

Taaleri Solarwind II

2022

Annex 1.

Fund's statement on principal adverse impacts of investment decision and updated report on periodic disclosure (RTS template)

Statement on principal adverse impacts of investment decision on sustainable factors

- Taaleri SolarWind II is classified as an Article 9 product according to the EU's Sustainable Finance Disclosure Regulation "SFDR" 2019/2088. To be transparent and to follow the "do no significant harm" criteria, the fund regularly monitors, reduces and reports measures related to all mandatory principal adverse impact ('PAI') indicators and two additional indicators.
- This annex includes the fund's statement on principal adverse impacts on sustainability factors for the reference period of 2022.

SFDR periodic disclosure update

- After the fund's Q4/2022 report was published, the fund manager's interpretation under the SFDR was developed. Therefore, the fund managers consider that it is worth publishing modified periodic disclosure to be fully transparent and consistent under the SFDR regulation.
- The fund manager has updated and clarified the information related to sustainable investments.
- It is stated in SFDR that the cash should be factored in sustainable investment calculations and that the cash does not qualify as a sustainable investment.
- Some amount of cash is used to fund expenses and kept only for a short time period and not for any mandatory or fund strategy purposes. Therefore, the fund has investments that are included in "not sustainable".



Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, Table 1 Statement on principal adverse impacts of investment decisions on sustainability factors of Annex 1 Template principal adverse sustainability impacts statement. Definitions and formulas used in this statement can be found in Annex 1 of the Commission Delegated Regulation (EU) 2022/1288 and at the end of this document under the heading "Commission Delegated Regulation (EU) 2022/1288, Annex 1, definitions and formulas used in this statement".

Commission Delegated Regulation (EU) 2022/1288, Annex 1 Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Taaleri Solarwind II SCSp-RAIF (B234793)

Summary

Description of measured principal adverse impacts:

Taaleri Solarwind II SCSp-RAIF considers the principal adverse impacts of its investment decisions on sustainability factors. The present statement is on the principal adverse impacts on sustainability factors of Taaleri Solarwind II SCSp-RAIF, managed by its fund manager Taaleri Energia Funds Management Oy.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2022.

During the reference period, the most significant principal adverse impacts were identified to relate to scope 3 GHG emissions (mainly construction emissions) caused by the fund's investments.

Actions taken, actions planned, and targets set for the next reference period are described in the table below. The fund manager will take active measures to reduce direct and indirect emissions in line with the fund manager's net-zero emissions target and sustainable investment objective.

Tiivistelmä

Kuvaus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin

Taaleri Solarwind II SCSp-RAIF ottaa huomioon sijoituspäätöksensä pääasialliset haitalliset vaikutukset kestävyystekijöihin. Tämä ilmoitus on rahastonhoitajan Taaleri Energia Fund Managerin Solarwind II SCSp-RAIF rahaston ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin.

Tämä ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin kattaa viitekauden, joka alkaa 1 päivänä tammikuuta ja päättyy 31 päivänä joulukuuta 2022.

Rahastonhoitaja tunnisti viitekaudella merkittävimmiksi pääasiallisiksi haitallisiksi vaikutuksiksi rahaston sijoitusten Scope 3 -kasvihuonekaasupäästöt, jotka aiheutuvat pääasiassa sijoitusten rakentamisen aikana.

Toteutetut toimet, suunnitellut toimet sekä seuraavalle raportointikaudelle asetetut tavoitteet on kuvattu alla olevassa taulukossa. Rahaston hoitaja on sitoutunut vähentämään rahaston sijoituskohteiden suoria ja epäsuoria päästöjä rahastonhoitajan nettonolla tavoitteen ja rahaston kestävä sijoitustavoitteen mukaisesti.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	0.0 tons of CO ₂ e	n/a		Pursuant to the GHG Protocol, only emissions caused directly by the fund are included in scope 1. All machines, e.g. used for construction, are controlled by contractors and, therefore, not included in scope 1 but in scope 3 emissions. As direct scope 1 emissions do not occur, the fund manager focuses on decreasing scope 3 emissions. The fund manager will specify scope 3 emissions data for the next reference period.
		Scope 2 GHG emissions	160.8 tons of CO ₂ e	n/a		During the reference period, the manager gathered relevant data to calculate the scope 2 emissions. For the next reference period, the fund manager plans to increase its share of renewable energy when purchasing electricity and targets to renew electricity agreements from non-renewable to renewable when possible. In addition, the fund manager will specify scope 2 emissions data for the next reference period.
		Scope 3 GHG emissions	37,962.8 tons of CO ₂ e	n/a	The fund manager used the Upright Platform model estimation for investments'	During the reference period, the fund manager gathered relevant data through the Upright Platform to estimate its scope 3 emissions. The fund manager has planned to specify the data required to calculate the scope 3 emissions during the next reference

					scope 3 emissions.	period. Only when reaching fewer estimations for the data, the fund manager will consider setting targets for emission reductions. However, as most scope 3 emissions occur during the construction phase, the fund manager has set a target to investigate less emission-intensive construction methods.
		Total GHG emissions	38,123.6 tons of CO₂e	n/a		During the reference period, the fund manager gathered relevant data to calculate the total GHG emissions. The fund manager has planned and set targets for the next reference period to reduce scope 2 emissions and to specify scope 3 emissions calculations within the fund's investments.
	2. Carbon footprint	Carbon footprint	123.1 tons of CO₂e/€M	n/a		During the reference period, the fund manager gathered relevant data to calculate the total GHG emissions. The fund manager has planned and set targets for the next reference period to reduce scope 2 emissions and to specify scope 3 emissions calculations within the fund's investments.
	3. GHG intensity of investee companies	GHG intensity of investee companies	6,427.2 tons of CO₂e/€M	n/a	For two investments, annual-level information is used in the calculations.	During the reference period, the fund manager gathered relevant data to calculate the total GHG emissions. The fund manager has planned and set targets for the next reference period to reduce scope 2 emissions and to specify scope 3 emissions calculations within the fund's investments. As most emissions are caused during the construction phase, the GHG intensity will materially decrease when all investments are operational.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.0%	n/a		The indicator is not considered to be relevant, as 0% of the investments are in companies active in the fossil fuel sector.

