ANNEX V

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 III SCSp **Legal entity identifier:** B274335

Sustainable investment objective

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.

Did this financial product have a sustainable investment objective?

☒ Yes	☐ No
☒ It made **sustainable investments with an environmental objective: 84%**	☐ 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
☒ 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 made **sustainable investments with a social objective**: ___%	☐ 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 has attained this goal during the reference period by investing in the development of renewable energy production facilities, and battery energy storage (referred to as "Development portfolio") as well as the construction of the battery energy storage asset. The fund made its first investments into battery energy storage asset and a second investment into the Development portfolio.

The financial market participant (Taaleri Energia Fund Management, 'the manager') has assessed that the fund development portfolio will contribute to significant CO_2 emission offsets or avoidance and its investments will be EU Taxonomy-aligned investments once they reach the constructional or operational phase. Before that and during the reference period, the development portfolio investments sustainability was ensured by fully controlling the development process, meaning that the manager ensured that the development process followed EU Taxonomy's criteria relating to the substantial contribution to climate change mitigation as well as set DNSH criteria for that environmental goal and economic activity, and therefore was able to decide the projects' layouts, and planned materials, and ensure transparent and fair communication during the stakeholder engagement processes. During the reference period, major of the fund investments were in the development phase.

The manager has assessed that the investment into the construction of battery energy storage asset is aligned with the EU Taxonomy and has a substantial contribution to the environmental objective of climate change mitigation. Following the EU Taxonomy's criteria. the investment activity is the construction and operation of electricity storage. The investment is considered as an enabling activity. The manager has

assessed that once renewable energy production increases, the volatility in electricity prices also increases. Therefore, storing electricity enables a stable electricity grid while it supports renewable energy production.

The manager confirms that the fund's strategy is to invest only in activities that make it possible to reduce or avoid CO_2 emissions and balance the electricity grid and electricity distribution once operational during its lifetime following Article 9, paragraph 3 of the SFDR regulation. The fund had its first closing in June 2023 and a second closing in December 2023. The sustainable investment objective of the fund was met during the reference period, as all (100%) of the sustainable investments of the financial product were made in environmentally sustainable economic activities under the SFDR (EU/2019/2088), i.e. either to development portfolio investments and to battery energy storage assets.

The manager has aligned all of the fund's sustainable investments with the Net Zero Asset Managers ('NZAM') initiative. The NZAM initiative is Paris Agreement aligned where the manager has set interim emissions reduction targets to be reached by 2030, consistent with the target of at least 50% global reduction in CO_2 necessary to limit global warming to 1.5 degrees Celcius, as stated in the IPCC report. The actions and targets follow the Science Based Targets initiative, and the commitment is reported annually via the manager's PRI reporting. The used methodologies and measures fulfil the minimum standards common for EU climate transition benchmarks and EU Paris-aligned benchmarks as defined in the EU/2020/1818 regulation. As the NZAM focuses on scope 1 and 2 emissions, the manager measures, monitors, and reports scope 3 emissions, carbon intensity and carbon footprint amount and path to decrease those according to EU/2022/1288 annex I table 1 annually. It should be noted that during the reference period, major of the fund investments were in the development phase. Therefore from the development projects zero scope 1, 2 or 3 emissions were caused. Reported emissions are from the construction of the battery energy storage asset.

How did the sustainability indicators perform?

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

Sustainable indicator	2023	Unit
Renewable energy capacity	-	MW
Renewable energy produced	-	MWh
Number of households supplied with energy	-	Number
Greenhouse gas reductions or avoidance	-	tCO_2e
Times renewable energy is transferred into high-demand hours	-	Hours
Hours of electricity grid balancing supplied	-	Hours
Renewable energy capacity developed	8.2	GW
Environmental incidents	0	Number
Breaches of environmental permits	0	Number
Hours worked (during the construction phases)	8967	Hours
Fatalities	0	Number
Loss Time Incidents	0	Number
Community fund contributions	0	€
Received grievances through grievance mechanism procedures	0	Number

The indicator data is not verified by a third party but the information used is from the actual data reports from the investments.

...and compared to previous periods?

No previous periods to report.

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

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.

