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

Product name: Korona Fund V Ky (the "Fund")

Legal entity identifier: 3669096-3

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**	●○ ☒ **No**
☐ It will make a minimum of sustainable investments with an environmental 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 % of sustainable investments:_____
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of sustainable investments **with a social objective:** minimum: %___	☒ It promotes E/S characteristics, but will not make any sustainable investments

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.

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.

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.



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

The financial product promotes environmental and/or social characteristics by integrating environmental, social and governance (ESG) considerations into its investment activities. When assessing potential investments and monitoring them during the holding period, the Fund considers, among other things, material environmental and social risks and opportunities and requires investee companies to follow good governance practices.

The Fund promotes responsible business practices, including compliance with applicable legislation, consideration of employee and stakeholder matters, and ethical business conduct. With regard to environmental characteristics, the Fund focuses on material environmental risks and impacts of operations, taking into account the nature of the investee companies' businesses.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

For environmental characteristics, we monitor the annual greenhouse gas emissions of our investee companies and their year-on-year changes, as well as the number of investee companies without greenhouse gas emission reduction targets.

For social characteristics, our most relevant sustainability indicators are board gender diversity at our portfolio companies and the number of workplace accidents.

For economic growth, we monitor annual revenue and EBITDA development and their changes compared with the previous year.



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

☒ Yes. This financial product measures and monitors the following principal adverse impacts:

1. Indicators for climate and other environment-related matters:
   GHG emissions, carbon footprint, GHG intensity of investee companies, exposure to companies active in the fossil fuel sector, energy consumption, share of non-renewable energy consumption, energy consumption intensity, activities negatively affecting biodiversity-sensitive areas, emissions to water, hazardous waste and radioactive waste, and investments in companies without carbon emission reduction initiatives.

2. Indicators for social and employee matters, respect for human rights, anti-corruption and anti-bribery matters:
   Violations of UN Global Compact principles and Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises; lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises; unadjusted gender pay gap; board gender diversity; exposure to controversial weapons (anti-personnel mines, submunitions, chemical weapons and biological weapons); and rate of accidents.

   Information on principal adverse impacts on sustainability factors is available in the Fund's annual sustainability report.

☐ 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 Fund invests in unlisted companies with a long-term value creation strategy. ESG considerations are integrated into investment analysis, decision-making and active ownership. The Fund's investment strategy is described in more detail in the limited partnership agreement.

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 investment strategy excludes companies operating in gambling, adult entertainment, tobacco, arms manufacturing or fossil fuel production.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The Fund's investment strategy does not include a predefined numerical minimum rate for reducing the investment universe. Investment selection is based on case-by-case analysis, applying the Fund's binding ESG criteria and good governance requirements to all investments.

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 good governance practices at investee companies as part of pre-investment due diligence and ongoing monitoring during the holding period. The assessment covers, among other things, corporate governance and management structures, the responsibilities of management and the board, remuneration practices, tax compliance practices, and anti-corruption and anti-bribery policies.

The Fund requires investee companies to comply with applicable legislation and generally accepted principles of good governance. Any material shortcomings are identified during the pre-investment assessment and monitored and addressed as part of the Fund's active ownership.



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 emissions and switching to renewable power or low-carbon fuels by the end of 2035.

What is the asset allocation planned for this financial product?

The financial product's planned asset allocation includes investments that promote environmental or social characteristics in accordance with Article 8 of the SFDR. The Fund does not have an objective to make sustainable investments within the meaning of Article 2(17) of Regulation (EU) 2019/2088, or to make investments aligned with Regulation (EU) 2020/852 (the EU Taxonomy).

The Fund aims to allocate 50% of its invested capital to investments aligned with the environmental or social characteristics described above, and 50% to other investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund does not use derivatives.



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

0%. The investment strategy does not require sustainable investments, but the Fund may invest in companies with activities that are aligned with the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ Fossil gas ☐ Nuclear energy

☒ No

[1] Activities relating to fossil gas and/or nuclear energy 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.

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.

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

0%. The investment strategy does not require investments in transitional or enabling activities, but the Fund may invest in such activities.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund does not use derivatives to promote environmental or social characteristics.



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



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

The Fund does not make sustainable investments within the meaning of Article 2(17) of Regulation (EU) 2019/2088. Accordingly, the Fund does not make sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. The minimum share of such investments is therefore 0%.



What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments is 0%.

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

"#2 Other" includes the Fund's investments in unlisted companies that promote environmental and/or social characteristics in accordance with its investment strategy, but do not qualify as sustainable investments within the meaning of Article 2(17) of Regulation (EU) 2019/2088.

The purpose of these investments is long-term value creation and the development of the companies' sustainability practices in environmental, social and governance matters. The product promotes these ESG considerations through active ownership, business development and ESG integration.

The Fund applies minimum environmental and social safeguards to all its investments. Investee companies are required to comply with applicable legislation and principles of good governance. Material environmental and social risks are identified and taken into account in investment decisions and ongoing monitoring during the holding period.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The fund does not have a benchmark index.

Where can I find more product specific information online?

More product-specific information can be found on the website: https://koronainvest.fi/en/sustainability