	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources expressed as a percentage of total energy sources	0.1%	n/a	The share of non-renewable energy consumption was 79.6%, and the share of non-renewable energy production was 0.0% during the reference period.	During the reference period, the fund manager gathered relevant data to calculate the share of non-renewable energy consumption and production. The fund manager has in the future planned to consume mainly renewable energy within its investments where possible. The target for the next reference period is to renew electricity agreements from non-renewable to renewable where possible, decreasing the share of non-renewable energy consumption. The fund investments do not produce non-renewable energy.
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	1.8 GWh/€M	n/a	Within one investment, annual level energy consumption information is used.	During the reference period, the fund manager gathered relevant data to calculate the energy consumption intensity. As the energy consumption mainly depends on the fund investments' renewable energy production, the fund manager has limited possibilities to decrease the energy consumption. However, the manager has set targets to regularly monitor the energy consumption of the fund investments and investigate energy-saving methods for both projects under construction and operational projects. After the investments have reached an operational phase, the energy consumption intensity indicator will materially decrease.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of	0.0%	n/a		During the reference period, new investments were not situated in biodiversity-sensitive areas. The fund manager has set a target to ensure the same in also the next reference period. The fund manager also targets to actively follow the regulation development related to biodiversity areas.

		those investee companies negatively affect those areas				
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.0 tons / €M, weighted average	n/a		During the reference period the fund manager gathered relevant data to calculate possible emissions. As no emissions to water were identified during the reference period, the plan for the next reference period is to continue the monitoring. In addition, the fund manager has set a target to focus on investments under construction, where there is a higher risk of generating emissions to water.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.0 tons / €M, weighted average	n/a		During the reference period the fund manager gathered relevant data to calculate the hazardous waste and radioactive waste amount. As hazardous waste is generally generated both during construction and annual maintenance of the fund investments, a zero hazardous waste ratio is almost impossible to achieve. During the next reference period, the fund manager targets to continue the monitoring of the investments' waste ratio. The fund manager has also set a target to focus on investments that are in the construction phase, where hazardous waste is more likely to be generated. In addition, the fund manager targets to ensure that the hazardous waste is recycled accordingly.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic	Share of investments in investee companies that have been involved	0.0%	n/a		The fund manager has ensured that comprehensive KYC and Due Diligence - processes have been completed for each investment. During the next reference period, the fund manager will continue to

	Cooperation and Development (OECD) Guidelines for Multinational Enterprises	in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises				conduct comprehensive KYC and Due Diligence -processes before any investment and conduct regular checks on current investments.
11.	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.0%	n/a		During the reference period, the fund manager has exercised full or joint control of all fund investments, whereby the fund manager applies its policies on its investment activities. In addition, through the Taaleri group whistleblowing channel, suspicion of a crime, violation or other misconduct may be reported confidentially, and the fund manager has initiated implementations for investments' anonymous grievance methods. During the next reference period, the fund manager has set targets to develop a more comprehensive supply chain due diligence process.
12.	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	n/a	n/a	The fund does not have enough direct employees to calculate the average of investee companies.	The indicator is not considered to be applicable.
13.	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a	29.4%	n/a		During the reference period, the fund manager focused on assessing the indicator calculation method. As the positions are administrative, we do not consider the gender diversity impact to be material. However, the fund manager aims to increase

		percentage of all board members				female board members within its investments' administrative positions for the next reference period.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.0%	n/a		As 0 % of the investments are in companies involved in the manufacture or selling of controversial weapons, the indicator is not considered to be relevant.
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries		n/a		
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law		n/a		
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction		n/a		

		storage, transport or manufacture of fossil fuels				
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets		n/a		

Other indicators for principal adverse impacts on sustainability factors

Reported in Tables 2 and 3 below.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Taaleri Solarwind II SCSp-RAIF ("fund"), managed by its fund manager Taaleri Energia Funds Management Oy, is committed to identifying, assessing, and prioritising the principal adverse impacts of the fund's investment decisions on sustainability factors.

Taaleri Energia's relevant policies:

- Taaleri Plc Sustainability Risk Policy (December 2022)
- Taaleri Plc Sustainability Policy (December 2022)
- Taaleri Plc Corporate Governance Statement (2022)
- Taaleri Energia Remuneration Policy (April 2022)
- Taaleri Energia ESG principles (June 2022)
- Taaleri Energia Code of Conduct (December 2022)
- Taaleri Energia Partner Code of Conduct (May 2022)

The applicable governing bodies of either the fund manager or Taaleri Plc have approved these policies, as visible in the table above. The policies are updated regularly. We continuously strive to improve our policies and practices to identify and prioritise principal adverse impacts on sustainability factors, in line with our commitment to responsible investing and sustainable finance.

