sustainable investments with a social objective: 2%		<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 <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 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 80% of the value of the Sub-Fund's assets.

The fund has sustainable investment as its objective within the meaning of Article 9 of the Disclosure Regulation. The objective of the sub-fund is to make a positive net impact through investing in ICMA compliant sustainable corporate bonds and/or EUGBS (European Union Green Bond Standard) corporate bonds where the use of proceeds is used to finance environmental projects (green bonds), 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 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 and/or EUGBS (European Union Green Bond Standard) 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?***

The fund only invests in ICMA conform sustainable corporate bonds or EUGBS (European Union Green Bond Standard) corporate bonds which use of proceeds have an overall positive net impact.

Net impact ratio provided by The Upright Project: only bonds with the net impact ratio > 0% are eligible for investment.

Net Impact ratio is divided into four dimensions of society, knowledge, health and environment including total of nineteen impact categories. Model analyses three parts of the value chain: internal impact; upstream impacts and downstream impacts. Net impact ratio is defined as (positive impacts - negative impacts) / positive impacts. The maximum value for

net impact ratio is 100 %, representing a theoretical company with no negative impacts. The minimum value is minus infinity.

Target funds must be classified as Article 9 (Regulation (EU) 2020/1818) funds and meet the minimum exclusions of the German target market concept and the PAB exclusions (Delegated Regulation 2020/1818).

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 (Production) > 5% Revenues
- Alcohol (Production) > 5% Revenues
- Cannabis(Production, Downstream) > 5% Revenues
- Conventional Weapons(Upstream, Production) > 5% Revenues
- Coal (Upstream, Production, Downstream: exploration, mining, extraction, distribution or refining) > 1% Revenues
- Gambling (Upstream, Production, Downstream) > 5% Revenues
- Gas (Upstream, Production, Downstream: exploration, extraction, manufacturing or distribution) > 50% Revenues
 - Nuclear weapons (Upstream, Production, Downstream) > 0%
 - Oil (Upstream, Production, Downstream: exploration, extraction, distribution or refining) > 10%
- Revenues
- Tobacco (Production) > 0% Revenues
- unconventional Weapons (Upstream, Production, Downstream) > 0% Revenues
- Shale Energy Extraction > 5% Revenue (Production)
- Small Arms Civilian Customers > 5% Revenue (Upstream, Production, Downstream)
- Electricity generation with GHG intensity above 100 g CO₂e/kWh > 50% Revenue (Production)

The (sub-)fund also applies norms-based screening in relation to

international frameworks, such as the “UN Global Compact Principles”, “OECD-Guidelines for Multinational Enterprises” and “International Labour Organisation (ILO) Standards”

How have the indicators for adverse impacts on sustainability factors 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.

Engagement is made in the name of the portfolio management and not in the name of the fund.

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

The 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.



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

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 right, anti-corruption and anti-bribery matters.

☒ Yes,

the following PAIs will be considered:

- THG-Emissions (Scope 1 GHG-Emissions)
- THG-Emissions (Scope 2 GHG-Emissions)
- THG-Emissions (Scope 3 GHG-Emissions)
- THG-Emissions (Scope 1 und 2 GHG-Emissions)
- THG-Emissions (Scope 1, 2 und 3 GHG-Emissions)
- CO2 footprint (CO2 footprint von Scope 1 und 2)
- CO2 footprint (CO2 footprint von Scope 1, 2 und 3)
- THG- Emission intensity of the companies invested in (THG- Emission intensity of the companies invested in from Scope 1 to 2)
- THG- Emission intensity of the companies invested in (THG- Emission intensity of the companies invested in from Scope 1, 2 to 3)
- Exposure to fossil fuel companies (share of investment in fossil fuel companies)
- Share of energy consumption from non-renewable energy sources (share of energy consumption of the companies invested in from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources)
- Share of energy consumption from non-renewable energy sources (share of energy production of the companies invested in from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per million EUR turnover of enterprises invested in, by climate-intensive sector NACE A)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per million EUR turnover of enterprises invested in, by climate-intensive sector NACE B)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per one million EUR turnover of enterprises invested in, by climate-intensive sector NACE C)

- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per one million EUR turnover of enterprises invested in, by climate-intensive sector NACE D)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per one million EUR turnover of enterprises invested in, by climate-intensive sector NACE E)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per million EUR turnover of enterprises invested in, by climate-intensive sector NACE F)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per million EUR turnover of enterprises invested in, by climate-intensive sector NACE G)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per million EUR turnover of enterprises invested in, by climate-intensive sector NACE H)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per one million EUR turnover of enterprises invested in, by climate-intensive sector NACE L)
- Activities adversely affecting areas of biodiversity conservation concern (proportion of investments in companies invested in with sites/operations in or near areas of biodiversity conservation concern, where the activities of these companies adversely affect these areas)
- Emissions in water (tonnes of emissions in water caused by the companies invested in per million EUR invested, expressed as a weighted average)
- Hazardous and radioactive waste fraction (tonnes of hazardous and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average)
- Violations of the UNGC Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (proportion of investments in enterprises invested in that have been involved in violations of the UNGC Principles or the OECD Guidelines for Multinational Enterprises)
- Lack of processes and compliance mechanisms to monitor compliance with the UNGC Principles and the OECD Guidelines for Multinational Enterprises (percentage of investments in companies that do not have policies in place to monitor compliance with the UNGC Principles and the OECD Guidelines for Multinational Enterprises, or do not have procedures in place to address complaints of violations of the UNGC Principles and the OECD Guidelines for Multinational Enterprises)
- Unadjusted gender pay gap (average unadjusted pay gap for companies in which investments are made)

- Gender diversity in the management and control bodies (average ratio of women to men in the management and control bodies of the companies in which investments are made, expressed as a percentage of all members of the management and control bodies)
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons) (share of investments in companies involved in the production or sale of controversial weapons)

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, Aktia 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 principal adverse impacts is utilized in portfolio management as part of the qualitative and quantitative analysis. Which PAI factors are considered depends on data availability and may evolve as data quality and availability improve.

Fund's principal adverse impacts on sustainability factors have been identified based on materiality. Fund's PAI indicators include mandatory PAI indicators and additional PAI indicators. As assessment methods, Aktia uses both its own tools (such as tool to examine transition companies or other internally developed 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. Quantitative and qualitative analysis as part of the investment process, may also include analysing other aspects of negative impacts on sustainability than the specified PAI's, for example considering net impact data provided by Upright Project.

Principal adverse impacts on sustainability factors 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.

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

☐ No

The investment

strategy goes

investment
decisions based
on factors such as
investment
objectives and



What investment strategy does this financial product follow?

The 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 (such as activity-based screening and norm-based screening) into the issuer analysis and the identification of the positive impact to sustainability themes.

In the disclosures on the asset allocation the minimum environmental or social safeguards applied to investments categorized as "Not sustainable" are explained.

- ***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 and assuring that the investments of the (Sub) Fund not cause significant harm to any environmental or social sustainable investment objective are the binding elements of the investment strategy of the (Sub) Fund.

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

The investment process of the fund states that the governance principles of companies the 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 such as the violation of UNGC, ILO or OECD principles. Service provider's ESG data is used as part of fund's investment analysis to assess the DNSH principle and the requirements for the issuers to meet the minimum social safeguards and good corporate governance.