To ensure that the sustainable 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 for the fund sustainable investments. In addition, to fully be aligned with the regulation and to ensure not cause significant harm to any of the objectives, one voluntary indicator from Table 2 and one voluntary indicator from Table 3 are also taken into account. Therefore, a total of 16 different principal adverse indicators are

continuously monitored and annually reported. The voluntary indicators are chosen based on the materiality analysis conducted by the manager and those represent the investments' most relevant adverse impacts and are aligned with the fund strategy to reduce direct and indirect emissions. The investments have undergone or the assessments are in progress for careful due diligence- and environmental impact assessments, where adverse impacts are assessed. To clarify, the sustainable investments either are EU Taxonomy aligned, i.e. follow the DNSH criteria for that economic activity or they are prepared to be EU Taxonomy aligned and therefore are not yet EU Taxonomy eligible. Within the Development portfolio, DNSH criteria are implemented at a policy and assessment level. This mostly means conducting physical climate change risk assessments, planning and ensuring proper waste management, conducting environmental impact assessments and following policies that are aligned with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

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 at a strategy, policy, process and/or contractual level. In addition, the manager has set a regular investment monitoring and fund and manager 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 in accordance with policy requirements. All the investments have their own Environmental and Social Management System, the aim of which is to guide the practical implementation of the manager's ESG policy, where all the mandatory and two additional indicators are considered. All investment targets regularly report all mandatory and the 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 focused on data management and its reliability.

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 commitments, which have been inspected by the manager. In addition, trainings relating to sustainable investment, bribery, anti-corruption and fair competition are organised annually for all employees.

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 by i) aligning the fund's activities with the manager's ESG principles and ii) aligning investments with NZAM. The manager made efforts to a net zero emission reduction plan that was created for the investment targets to cut their absolute emissions by 2030 to reduce the adverse impacts. 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 during the development phase of the investments. The manager ensures that the investments would not be developed in or near the biodiversity areas and/or impact the areas negatively. The general "Do No Significant Harm" (DNSH) criteria under the EU Taxonomy for Biodiversity mandates that investments undergo an Environmental Impact Assessment (EIA) or a screening pursuant to Directive 2011/92/EU or adhere to International Finance Corporation (IFC) standards. Following this assessment, the requisite mitigation measures must be implemented. The manager ensures that an Environmental Impact Assessment (EIA) is conducted before any investment commitment, even though investments during the development phase are not eligible under the EU Taxonomy. By taking these necessary steps to complete the EIA, the manager prepares the investments to align with EU Taxonomy requirements once construction begins.

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 manager concentrated on developing renewable energy production and battery energy storage facilities, adhering closely to established policies and practices. This included the accurate collection of data from investees, the definition of scope 3 emissions, and the use of estimates where necessary, alongside the enhancement of internal practices for greater efficiency. As the battery energy storage facility was the sole source of emissions during this period, the manager ensured the accuracy of the data collected from this asset, enabling precise calculation of emissions. Additionally, principal adverse impact indicators were reported in compliance with Annex I, Table I of the 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: 1.1.2023-31.12.2023.

Largest investments	Sector	% Assets	Country
Paistinkulma	Battery storage asset	24 %	Finland
Cash	Cash at the fund account	16 %	Luxembourg
Lander	Wind and Solar, renewable energy	8 %	Sweden
Alamosa	Wind and Solar, renewable energy	6 %	Lithuania
Amador	Battery storage asset	5 %	USA
Cibuk-2	Wind, renewable energy	5 %	Serbia
Global Serina	Wind and Solar, renewable energy	3 %	Spain
Addison & Alcona	Wind, renewable energy	3 %	Lithuania
Pleszew	Wind and Solar, renewable energy	3 %	Poland
Cerkwica	Wind and Solar, renewable energy	3 %	Poland
Krzemieniewo	Wind and Solar, renewable energy	2 %	Poland
Simpson	Wind, renewable energy	2 %	Latvia
Kalinowo	Wind and Solar, renewable energy	2 %	Poland
Las Palmas	Wind, renewable energy	2 %	Finland
Global Evenor	Wind and Solar, renewable energy	2 %	Spain

The table above represents the proportion of the top investments calculated as a quarterly average representing the reporting period.

