

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

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.

Product name: Maj Invest Financial Inclusion Fund II K/S
Legal entity identifier: 549300T04MGCPNFZ2V77

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> No
<div><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____%</div> <div><div><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div> <div><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____%</div>	<div><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments</div> <div><div><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> with a social objective</div></div> <div><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</div>



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

The Fund promotes social characteristics by investing in financial institutions and service providers that advance financial inclusion in emerging markets. Specifically, the Fund supports business models that promote financial inclusion by:

- Improving access to and use of responsible financial services
- Improving financial health
- Increasing gender equality

Research shows that this leads to meaningful outcomes for end-clients, including improved quality of life, increased financial empowerment, and enhanced financial resilience.

The Fund is subject to ESMA's guidelines on the use of sustainability-related terms in fund names, due to the inclusion of the social term "financial inclusion." In accordance with these guidelines, a minimum of 80% of the Fund's investments must be aligned with the promoted social characteristics. The Fund exceeds this threshold, with 100% of investments contributing to its defined social characteristics.

Financial inclusion is understood as expanding access to and use of responsible financial services for underserved populations- including individuals and micro-enterprises that are unbanked or underbanked due to geographic, economic, or systemic constraints. The Fund's target client group typically falls below the middle class but above the extreme poverty line.

No commitment is made to sustainable investments as defined in the EU regulation, the Sustainable Finance Disclosure Regulation (SFDR).

A reference benchmark is not used to attain the social characteristics promoted by the Fund.

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

The attainment of the Fund's social characteristics is measured through the following indicators, supporting the different social characteristics:

Social Characteristics	Indicator	Description
Financial Inclusion	Share of (%) investments that provide financial services and primarily serve underserved clients (e.g., low-income, rural, or women), measured as fair value	This indicator is used to demonstrate compliance with ESMA's guidelines on fund names.
Improving access to and use of financial services	Number of clients served	These indicators are used to track progress on key
	Number of rural clients served	

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

Improving Financial Health	Share of (%) of income generating loans of total loan portfolio	sustainability outcomes over time.
Increasing Gender Equality	Share of (%) of female clients served via Fund's portfolio companies	
	Share of (%) of female board members in portfolio companies	
	Share of (%) of female employees in portfolio companies	

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

This financial product does not make any sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

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

Not relevant.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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

Not relevant.



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

☐ Yes, _____

☒ No

At this time, the Fund does not consider principal adverse impacts (PAIs) on sustainability factors.

This is primarily due to the limited availability, quality, and consistency of data from portfolio companies operating in the financial inclusion space, particularly in emerging markets. Many of these companies currently lack the capacity or resources to collect, monitor, and report on all the required PAI indicators across their operations and value chains.

While the Fund promotes social characteristics through its investments, a full and systematic consideration of PAIs is not yet feasible. The Fund will continue to monitor regulatory developments and work with portfolio companies to strengthen their sustainability data capabilities.



What investment strategy does this financial product follow?

Maj Invest Financial Inclusion Fund II is a closed-end private equity fund investing in top tier financial institutions providing micro- and SME financial services in Latin America, Asia and Africa. Through direct equity investments, the Fund acquires significant minority positions with board representation in the financial institutions together with trusted investment partners.

The Fund invests in top tier financial institutions of the sector, with a medium to large size loan portfolio of minimum USD 100 million. The target financial institutions must be mature and well-established, with advanced and efficient operational infrastructure, strong governance, highly qualified management, experienced co-investment partners and attractive growth potential.

The targets must have the capability to benefit from the growing sector, to become regulated banks through organic growth or consolidation, to reach a ROE of 20% or higher, with a strong exit strategy. Sustainability risks are assessed as part of the Fund's investment selection and monitoring. Given the focus on well-managed institutions with strong governance, these risks are expected to have a limited negative impact on financial performance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy used to attain the social characteristics of the Fund encompass exclusions, ESG-integration, thematic relevance, and active ownership.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Exclusions

The Fund's exclusions are aligned with the IFC's Microfinance Exclusion List, the EDFI Exclusion List, and the Maj Invest Minimum Standards. Furthermore, the Fund is covered by the EU Climate Transition Benchmark, in accordance with Article 12(1)(a) to (c) of Commission Delegated Regulation (EU) 2020/1818.

ESG-Integration

As part of the ESG integration the Fund is committed to working with the portfolio companies on creating long-term social impact, as well as mitigate ESG-related risks. During the management phase, the Fund will monitor the portfolio company's social impact activities through the Fund's board participation, visits and/or reporting and dialogue.

Thematic Relevance

All portfolio companies are required to comply with the Fund's social characteristics. This is evaluated using the Fund's sustainability indicators. ESG data is collected quarterly from each company to assess their contribution to the Fund's thematic focus. The results are presented in the Fund's quarterly reports, annual sustainability report and the periodic reporting template.

Active Ownership

Through board participation and dialogue, the Fund works with portfolio companies to improve ESG practices, strengthen financial inclusion outcomes, and align with international standards.

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

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

Not relevant.

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

Social impact is an integrated part of the overall framework for responsible investment, and the Fund's perception of responsible investment is aligned with that of the UN. The Social Impact Policy of the Fund considers the provisos laid down in IFC's and EDFI's Exclusion Lists, Anti-Money Laundering Requirements, Anti-Corruption Guidelines and CGAP Client Protection Principles.

