

NN Strategy niet-fiscaal

NN Scala Invest

Precontractueel document inzake duurzaamheid

Precontractuele informatie voor financiële producten als bedoeld in artikel 8, leden 1, 2 en 2 bis, van Verordening (EU) 2019/2088 en in artikel 6, eerste alinea, van Verordening (EU) 2020/852, en overeenkomstig artikel 20 van Gedelegeerde Verordening (EU) 2022/1288

Versie : 20/10/2023

De duurzaamheidsinformatie in dit precontractuele productdocument werd naar best vermogen opgesteld door NN Insurance Belgium nv op basis van de informatie die hierover momenteel beschikbaar is bij de asset managers. De regelgeving die deze asset managers verplicht om deze informatie beschikbaar te stellen is echter pas op 1 januari 2023 in werking getreden. De informatie in dit document kan worden gewijzigd en/of aangevuld naargelang van de informatie die de asset managers in de komende maanden zullen verstrekken.

1. Transparantie van duurzaamheidsrisicobeleid

Op grond van artikel 3 van de Sustainable Finance Disclosure Regulation ("SFDR") is NN Insurance Belgium ("NN IB") verplicht om informatie te verstrekken over haar beleid inzake de integratie van duurzaamheidsrisico's in ons beleggingsbeslissingsproces. De SFDR definieert duurzaamheidsrisico als een milieu-, sociale of governance-gebeurtenis of -voorwaarde die, als deze zich voordoet, een feitelijke of een potentiële materiële negatieve impact op de waarde van de belegging kan veroorzaken. Deze openbaarmakingen worden hieronder vermeld.

Environmental, Social and Governance (ESG) factoren en risico's

NN IB beschouwt duurzaamheidsrisico's als risico's die verband houden met milieu-, sociale en governance factoren ("ESG-factoren") die een wezenlijk negatief effect kunnen hebben op de prestaties, reputatie, waarde, balans of activiteiten van NN Group op de lange termijn.

Met betrekking tot SFDR omvat dit ESG-factoren die een wezenlijk negatief effect kunnen hebben op de waarde van beleggingen in de financiële producten van NN IB-kanten. Voorbeelden van dergelijke Environmental, Social and Governance (ESG) factoren zijn:

- **Milieufactoren:** klimaatverandering, andere vormen van aantasting van het milieu (bv. luchtverontreiniging, waterverontreiniging, schaarste aan zoet water, bodemverontreiniging, verlies van biodiversiteit en ontbossing) en dierenwelzijn, naast corrigerende beleidsmaatregelen die gericht zijn op het aanpakken van dergelijke factoren. Klimaatverandering is verder onderverdeeld in
 - a) overgangseffecten als gevolg van de overgang naar een koolstofarme/groene economie en
 - b) fysische effecten als gevolg van veranderingen in weerpatronen, temperatuur, hydrologische omstandigheden of natuurlijke ecosystemen (zowel acute als langere termijnverschuivingen).
- **Sociale factoren:** Rechten, welzijn en belangen van mensen en gemeenschappen, waaronder mensenrechten, (on)gelijkheid, gezondheid, inclusie, diversiteit, werknemersrechten en arbeidsverhoudingen, gezondheid en veiligheid op de werkplek.
- **Governance factoren:** Het nastreven of toepassen van goede governance praktijken, waaronder uitvoerend leiderschap, beloning van bestuurders, audits, interne controles, belastingontwijking, onafhankelijkheid van de raad van bestuur, aandeelhoudersrechten, anticorruptie en anti-omkoping, en ook de manier waarop bedrijven of entiteiten milieu- en sociale factoren opnemen in hun beleid en procedures.

NN Risk taxonomie

NN IB heeft haar generieke inherente risicolandschap gedefinieerd en gecategoriseerd in een Risicotaxonomie. NN IB beschouwt duurzaamheidsrisico's als transversale risico's. Dit betekent dat we duurzaamheidsrisico's beschouwen als manifest door risicotypen die worden erkend in risicotaxonomie. De risico's die in de risicotaxonomie worden geïdentificeerd, hebben betrekking op verschillende risicogebieden, zoals opkomende risico's, strategische risico's, financiële risico's en niet-financiële risico's. Deze hebben betrekking op de eigen activiteiten en producten van NN IB, maar ook op de investeringen die worden gedaan. Binnen de risk taxonomie zijn ESG-factoren in kaart gebracht op belegging gerelateerde risicocategorieën. Deze ESG-factoren worden gezien als risicofactoren, wat betekent dat wij van mening zijn dat deze ESG-factoren de risiconiveaus van de verschillende geïdentificeerde belegging risicocategorieën kunnen bepalen. Voorbeelden van dergelijke risicocategorieën zijn activarisico.