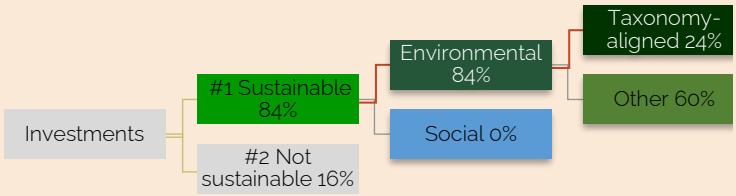
Asset allocation
describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

Fund asset allocation when considering all investments (including cash, which is considered as "not sustainable" investment) 84% of the investments made are in economic activities that qualify as sustainable investments under the EU SFDR Regulation (2019/2088 Art 2).

What was the asset allocation?

The manager considers that 24% of the sustainable investments are EU Taxonomy aligned with an environmental objective of Climate Change Mitigation. 60% of the sustainable investments are not EU Taxonomy aligned nor eligible. 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.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	The portion of the investments made %
Renewable energy, wind power	50%
Renewable energy, solar power	26%
Renewable energy, wind and solar power	13%
Battery energy storage system	11%

The manager has ensured that there was no revenue 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 the Council (8).

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

The manager has assessed that 24% of the fund investments that are considered sustainable investments are EU Taxonomy aligned. EU Taxonomy aligned investment economic activity is the construction and operation of electricity storage and the substantial contribution is to the environmental objective of climate change mitigation under the EU Taxonomy. The activity is an enabling activity. The manager has assessed that the investment contributed substantially to climate change mitigation by constructing a battery energy storage asset.

The manager considers that the investment fulfils the environmental objective technical screening criteria for the Do no significant harm criteria ('DNSH'). Investment 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 investment's entire lifecycle and ensures maximal reuse or recycling at the end of the investment lifetime. The manager ensured that the investment was not located in or near biodiversity-sensitive areas.

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.

Minimum social safeguards and good governance are ensured via the manager's policies available on the manager's website (Taaleri Energia Partner Code of Conduct, Taaleri Plc. Code of Conduct and Taaleri Energia ESG Policy). KYC processes and good governance are considered as minimum requirements. The manager conducted comprehensive training for employees during the reference period focusing on sustainable investments, anti-corruption, bribery, human rights and fair competition. A third-party audit was conducted to assess that the manager's practises and policies are aligned with the Article 9 requirements during the reference period. No need for improvement was found.

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

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

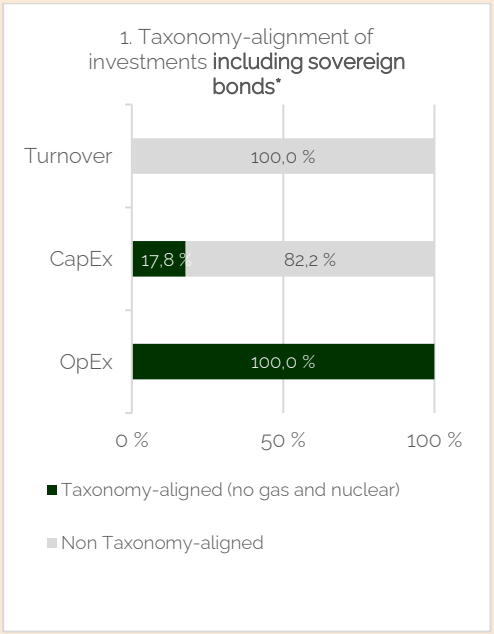
☒ No

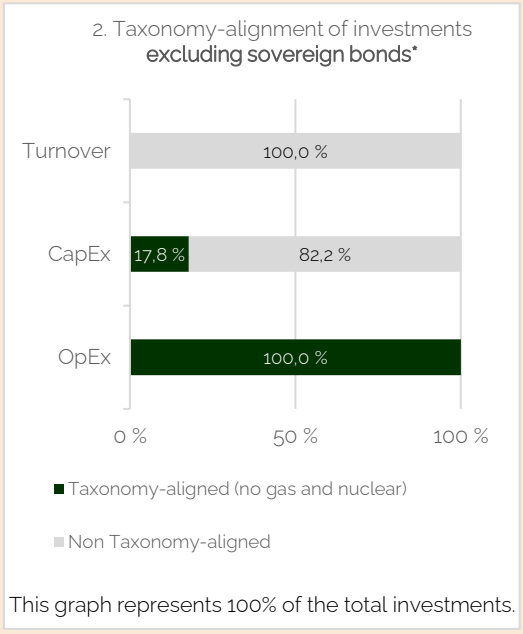
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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.

