



Brussels, 6.4.2022
C(2022) 1931 final

ANNEX 2

ANNEX

to the

Commission Delegated Regulation (EU) 2022/1288

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports

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

Product name: Helveteq Ether Zero ETP – ETH20

Legal entity identifier: 506700SDAUZ876180S54

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes
 No

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input checked="" 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 100% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The sustainability characteristics of the ETP are based on a Sustainable Asset Pool as described under https://helveteq.com/sfdr_mifid2/, similar to approach c) ("Use of proceeds / asset pool held on issuer balance") of the Common Position on ESG Methodologies outlined by the European Structured Investment Products Association (EUSIPA). The proceeds of the ETP are used for sustainable investments as defined in SFDR article 2 and principal adverse impacts on sustainability factors are considered in terms of SFDR article 7. The ETP thereby falls under category (b) and (c) of the sustainability preferences outlined in the MiFID Delegated Regulation 2021/1253. The ETP has the following E/S characteristics:

1. The ETP promotes certain minimal environmental and social standards and therefore applies exclusion criteria (including turnover related to controversial weapons, tobacco, and coal and violations of appropriate UN Global Compact principles), the details of which can be found in the Sustainability Risk Policy (https://helveteq.com/helveteq_sustainability_risk_policy_sfdr/) and the ESG Product and Transparency Standard (https://helveteq.com/helveteq_esg_product_and_transparency_standard/).
2. The ETP considers principal adverse impacts on sustainability factors as described in the relevant “PAI Statement”.
3. The ETP has a lower carbon footprint than the reference products. The ETP utilizes reputable academic research to neutralize the carbon footprint of the underlying(s) by means of investing part of the revenues in certified carbon compensation projects.

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

The ETP has the following sustainability indicators:

1. The % of investments in securities that are on the Exclusion list as result of the application of the Exclusion policy.
2. The sustainability factors described in the relevant “PAI statement”.
3. The carbon footprint of the underlying(s).

● ***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?***

Product makes sustainable investment with the main objective of reducing carbon emissions. 100% of the underlying is carbon neutral as described in our Sustainability Statement:

https://helveteq.com/helveteq_sustainability_statement/

On top of this, Helveteq supports projects by means of dedicated selection criteria, in partial with respect to SDGs (Sustainable Development Goals), as described below.

● ***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?***

The Ethereum Blockchain incorporates distributed governance, which requires consensus of the participants in the Network. The network in combination with the carbon-reducing projects are chosen in a way to not cause harm to the above-mentioned sustainability factors. In order to promote social characteristics, only

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

projects that additionally fulfill SDG 3, 5, 8, 11 or 16 defined by the UN, are being selected.

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

Not applicable.

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

The OECD Guidelines for Multinational Enterprises are not applicable, as the product does not invest in companies.

The sole underlying of this product is carbon neutralized Ether (ETH), an asset which is fueled by a blockchain that is entirely based on voluntariness and consensus.

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.



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

- Yes
- No



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

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

Asset allocation describes the share of investments in specific assets.

What investment strategy does this financial product follow?

Helveteq Ether Zero ETP is designed to enable investors to gain a simple and cost-efficient way to access the crypto market by providing a return equivalent to the movements in the Ether (ETH) spot price less the applicable management fee. At the same time, Helveteq uses its revenues to invest in carbon compensation certificates by reputable institutions such as CDM, VCS and Gold Standard. The number of certificates bought is matched with the footprint of the Ethereum Blockchain as calculated by our partner Swiss FinTech Innovation Lab of the Institute for Banking and Finance at the University of Zurich (UZH) with respect to our level of holdings and transactions. Thus, the ETP has virtually no carbon impact on the environment.

- ***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 ETP has the following binding elements:

1. No other underlying(s) apart from Ether (ETH) are permitted.
2. No investments that cause a negative impact on the sustainability factors described in the relevant "PAI statement" are permitted.
3. The carbon footprint of the underlying(s) must be calculated responsibly and compensated in accordance with the methodology developed by the University of Zurich. Please find more in our Sustainability Statement (https://helveteq.com/helveteq_sustainability_statement/).

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

Not applicable.

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

Not applicable.



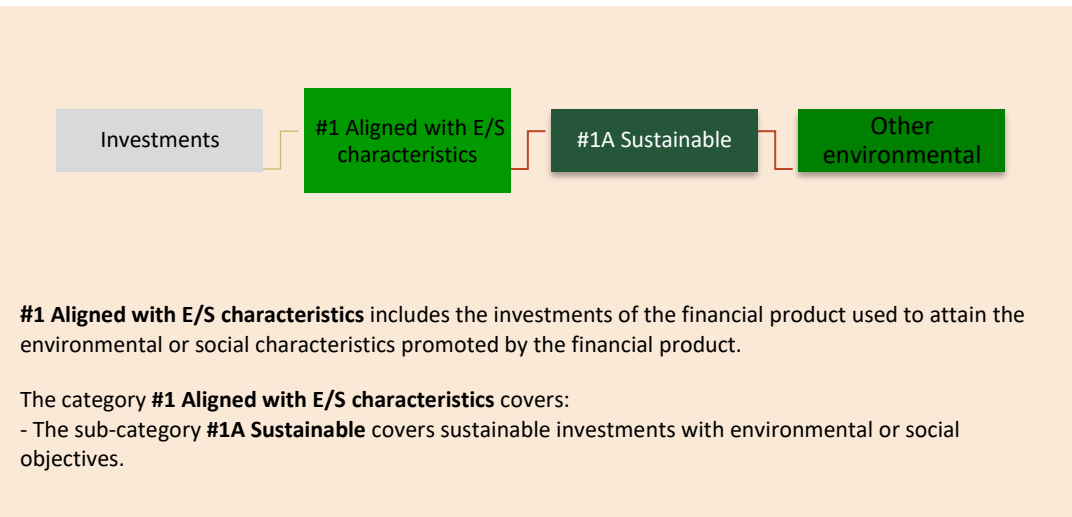
What is the asset allocation planned for this financial product?

As described above, the ETP asset allocation is fixed to be 100% Ether (ETH), with the binding element of compensating for the associated CO₂ emission, as outlined in the Sustainability Statement:

https://helveteq.com/helveteq_sustainability_statement/

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.



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

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

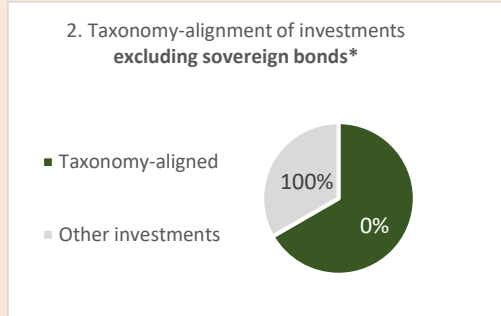
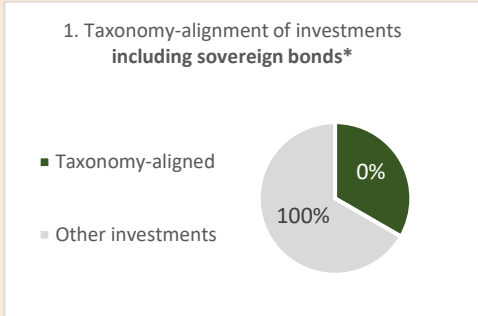
This product does not use derivatives.



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

Not applicable.

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

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.

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

There is no minimum share of investments in transitional and enabling activities.



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

Not applicable.



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

Not applicable.



Where can I find more product specific information online?

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

<https://helveteq.com/eth/>

<https://helveteq.com/sfdr-mifid2/>