Good governance

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

Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

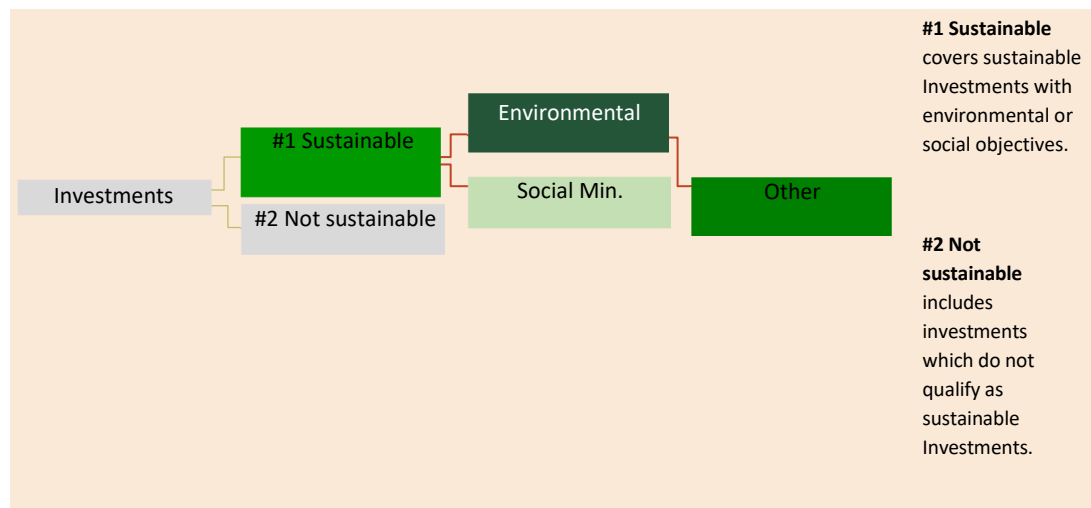
- **turnover** reflecting the share of revenue from green activities of investee companies.

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditures** (OpEx) reflecting the green operational activities of investee companies.

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

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 strategy and the investment principles of the Prospectus. The minimum proportion of the (Sub) Funds investments that will be made



to achieve the sustainable investment objective amounts to 80% of the value of the (Sub) Fund's assets.

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

Derivatives are used in accordance with the requirements of the investment principles of the Prospectus. Insofar as derivatives may be acquired, these do not explicitly serve to achieve the sustainable investment objectives of the (Sub)Fund and will be recorded under other, not sustainable investments. Derivatives may only be used to offset negative market fluctuations



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%.

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

☐ Yes:

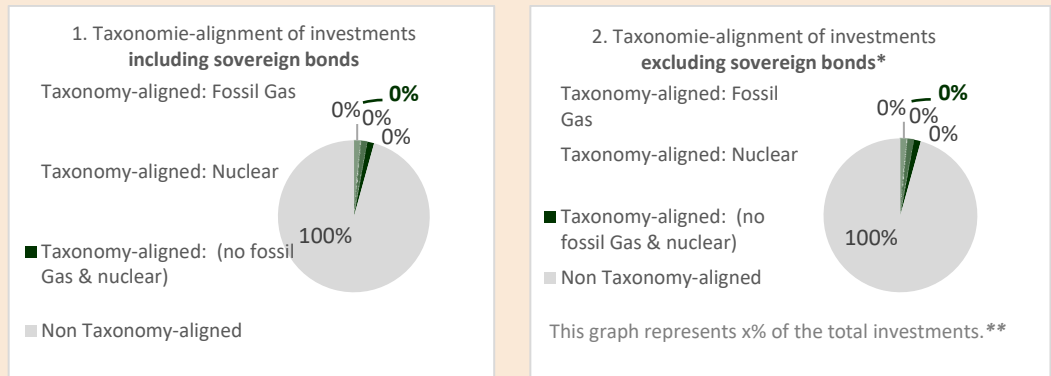
☐ In fossil gas
energy

☐ In nuclear

☒ No

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. 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.

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.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

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

A minimum share of investments in transitional and enabling activities has not been set.



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



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

The minimum share of sustainable investments with an environmental objective is 65% of the value of the (Sub)Fund's assets.



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

The minimum share of sustainable investments with a social objective is 2% of the value of the (Sub)Fund's assets.



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

Cash for liquidity management and derivatives for hedging purposes.

For other investments that do not fall under the (Sub)Fund's sustainability strategy, it is ensured that they are not used contrary to the overall sustainability strategy. Insofar as derivatives may be acquired, they may only be used to offset negative market fluctuations.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.



Is a specific index designated as reference benchmark to meet 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>