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.*





This graph represents 100% of the total investments.

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

The fund had no revenue during the reference period.

[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.

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 24%.

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

No previous reference periods to report.

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

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 60% during the reporting period. The percentage represents the share of year-end. These investments were made into the development portfolio. The development of renewable energy production facilities (wind and solar) and battery energy storage assets are not classified under the EU Taxonomy. However, the manager assesses that while developing the projects, it can ensure projects are high-quality and fully control the process from day one. This allows the manager to develop projects following EU Taxonomy criteria for the economic activity of electricity generation from wind power, electricity generation using solar photovoltaic technology and the construction and operation of facilities that store electricity. Meaning, for example, deciding the layout, and materials used, implementing transparent stakeholder engagement and sustainable procurement processes, and ensuring proper environmental impact assessments.

What was the share of socially sustainable investments?

n/a

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" are in the form of cash available on the account at the end of the reference period. The manager confirms that despite the fund objective of making 98% 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 retained for working capital purposes. The cash variables are kept only for a short 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. The cash is from sustainable investments or capital called from investors.

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

The fund's sustainable investment objective was attained by developing onshore wind and solar facilities and battery energy storage and by constructing battery energy storage asset.

During the reference period, the manager focused on developing high-quality projects that once operational contribute to emission avoidance and long-term climate goals. The capacity of the development projects was 8.2 GW to year-end.

The manager invested in battery energy storage asset and started the construction phase of it. The manager ensured that proper and sufficient clauses relating to sustainable investment were integrated into contracts. In addition, the manager ensured that the investment fulfilled the EU Taxonomy criteria before the investment was made. During the construction, the manager monitored quarterly the investment's adverse impacts and sustainable indicators. The continuous progress of the construction was done by the manager via a third-party technical and construction manager.

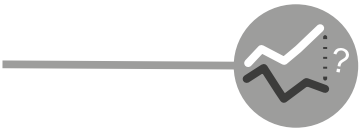
The manager engaged with the industry via the local renewable energy associations in the market. In addition, it engaged with associations that work with anti-corruption, fair competition and anti-bribery. The associations provide insight into potential policy changes and give the manager a forum to influence.

The manager has a diverse group of almost 50 energy professionals in Finland, Spain, Hungary and Luxembourg working across finance, development, construction, operations, legal and more. Embedding ESG and sustainability into daily operations is integral to scaling operations. In the team's monthly knowledge-sharing sessions, the manager briefed the team on updates to policies, handbooks and templates or gave concrete case examples. Focused training sessions on specific topics were held to provide in-depth instruction and discuss opportunities to improve. The team did two mandatory ESG training programmes, including knowledge testing.

The manager developed a Sustainable Procurement Handbook to provide a detailed process for identifying, preventing, and mitigating environmental and human rights risks within its supply chain. The handbook is based on first analysing the manager's position and then identifying the most effective tools available, along with identifying where there is a place for improvement. The first steps also include conducting thorough due diligence on the suppliers that are approved and keeping veto rights even in cases where procurement is outsourced. In addition to that, the manager must ensure that the contracts contain strict clauses, trickling down throughout the value chain, for all parties to have the appropriate commitments and processes in place to respect the minimum social safeguards, actively work on self-improvement and increase transparency. These steps are done during the development phase of the projects.

The manager created a formal ESG Strategy during the reference period to include more clear short- and long-term goals. In addition, the manager started to develop an ESG data tool, that will help the data management and reporting. The ESG data tool will be finalised during the year 2024.

The manager published its first formal report on climate-related financial risks and opportunities following the Task Force on Climate-related Financial Disclosures. The report summarises the risks and opportunities within four thematic areas, representing the manager's overview of the governance, risk management and metrics and targets.



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.

Reference benchmarks are indexes to measure whether the financial product attains 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

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 III SCSp (B274335)

Summary
Description of measured principal adverse impacts:

Taaleri Solarwind III SCSp 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 III SCSp, managed by its fund manager Taaleri Energia Funds Management Ltd.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.