The allocation of responsibilities for implementing the policies is located within various governance structures. We define roles and responsibilities for *inter alia* the following functions and positions:

- 1) boards, CEOs, other management and investment committees;
- 2) internal control (compliance) and risk management representatives;
- 3) other specialists (such as ESG, legal and technical experts)

In addition, the responsibility for putting these policies into practice within our organisational strategies and processes lies with all our employees. We use a comprehensive, data-driven methodology to select the indicators referred to in Article 6(1), points (a), (b), and (c), and to identify and assess the principal adverse impacts on sustainability factors. The following stages are incorporated into our methodology:

- Data Collection: We collect relevant data from investees, use a third-party data modeller, the Upright Platform, for scope 3 emissions, and utilise industry benchmarks.

- Indicator Selection: The fund has chosen to monitor and report in addition to the mandatory indicators two additional indicators. We have chosen the additional indicators based on their materiality, relevance, and alignment with industry standards and regulatory requirements. Additional principal adverse impact indicators have been determined through materiality analysis. The analysis identifies the key principal adverse impacts of the investee and within the financial sector in which the fund operates. The indicators also aim to support the fund's investment objective and do no significant harm principle.
- Risk Assessment: We evaluate the probability of occurrence and the severity of adverse impacts, considering their potential remedability.
- Prioritisation: We prioritise the identified principal adverse impacts based on their influence, considering our investments' objectives and preferences. The fund manager is aware that some of the indicators may not be relevant to the fund, such as scope 1 emissions, investments in controversial weapons or companies active in the fossil fuel sector. This is due to the fund investment strategy to invest only in onshore wind and photovoltaic solar farms and the fund's investment structure.

We use a combination of proprietary and external data sources to identify and assess the principal adverse impacts on sustainability factors. Our primary data sources include:

- Investee disclosures, such as annual reports and quarterly reporting
- Third-party data provider, the Upright Platform, offering estimation for scope 3 emissions
- Industry benchmarks and best-practice guidelines from relevant standard-setting bodies

In cases where information relating to any of the indicators used is not readily available, we implement the following best efforts to obtain the information:

- Direct engagement with investees, requesting relevant data and disclosures
- Conducting additional research, leveraging publicly available information and industry-specific knowledge
- Collaborating with third-party data providers and external experts to supplement our data sources
- Last option is to make reasonable assumptions based on industry averages, benchmarks, and best practices

Due to the inherent limits of data collection, assumptions, and modelling approaches, our procedures are subject to an associated margin of error. However, we work to reduce this margin by continuously improving our techniques, regularly evaluating and updating our data sources, and consulting with other experts for validation.

Engagement policies

The fund manager Taaleri Energia Fund Management Oy, is committed to promoting responsible investment practices and effective and responsible engagement in its fund investments. The fund manager's policy is to make controlled investments, whereby we have full ability to implement our policies on the activities of the investees and underlying investments. The fund manager is also committed to taking reasonable steps to reduce principal adverse impacts on sustainability factors from its investments.

The engagement in our investees includes the following activities:

- The fund manager monitors investees on relevant matters, including strategy, financial and non-financial performance, risk management, social and environmental impact, and corporate governance;
- The fund manager initiates and maintains a constructive dialogue with investees and partners on the aforementioned topics, as well as other areas of mutual interest;
- The fund manager collaborates with internal and external stakeholders, when appropriate, to promote the best interests of the investee company and its stakeholders;
- The fund manager manages conflicts of interest that may arise in our investments in order to protect the best interests of our investors and beneficiaries.

Our relevant policies:

- Taaleri Energia Code of Conduct (May 2022)
 - The Code of Conduct govern and describe the ethical principles that guide all our operations and apply to all staff. In addition, the Code of Conduct covers a description of sustainable business conduct and working with stakeholders.
- Taaleri Energia Partner Code of Conduct (May 2022)
 - Partner Code of Conduct (PcoC) extends our corporate responsibility expectations to our business partners and defines the basic principles to which Taaleri Energia expects our partners to adhere.

- Taaleri Energia ESG principles (June 2022) and Taaleri Plc Sustainability Policy (December 2022)
 - The sustainability policies of Taaleri Plc and the ESG Principles of Taaleri Energia describe the approaches to analysing, monitoring, avoiding and mitigating principal adverse impacts. Examples include thematic investing, positive screening and negative screening, and influencing investees through active ownership and engagement.

In addition, the fund management applies additional policies targeted at mitigating major negative impacts on sustainability factors and policies that guide the fund manager actions.

The fund manager considers a range of indicators to identify and assess the adverse impacts of our investees, which include, but are not limited to:

- Greenhouse gas emissions and climate-related risks;
- Water usage and waste management;
- Biodiversity and ecosystem impacts;
- Labor practices and human rights;
- Health and safety;
- Gender equality and diversity;
- Supply chain management;
- Ethical conduct and anti-corruption measures;
- Board composition and corporate governance practices.

In case principal adverse impacts and other major unfavourable consequences are not reduced over more than one reporting period, the fund manager will take the following actions:

- Re-evaluate our engagement strategy and consider alternative strategies to promote change, such as increased dialogue, and collaboration with other stakeholders
- Re-evaluate our investment strategy and consider whether it is in the best interests of our investors and beneficiaries to maintain or adjust our exposure to the investee company;
- Engage with regulators, industry associations, or other relevant stakeholders to address systemic issues that may be hindering progress on reducing adverse impacts.

References to international standards

The fund manager commits to responsible business conduct and adheres to internationally recognised standards for due diligence and reporting. Our approach is designed to align with the objectives of the Paris Agreement, ensuring that our investments and business practices contribute to global climate goals and long-term sustainable growth. In addition, the fund manager participates in various ways to develop best practices in industry regulation and sustainability work.