As part of the due diligence process, an assessment of the portfolio companies' compliance and commitment to recognized international social impact standards is carried out prior to investment. The Fund will only invest in companies which can identify with the Fund's core values, and companies that work dedicated towards adhering to recognized international social impact standards. During the management phase, the Fund will monitor the portfolio company's social impact activities through the Fund's board participation, visits and/or reporting and dialogue with reference to the Fund's Social Impact Policy.

Asset allocation
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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

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

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

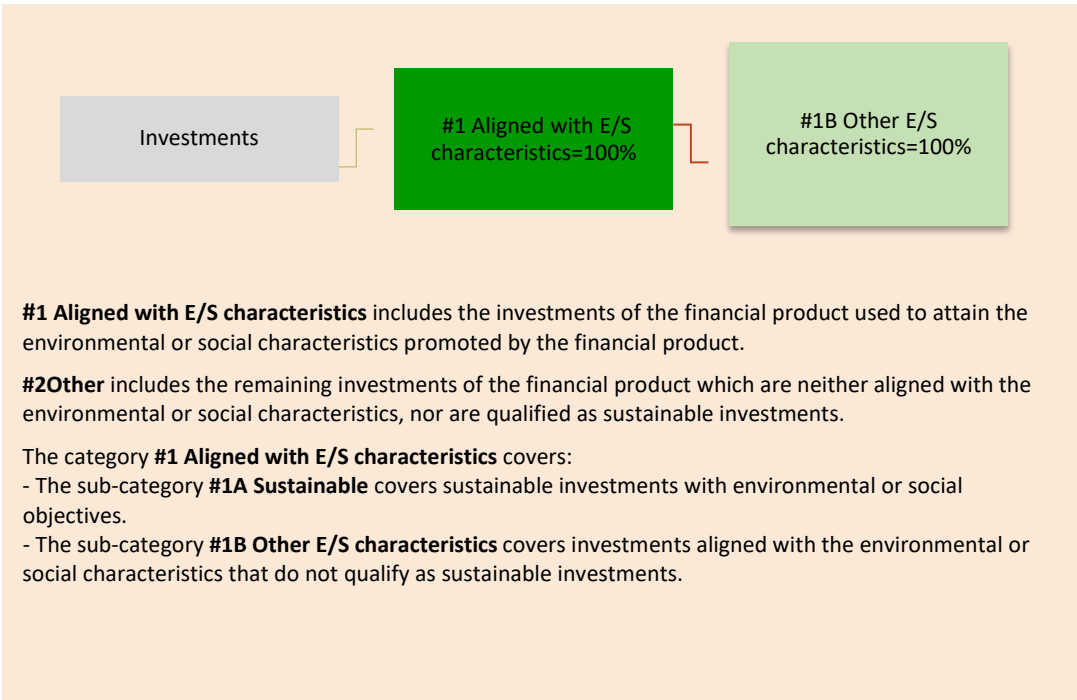


What is the asset allocation planned for this financial product?

The Fund invests 100% in portfolio companies that comply with the social characteristics promoted by the Fund, specifically financial inclusion, measured at fair value.

The Fund does not plan to hold cash or use derivatives as part of its investment strategy. However, immaterial amounts of cash may be temporarily held for administrative purposes only. Such cash balances are considered ancillary liquidity and are not part of the planned allocation.

This allocation ensures the Fund complies with ESMA’s guidelines on the naming of funds using sustainability-related terms, while maintaining sufficient flexibility for operational needs.



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

The Fund does not use derivatives. Therefore, derivatives play no role in attaining the social characteristics promoted by the financial product.



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

This financial product does not make any sustainable investments.

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



Yes:



In fossil gas

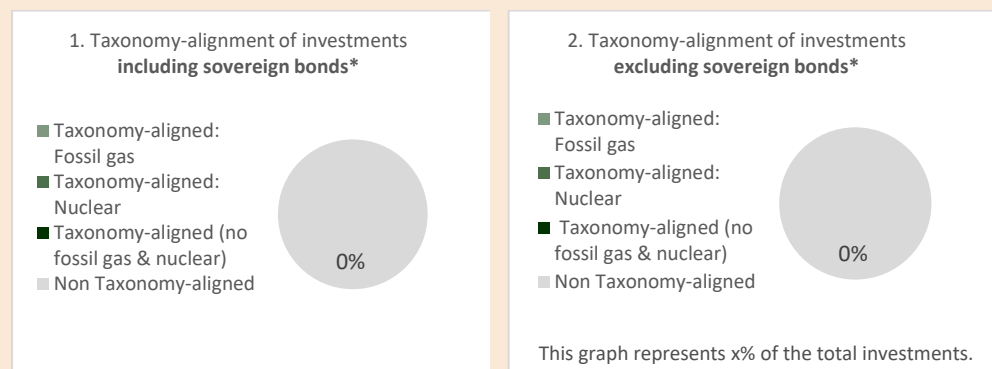


In nuclear energy



No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



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

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

0%



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

This financial product does not make any sustainable investments.



What is the minimum share of socially sustainable investments?

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - 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.



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

This financial product does not make any sustainable investments.



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

No investments are included under “#2 Other”.



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

No.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*
- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*
- *How does the designated index differ from a relevant broad market index?*
- *Where can the methodology used for the calculation of the designated index be found?*

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



Where can I find more product specific information online?

More product-specific information can be found on the website:

More information can be found on the website:

<https://www.majinvest.com/en/financial-inclusion>

<https://www.majinvest.com/en/legal/mie>

Change log	
September 2025	<p>First version.</p> <p>This Annex II has been prepared for transparency purposes. The Fund was established prior to the entry into force of the SFDR, and as a closed-ended fund Annex II was not originally required.</p>