During the reference period, the most significant principal adverse impacts were identified to relate to scope 3 GHG emissions (solely from the battery energy storage asset) caused. It should be noted that the fund had its first closing in June 2023 and a second closing in December 2023. The majority of the fund investments were in the development phase during the reference period and therefore no adverse impacts relating to water, or waste were actively caused.

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 III SCSp ottaa huomioon sijoituspäätöstensä pääasialliset haitalliset vaikutukset kestävyystekijöihin. Tämä ilmoitus on rahastonhoitajan Taaleri Energia Funds Management Oy:n Solarwind III SCSp rahaston ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin.

Tämä ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin kattaa viitekauden, joka alkaa 1 päivänä tammikuuta ja päättyy 31 päivänä joulukuuta 2023.

Rahastonhoitaja tunnisti viitekaudella merkittävimmiksi pääasiallisiksi haitallisiksi vaikutuksiksi rahaston energia varastointi sijoituksen Scope 3 -kasvihuonekaasupäästöt, jotka aiheutuvat sijoituskohteen rakentamisen aikana. On syytä huomioida, että rahaston ensimmäinen sulkeutuminen tapahtui kesäkuussa 2023 ja toinen sulkeutuminen joulukuussa 2023. Tämän lisäksi suurin osa rahaston sijoituksista viitekaudenaikana oli kehitysvaiheessa. Tämän takia haitallisia vaikutuksia kehityshankkeista ei aiheutunut kasvihuonekaasupäästöihin, veteen tai jätteeseen liittyen.

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 kestävän sijoitustavoitteen mukaisesti.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2023	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_2e	n/a		Pursuant to the GHG Protocol, only emissions caused directly by the fund are included in scope 1. All machines 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 manager focuses on decreasing scope 3 emissions.
		Scope 2 GHG emissions	0.6 tons of CO_2e	n/a	Location-based: 0.6 tCO_2e	During the reference period, the manager gathered relevant data to calculate the scope 2 emissions. For the next reference period, the manager aims to increase renewable energy share with the purchased electricity.
		Scope 3 GHG emissions	30,247.0 tons of CO_2e	n/a		During the refence period, the manager collect data from the battery asset to calculate Scope 3 emissions. Some estimations were required to be made. For the next reference period, the manager aims to improve data collection methods with its new ESG data management tool.
		Total GHG emissions	30,247.7 tons of CO_2e	n/a		The manager gathered relevant data during the reference period to calculate the total GHG emissions. For the next reference period, the manager aims to improve data collection methods with its new ESG data management tool as well as increase renewable energy share when purchasing electricity.
	2. Carbon footprint	Carbon footprint	1,049 tons of CO_2e/€M	n/a		The manager gathered relevant data during the reference period. For the next reference period,

						the manager aims to improve data collection methods with its new ESG data management tool as well as increase renewable energy share when purchasing electricity.
	3. GHG intensity of investee companies	GHG intensity of investee companies	0.0 tons of CO_2e/€M	n/a		The manager gathered relevant data during the reference period. For the next reference period, the manager aims to improve data collection methods with its new ESG data management tool as well as increase renewable energy share when purchasing electricity.
	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	100.0%	n/a		During the reference period, the manager ensured that all the relevant data is and would be available in the future. No energy was produced and only non-renewable energy was consumed. For the next reference period, the manager aims to increase renewable energy consumption.
	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	0.0 GWh/€M	n/a		During the reference period, the manager gathered relevant data to calculate the energy consumption intensity. The manager will improve its ESG data management tools for the next reference period as well as increase renewable enerfy share when purchasing electricity.
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 those investee companies negatively affect those areas	0.0%	n/a		During the reference period, the manager ensured that no investments were made or developed in biodiversity-sensitive areas. For the next referece period, the manager aims to actively follow the regulation development related to biodiversity areas and ensures that new investments are not located in the biodiveristy-sensitive 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 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.
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 manager gathered relevant data to calculate the hazardous waste and radioactive waste amount. During the next reference period, the manager intends to continue monitoring the investments' waste ratio and ensure that hazardous waste is treated appropriately.
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 Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.0%	n/a		The manager has ensured that comprehensive KYC and Due Diligence -processes have been completed for each investment. During the next reference period, the manager will continue to conduct regular checks on current investments where needed.
	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 manager has exercised full or joint control of all fund investments, whereby the 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 anonymously. The manager has developed a comprehensive supply chain due diligence process, the "Sustainable procurement handbook". During the next reference period, the manager aims to improve its processes on sustainable procurement and implement these new practices in all procurement processes.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of	n/a	n/a		The indicator is not considered to be applicable