We adhere to the following responsible business conduct codes and internationally recognised standards:

- UN Global Compact (UNGC)
- UN Guiding Principles on Business and Human Rights
- UN Convention against Corruption
- UN Rio Declaration on Environment and Development
- UN Sustainable Development Principles
- OECD Guidelines for Multinational Enterprises
- ILO Declaration on Fundamental Principles and Rights at Work

- International Bill of Human Rights
- Principles for Responsible Investment (PRI)
- Global Reporting Initiative (GRI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Net Zero Asset Managers Initiative (NZAM)

We utilise the following indicators to assess the principal adverse impacts on sustainability factors and measure our adherence and alignment with the aforementioned codes and standards:

- Greenhouse gas emissions
- Carbon footprint
- Energy efficiency and renewable energy usage
- Waste management
- Social and governance indicators, including diversity, labour rights, and anti-corruption measures

The fund manager assesses all investees within the fund, regardless of sector or size. We utilise credible third-party providers, public disclosures, and research to gather necessary data. In addition, we employ forward-looking scenario analysis testing to forecast the principal adverse impacts of investee companies on sustainability factors.

The standards referenced reflect the fund manager's approach to dealing with their investment decisions' economic, environmental, social, and governance-related sustainability factors. Compliance, reliability, and transparency are the basis of the fund manager's operations. In addition, compliance with legislation and responsible, ethical practices are the cornerstones of our business. Furthermore, responsible, ethical practices are strongly linked to stakeholder cooperation, reputation and the ability to conduct business in the financial markets. Sustainability issues are considered in all operations, and the 'do no significant harm' principle is applied throughout the life cycle of our investments.

The fund manager supports and follows the TCFD's proposal for data to be reported on the economic impacts of climate change. The TCFD-compliant climate risk assessment utilises the IPCC's forward-looking climate scenarios (RCP2.6-RCP8.5), and the climate risk assessments were prepared by the sustainability experts in 2022. In addition, the conducted climate risk assessments are aligned with the EU Taxonomy regulation EU/2020/852, the 'do no significant harm' technical screening criteria for the climate change mitigation objective. Furthermore, climate change risk assessments and the Net Zero Asset Managers initiative support the reporting on the indicator 'Share of investments in companies active in the fossil fuel sector' in Table 1 of Annex 1 to Regulation 2022/1288 and the indicator 'Investments in companies without carbon emission reduction initiatives' in Table 2 of Annex 1 to the same regulation and help to monitor developing of these principal adverse sustainability impacts.

Taaleri Plc has signed the Net Zero Asset Managers (NZAM) initiative, which aligns the emission reduction targets of the fund manager and its investments with the Paris Agreement. The initiative requires cutting emissions from the fund manager's activities, committing investees to reduce greenhouse gas emissions and setting a net zero emission plan and target. In addition, the fund manager continues to develop the measurement of the impacts to increase understanding of financed emissions and the impacts of the value chain and to reduce related principal adverse impacts.

An annual human rights risk analysis is carried out to assess compliance with the referenced commitments to evaluate the likelihood and severity of potential principal adverse impacts on society, good governance practices and human rights. This assessment proposes possible measures to prevent, mitigate or eliminate the principal adverse impacts.

The fund manager uses the sustainability frameworks described here to identify sustainability impacts related to investments and to use appropriate approaches to manage and address the principal adverse impacts. In addition, the fund manager monitors the evolution of the frameworks and general market developments concerning accountability and best practices and assesses the best way to take these standards into account in their activities.

Historical comparison

No previous reporting periods.

Table 2

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to investments in investee companies		
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS		
Emissions	1. Emissions of inorganic pollutants	Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average
	2. Emissions of air pollutants	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average
	3. Emissions of ozone-depleting substances	Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average
	4. Investments in companies without carbon emission reduction initiatives 0%.	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement
Energy performance	5. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source
Water, waste and material emissions	6. Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies 2. Weighted average percentage of water recycled and reused by investee companies
	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies
	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy

	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006
	10. Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing
	11. Investments in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies
	12. Investments in companies without sustainable oceans/seas practices	Share of investments in investee companies without sustainable oceans/seas practices or policies
	13. Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average
	14. Natural species and protected areas	1.Share of investments in investee companies whose operations affect threatened species 2.Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas
	15. Deforestation	Share of investments in companies without a policy to address deforestation
Green securities	16. Share of securities not issued under Union legislation on environmentally sustainable bonds	Share of securities in investments not issued under Union legislation on environmentally sustainable bonds
Indicators applicable to investments in sovereigns and supranationals		
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds
Indicators applicable to investments in real estate assets		
Greenhouse gas emissions	18. GHG emissions	Scope 1 GHG emissions generated by real estate assets
		Scope 2 GHG emissions generated by real estate assets
		Scope 3 GHG emissions generated by real estate assets
		Total GHG emissions generated by real estate assets
Energy consumption	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter
Waste	20. Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract

Resource consumption	21. Raw materials consumption for new construction and major renovations	Share of raw building materials (excluding recovered, recycled and biosourced) compared to the total weight of building materials used in new construction and major renovations
Biodiversity	22. Land artificialisation	Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS		
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to investments in investee companies		
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy
	2. Rate of accidents 0.0%	Rate of accidents in investee companies expressed as a weighted average
	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average
	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)
	5. Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matter
	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers
	7. Incidents of discrimination	1. Number of incidents of discrimination reported in investee companies expressed as a weighted average

		2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average
	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy
	10. Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts
	11. Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings
	12. Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation
	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation
	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption
	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery
	17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies
Indicators applicable to investments in sovereigns and supranationals		
Social	18. Average income inequality score	The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column
	19. Average freedom of expression score	Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the explanation column
Human rights	20. Average human rights performance	Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column
	22. Non-cooperative tax jurisdictions	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes
	23. Average political stability score	Measure of the likelihood that the current regime will be overthrown by the use of force using a quantitative indicator explained in the explanation column

	24. Average rule of law score	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column
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Commission Delegated Regulation (EU) 2022/1288, Annex 1, definitions and formulas used in this statement:

For the purposes of this Annex, the following definitions shall apply:

- (1) 'scope 1, 2 and 3 GHG emissions' means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council¹;
- (2) 'greenhouse gas (GHG) emissions' means greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council²;
- (3) 'weighted average' means a ratio of the weight of the investment by the financial market participant in an investee company in relation to the enterprise value of the investee company;
- (4) 'enterprise value' means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
- (5) 'companies active in the fossil fuel sector' means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council³;
- (6) 'renewable energy sources' means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;
- (7) 'non-renewable energy sources' means energy sources other than those referred to in point (6);
- (8) 'energy consumption intensity' means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company;
- (9) 'high impact climate sectors' means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council⁴;

¹ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

² Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

³ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

⁴ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains Text with EEA relevance (OJ L 393, 30.12.2006, p. 1–39).

- (10) 'protected area' means designated areas in the European Environment Agency's Common Database on Designated Areas (CDDA);
- (11) 'area of high biodiversity value outside protected areas' means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council⁵;
- (12) 'emissions to water' means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council⁶ and direct emissions of nitrates, phosphates and pesticides ;
- (13) 'areas of high water stress' means regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the World Resources Institute's (WRI) Water Risk Atlas tool "Aqueduct";
- (14) 'hazardous waste and radioactive waste' means hazardous waste and radioactive waste;
- (15) 'hazardous waste' means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council⁷ ;
- (16) 'radioactive waste' means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom⁸;
- (17) 'non-recycled waste' means any waste not recycled within the meaning of 'recycling' in Article 3(17) of Directive 2008/98/EC;
- (18) 'activities negatively affecting biodiversity-sensitive areas' means activities that are characterised by all of the following:
- (a) those activities lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated;
- (b) for those activities, none of the conclusions, mitigation measures or impact assessments adopted pursuant to any of the following Directives or national provisions or international standards that are equivalent to those Directives have been implemented:
- (i) Directive 2009/147/EC of the European Parliament and of the Council⁹;
- (ii) Council Directive 92/43/EEC¹⁰;
- (iii) an Environmental Impact Assessment (EIA) as defined in Article 1(2), point (g), of Directive 2011/92/EU of the European Parliament and of the Council¹¹;
- (iv) for activities located in third countries, conclusions, mitigation measures or impact assessments adopted in accordance with national provisions or international standards that are equivalent to the Directives and impact assessments listed in points (i), (ii) and (iii);

⁵ Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC (OJ L 350, 28.12.1998, p. 58).

⁶ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

⁷ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

⁸ Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste (OJ L 199, 2.8.2011, p. 48).

⁹ Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

¹⁰ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

¹¹ Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 026, 28.1.2012, p. 1).

- (19) 'biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139¹²;
- (20) 'threatened species' means endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Delegated Regulation (EU) 2021/2139;
- (21) 'deforestation' means the temporary or permanent human-induced conversion of forested land to non-forested land;
- (22) 'UN Global Compact principles' means the ten Principles of the United Nations Global Compact;
- (23) 'unadjusted gender pay gap' means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees;
- (24) 'board' means the administrative, management or supervisory body of a company;
- (25) 'human rights policy' means a policy commitment approved at board level on human rights that the economic activities of the investee company shall be in line with the UN Guiding Principles on Business and Human Rights;
- (26) 'whistleblower' means 'reporting person' as defined in Article 5(7) of Directive (EU) 2019/1937 of the European Parliament and of the Council¹³;
- (27) 'inorganic pollutants' means emissions within or lower than the emission levels associated with the best available techniques (BAT-AEL) as defined in Article 3, point (13) of Directive 2010/75/EU of the European Parliament and of the Council¹⁴, for the Large Volume Inorganic Chemicals- Solids and Others industry;
- (28) 'air pollutants' means direct emissions of sulphur dioxides (SO₂), nitrogen oxides (NO_x), non-methane volatile organic compounds (NMVOC), and fine particulate matter (PM_{2.5}) as defined in Article 3, points (5) to (8), of Directive (EU) 2016/2284 of the European Parliament and of the Council¹⁵, ammonia (NH₃) as referred to in that Directive and heavy metals (HM) as referred to in Annex I to that Directive;
- (29) 'ozone depletion substances' mean substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer.

For the purposes of this Annex, the following formulas shall apply:

- (1) 'GHG emissions' shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope}(x) \text{ GHG emissions}_i \right)$$

- (2) 'carbon footprint' shall be calculated in accordance with the following formula:

¹² Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).

¹³ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L305, 26.11.2019, p. 17).