		investee companies				due to the lack of employees.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	6.9%	n/a		As the positions are administrative, we do not consider the gender diversity impact to be material.
	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 2023	Impact 2022	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	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	n/a		

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	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, storage, transport or manufacture of fossil fuels	n/a	n/a		
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	n/a	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 III SCSp (the "fund"), managed by Taaleri Energia Funds Management Oy (the "manager"), 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 2023)
- Taaleri Plc Sustainability Policy (December 2023)
- Taaleri Code of Conduct (December 2022)
- Taaleri Energia Remuneration Policy (April 2022)
- Taaleri Energia ESG policy (May 2023)
- Taaleri Energia Partner Code of Conduct (April 2023)

The applicable governing bodies of either the manager or Taaleri Plc have approved these policies, as visible in the list 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 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 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 solar 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
- Life Cycle Calculations to estimate Scope 3 emission
- 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 manager Taaleri Energia Fund Management Oy, is committed to promoting responsible investment practices and effective and responsible engagement in its fund investments. The manager's policy is to make controlled investments, whereby we have the full ability to implement our policies on the activities of the investees and underlying investments. The 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 manager monitors investees on relevant matters, including strategy, financial and non-financial performance, risk management, social and environmental impact, and corporate governance;
- The manager initiates and maintains a constructive dialogue with investees and partners on the aforementioned topics, as well as other areas of mutual interest;
- The manager collaborates with internal and external stakeholders, when appropriate, to promote the best interests of the investee company and its stakeholders;
- The 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 Code of Conduct (December 2022)
  - The Code of Conduct govern and describes 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 (April 2023)
  - 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 policy (May 2023) and Taaleri Plc Sustainability Policy (December 2023)
  - The sustainability policies of Taaleri Plc and the ESG Policy 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 and practices targeted at mitigating major negative impacts on sustainability factors and policies that guide the manager's actions.
The 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 and/or are not due to changes in absolute PAI values but rather changes in financial value-related calculation methodology, the 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 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 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)
- 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 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 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 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 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). 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 manager and its investments with the Paris Agreement. The initiative requires cutting emissions from the manager's activities, committing investees to reduce greenhouse gas emissions and setting a net zero emission plan and target. In addition, the 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.

Regular 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 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 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

n/a

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 2023: 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 2023: 1.5%**	**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

Commission Delegated Regulation (EU) 2022/1288, Annex 1, definitions and forumulas 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 Council[2];

(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 Council[3];

(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 Council[4];

(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 Council[5];

(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 Council[6];

(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 Council[7] 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 Council[8] ;

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[2] 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).

[3] 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).

[4] 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).

[5] 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).

[6] 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).

[7] 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).

(16) 'radioactive waste' means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom[9];

(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 Council[10];

(ii) Council Directive 92/43/EEC[11];

(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 Council[12];

(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);

(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) 2021/2139[13];

(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 Council[14];

(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 Council[15], for the Large Volume Inorganic Chemicals- Solids and Others industry;

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8 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).

9 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).

10 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).

11 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).

12 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).

13 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).

14 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).

(28) 'air pollutants' means direct emissions of sulphur dioxides (SO_2), 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 Council[16], ammonia (NH_3) 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:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i} \times investee\ company's\ Scope(x)\ GHG\ emissions_i\right)$$

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

$$\frac{\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i} \times investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i\right)}{current\ value\ of\ all\ investments\ (€M)}$$

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

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M)} \times \frac{investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{investee\ company's\ €M\ revenue_i}\right)$$

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

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M)} \times \frac{The\ country's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{Gross\ Domestic\ Product_i(€M)}\right)$$

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

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

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;

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15 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).

16 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*

(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 Council[17].

[17] 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)