¹⁴ Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

¹⁵ Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (Text with EEA relevance), OJ L 344, 17.12.2016, p. 1-31

$$\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope 1, 2 and 3 GHG emissions}_i \right)}{\text{current value of all investments (€M)}}$$

(3) 'GHG intensity of investee companies' shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{investee company's Scope 1, 2 and 3 GHG emissions}_i}{\text{investee company's €M revenue}_i} \right)$$

(4) 'GHG intensity of sovereigns' shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{The country's Scope 1, 2 and 3 GHG emissions}_i}{\text{Gross Domestic Product}_i(\text{€M})} \right)$$

(5) 'inefficient real estate assets' shall be calculated in accordance with the following formula:

$$\frac{((\text{Value of real estate assets built before 31/12/2020 with EPC of C or below}) + (\text{Value of real estate assets built after 31/12/2020 with PED below NZEB in Directive 2010/31/EU}))}{\text{Value of real estate assets required to abide by EPC and NZEB rules}}$$

For the purposes of the formulas, the following definitions shall apply:

- (1) 'current value of investment' means the value in EUR of the investment by the financial market participant in the investee company;
- (2) 'enterprise value' means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
- (3) 'current value of all investments' means the value in EUR of all investments by the financial market participant;
- (4) 'nearly zero-energy building (NZEB)', 'primary energy demand (PED)' and 'energy performance certificate (EPC)' shall have the meanings given to them in paragraphs 2, 5 and 12 of Article 2 of Directive 2010/31/EU of the European Parliament and of the Council¹⁶.

¹⁶ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13)

Template periodic 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

Product name: Taaleri Solarwind II SCSp-RAIF

Legal entity identifier: B234793

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Did 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 made sustainable investments with an environmental objective: 98.2% <ul style="list-style-type: none"> <input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <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 made sustainable investments with a social objective: ___%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent was the sustainable investment objective of this financial product met?

The fund has sustainable investment as an objective, and it attains this goal by investing in renewable energy (wind and solar) facilities. The financial market participant (Taaleri Energia Fund Management, 'the manager') assesses that the fund did therefore contribute to significant CO2 emission offsets or avoidance and, under the EU Taxonomy, substantial contribution to the environmental objective of climate change mitigation during the reference period.

The manager confirms that the fund's strategy is to invest only in activities that make it possible to reduce or avoid CO2 emissions in accordance with Article 9, paragraph 3 of the SFDR regulation. The sustainable investment objective of the fund was met, as all (100%) of the sustainable investments of the financial product were made in environmentally sustainable economic activities that qualify as environmentally sustainable under the EU Taxonomy - onshore wind farms and photovoltaic (PV) solar parks.

According to the fund strategy, the manager aligned all of the fund's sustainable investments with the Net Zero Asset Managers ('NZAM') initiative. NZAM initiative is Paris Agreement aligned where the manager has set interim emissions reduction targets by 2030, consistent with a fair share of the 50% global reduction in CO2 accordingly to the IPCC report on global warming of 1.5 Celsius. The actions and targets follow Science Based Targets initiative, and the commitment is reported annually via Manager's PRI reporting. The used methodologies and measures fulfil the minimum standards common for EU climate transition benchmarks and EU Paris-aligned benchmarks and minimum standards for EU Paris-aligned benchmarks as defined in the EU/2020/1818 regulation. As these focus on scope 1 and 2 emissions, the manager measures, monitors, and reports scope 3 emissions, carbon intensity and carbon footprint according to EU/2022/1288 annex I table 1 annually.

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

● ***How did the sustainability indicators perform?***

- Estimated emission reduction: 207 811 tCO2e during 2022
- Energy production capacity: 315 MW operational capacity installed (an additional 142 MW has been invested, but has not reached the operational stage)
- Renewable energy produced: 677 709 MWh during 2022

● ***...and compared to previous periods?***

No previous reporting periods

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 did the sustainable investments not cause significant harm to any sustainable investment objective?***

To ensure that the investments do not cause significant harm to any sustainable investment objectives, the manager has decided to consider all the mandatory principal adverse impact indicators set out in the regulation EU/2022/1288 annex I Table 1 with the fund investments. In addition, to fully be aligned with the regulation and ensure not to cause significant harm to any of the objectives, one voluntary indicator from Table 2 and one voluntary from Table 3 are also taken into account. Therefore, a total of 16 different principal adverse indicators are continuously monitored and annually reported. The investments have undergone careful due diligence- and environmental impact assessments, where adverse impacts are assessed. The voluntary indicators are chosen based on the materiality analysis conducted by the Manager. The chosen indicators represent investments' most relevant adverse impacts and are aligned with the fund strategy to reduce direct and indirect emissions.

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

All the mandatory and two additional principal adverse impact indicators are taken into account prior to any investment decision with due diligence and other relevant assessments, at a policy level and setting a regular investment monitoring and fund and AIFM-level reporting. For example, the fund strategy excludes investing in other sectors than renewable energy, and appropriate waste management

plans and health and safety guidelines are created. All the investments have their own Environmental and Social Management System whose aim is to guide the practical implementation of the fund manager's ESG policy, where all the mandatory and two additional indicators are considered. All investment targets regularly report all mandatory and two additional chosen indicators and collect data regarding those, according to the instructions and methods set out in the EU SFDR regulation (EU/2019/2088) and (EU/2020/1288). In addition to data collection and monitoring, the manager ensures that actions to reduce the impacts are taken. During the reference period, the manager mainly focused on data management and its reliability. The manager used a third-party operator to model the missing data for the reference period.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes, Investment targets are committed to following the recommendations of the OECD Guidelines and UN Guiding Principles and align with the minimum safeguards criteria by committing to Taaleri Energia ESG Policy, Taaleri Energia Partner Code of Conduct or via the investment target's or its contractor's own commitments, which have been inspected by the financial market participant.



How did this financial product consider principal adverse impacts on sustainability factors?

The fund reduces its principal adverse impacts on sustainability factors defined in Annex I of (EU) 2022/1288. The fund monitors and reports measures related to the indicators and sets goals for the next reference period based on the adverse impacts caused.

Indicators related to greenhouse gas emissions are mainly taken into account with the manager's ESG principles and initiatives. The manager was committed to making a net zero emission reduction plan during the reporting period for the investment targets to cut their absolute emissions by 2030 to reduce the reported adverse impacts. The net-zero emission reduction plan is in line with Paris Agreement and provided by Science Based Targets (SBTis) initiative. The fund strategy is exclusive and the manager has excluded all investments active in the fossil fuel sector or controversial weapons. Therefore, no adverse impacts related to those were caused.

Indicator related to biodiversity is taken into account prior to investment decisions. The manager assesses that the potential investments are not located in or near biodiversity areas. This is also due to EU Taxonomy-aligned investment.

Indicators related to water and waste are taken into account with the investment waste management plan and other site agreements. The manager ensures that the waste is handled accordingly and that no emissions to water are caused.

Indicators related to social and employee matters are taken into account with the manager's policies, KYC process, construction and operation agreements. The fund does not have direct employees.

During the reference period, the fund focused on collecting correct and accurate data. These indicators are reported in the fund Q1/2023 report, according to Annex I, Table I of delegated act EU 2022/1288.



What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1.1.2022-31.12.2022.

Largest investments	Sector	% Assets	Country
Ottava	Wind, renewable energy	18%	Finland
Escalade	Wind, renewable energy	13%	The US
Zadar	Wind, renewable energy	11%	Croatia
Mlawa & Grajewo	Wind, renewable energy	9%	Poland
Haram	Wind, renewable energy	9%	Norway
Murtotuuli	Wind, renewable energy	8%	Finland
Jonava	Wind, renewable energy	7%	Lithuania
Isoneva	Wind, renewable energy	7%	Finland
Niebla	Solar, renewable energy	7%	Spain
Anyksciai	Wind, renewable energy	5%	Lithuania
Rokiskis	Wind, renewable energy	4%	Lithuania
Cash	Cash in the fund account	2%	Finland

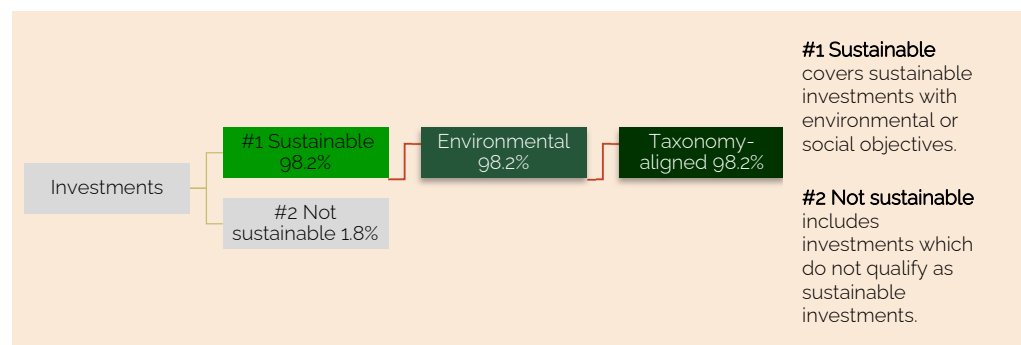


What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

● What was the asset allocation?

Fund asset allocation when considering all investments (including, e.g. cash) 98.2% of the investments made are in economic activities that qualify as sustainable investments under the EU SFDR Regulation (2019/2088 Art 2). The manager considers that all (100%) of the sustainable investments are EU Taxonomy aligned with an environmental objective of Climate Change Mitigation. It should be noted that there may be some amount of cash in



the fund account that is not yet invested or returned. Due to cash, the fund's asset allocation is not 100% to sustainable investments.

● ***In which economic sectors were the investments made?***

All (100%) of the sustainable investments were made in ready-to-build utility-scale onshore wind farms and photovoltaic solar parks.



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

The manager has assessed that 100% of the fund investments that are considered sustainable investments are EU Taxonomy aligned. The fund investments' economic activity is electricity generation from wind power and electricity generation using solar photovoltaic technology, and the substantial contribution is to the environmental objective of climate change mitigation under the EU Taxonomy. The manager assesses that the fund contributes substantially to climate change mitigation via constructing and operating onshore wind and solar farms. The manager assesses that the fund investments support the stabilisation of GHG concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of the Paris Agreement through the avoidance and decrease of GHG emissions by generating renewable energy.

According to the environmental objective's technical screening criteria identified for the economic activities of electricity generation from wind power and electricity generation using solar photovoltaic technology, the investments generate electricity from wind power or from solar photovoltaic technology. The manager considers that the investments fulfil the environmental objective technical screening criteria for the Do no significant harm criteria ('DNSH'). Investments physical climate change risks are assessed according to the IPCC AR6 report RCP2.5-RCP8.5 scenarios, and material risks identified have adaptation plans. The manager has assessed waste and recyclability for the investments' entire lifecycle as well as conducted Environmental Impact Assessment according to Directive 2011/92/EU with required mitigation and compensation measures. The manager reports sites/operations located in or near biodiversity-sensitive areas via EU/2022/1288 annex I Table 1 principle adverse impact indicators. No sites/operations were identified to be located in or near biodiversity-sensitive areas.

Minimum safeguards and good governance are ensured via the manager's engagement policies available on the manager's website (Taaleri Energia Partner Code of Conduct, Taaleri Plc. Code of Conduct and Taaleri Energia ESG Principles) and KYC processes and are considered a minimum requirement.

No assurances provided by one or more auditors or a review by one or more third parties were required or used during the reference period to assess EU Taxonomy alignment. However, the manager has used third parties guidance and approved technologies used during the reference period.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

Yes:

In fossil gas

In nuclear energy

No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. 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

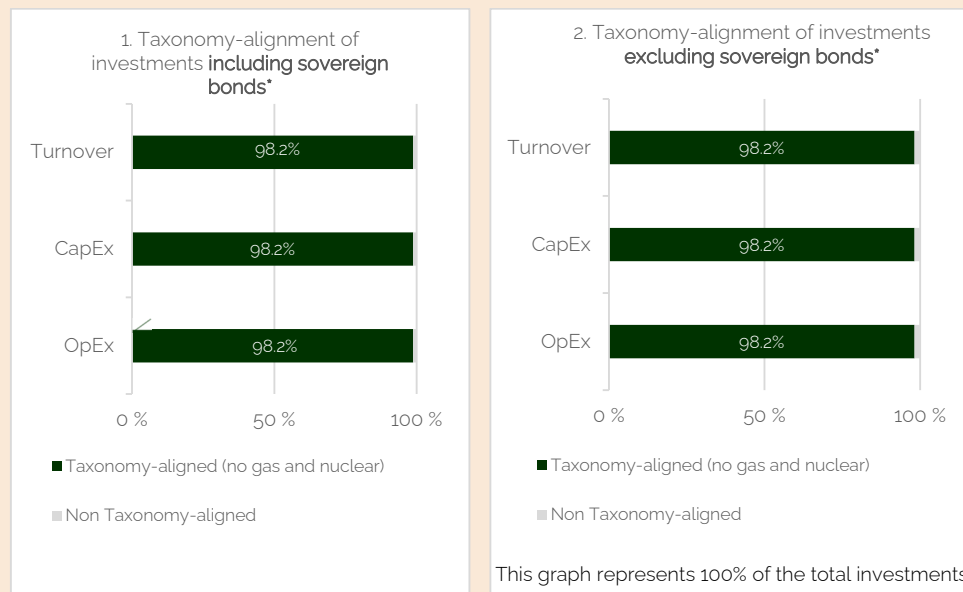
Transitional activities are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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 no significant harm to 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.

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.

The graphs below show in green the percentage of investments that were 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.

● **What was the share of investments made in transitional and enabling activities?**

The share of investments made in transitional activities 0%.

The share of investments made in enabling activities 0%.

Renewable energy production is low-carbon energy production, which is considered a "greening of" - type economic activity, which makes a substantial contribution to an environmental objective based on its own performance.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

No previous reference periods.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

n/a



What was the share of socially sustainable investments?

n/a

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 investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The manager assesses that investments included in “not sustainable” include cash. The manager confirms that despite the fund objective of making 100% sustainable investments, some amount of cash is acceptable according to SFDR EU/2019/2088. The purpose of the cash is to fund expenses. The cash has been called from the investors for working capital purposes. The cash variables and is kept only for a short time period and not for any mandatory or fund strategy purposes. Investments included in “not sustainable” follow the fund strategy and, therefore, also minimum social safeguards and are from sustainable investments or are kept due to coming sustainable investments.



What actions have been taken to attain the sustainable investment objective during the reference period?

The fund's sustainable investment objective was attained by constructing and operating onshore wind and solar farms. Prior to any investment made during the reference period, the manager ensured that good governance and minimum social safeguards were followed by engaging the investees to follow the manager's policies and practices. In addition, the manager conducted comprehensive environmental due diligence to identify possible sustainability risks and material principle adverse impacts, assessed physical climate change risks and identified adaptation plans if material risks occurred. The manager has set up websites for new investments made during the reference period for to ensure transparent communication with internal and external stakeholders. The websites have an anonymous grievance mechanism. Received grievances were handled accordingly. The manager assesses the investments' renewable energy production capacity and aims to maximize it (sustainability indicator – energy production capacity). The made investments have a project-specific environmental and social monitoring plan that includes the main findings from the assessments and plans developed prior to investments. This plan assesses the potential impacts of the project during its life cycle, it will help to minimise the principal adverse impacts and state clearly the responsibilities of different parties. To ensure comprehensive stakeholder engagement, the different stakeholders are identified, and a plan is drafted for interaction with identified stakeholders and to monitor actions taken.

With the investments that were in the operational phase, energy production data was collected to monitor sustainable objective (sustainability indicator – renewable energy produced). Based on the energy produced, the manager calculated the fund's conducted emission offset (sustainability indicator – estimated emission reduction) In addition, continuous sustainability risk and adverse impact monitoring were conducted.

During the reference period, the manager updated and assessed methods used to calculate the emission offset to ensure that the most updated emission factors (EIB) were used. In addition, the manager updated the Taaleri Energia ESG Principles and Taaleri Energia Partner Code of Conduct to comply with the regulation development and manager's practices. Main updates related to used terminology, data collection and reporting.



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

How did this financial product perform compared to the reference sustainable benchmark?

No reference benchmarks are used to measure the attainment of the sustainable objective.

- *How did the reference benchmark differ from a broad market index?*
n/a
- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*
n/a
- *How did this financial product perform compared with the reference benchmark?*
n/a
- *How did this financial product perform compared with the broad market index?*
n/a