Toepassing in investeringsbeslissingen

Er zijn verschillende manieren waarop NN IB duurzaamheidsrisico's meeneemt in het beleggingsbeslissingsproces. De exacte manier waarop dit wordt gedaan, is niet statisch, omdat onze aanpak in de loop van de tijd evolueert op basis van verkregen inzichten, opkomende marktpraktijken, beschikbaarheid van relevante en robuuste gegevens en tooling en ontwikkelingen in de regelgeving. Daarnaast hangt de manier waarop duurzaamheidsrisico's kunnen worden overwogen ook af van de specifieke investering of productpropositie – er kunnen dus verschillen zijn tussen de algemene benadering en de benadering die wordt toegepast op specifieke beleggings- of productproposities. De belangrijkste gebieden waarop NN IB duurzaamheidsrisico's in het beleggingsbeslissingsproces beschouwt, zijn de volgende.

#	Gebied	Omschrijving:
1	Toepassing door NN IB van het <i>Responsible Investment Framework policy</i> van NN Group ("RI Framework policy") bij de beheerders- en fondsselectie en op portefeuilleniveau	<p>NN Group heeft een uitgebreid Responsible Investment Framework beleid, dat een reeks onderwerpen omvat, zoals actief aandeelhouderschap (betrokkenheid en stemmen), beperkingen en de systematische integratie van materiële duurzaamheidsrisico's en -kansen in het onderzoek en de analyses van beleggingen. Wij geloven dat door de toepassing van deze eisen en methoden duurzaamheidsrisico's direct of indirect worden verlaagd voor de investeringen die we doen. Hoewel beperkingen vaak gebaseerd zijn op onze waarden en maatschappelijke normen, dragen ze ook bij aan het verlagen van activarisico's – beperkingen op investeringen in bedrijven die betrokken zijn bij thermische steenkool zullen naar verwachting bijvoorbeeld het risico verlagen dat dergelijke investeringen gestrande activa worden. Raadpleeg https://www.nn-group.com/sustainability/responsible-investment/responsible-investment-policy-framework.htm voor meer informatie over het beleid van het NN Group Responsible Investment Framework.</p> <p>Omdat NN IB belegt via externe beheerders, houden we rekening met ESG-criteria in het selectieproces van externe vermogensbeheerders. Deze vermogensbeheerders beheren hun fondsen volgens hun eigen strategie en NN IB beslist om er al dan niet in te beleggen.</p> <p>Deze criteria zijn opgenomen in het proces van due diligence en selectie, monitoring en evaluatie van de manager, waarin NN IB beoordeelt of de beheerder beschikt over passende structurele processen en methodologieën met betrekking tot de belangrijkste gebieden van het beleid van NN Group voor verantwoord beleggen, waaronder duurzaamheidsrisico's.</p>
2	Product Approval and Review ("PAR") proces	Als onderdeel van het Product Approval and Review (PAR) proces analyseert en documenteert NN IB hoe eventuele duurzaamheidsrisico's van invloed kunnen zijn op de verplichtingen (zogenaamde <i>claims</i>) van een specifiek product, waarbij ook rekening wordt gehouden met de looptijd van de verplichtingen.
3	Risicobeoordelingen	NN IB voert regelmatig risicobeoordelingen uit. Een kwalitatieve risicobeoordeling van duurzaamheidsrisico's wordt uitgevoerd om risico's te identificeren en waar nodig risicobeperkende maatregelen te bepalen.

2. Indeling van de fondsen (beleggingsopties)

NN Strategy-niet fiscaal/Scala Invest bestaat uit 40 onderliggende beleggingsfondsen, waarvan sommige ecologische en/of sociale kenmerken promoten of een duurzame beleggingsdoelstelling nastreven. Het interne fonds belegt voor 100% in het onderliggende beleggingsfonds. De doelstelling en beleggingsbeleid van het interne fonds komt 100% overeen met de doelstelling en het beleggingsbeleid van het onderliggende beleggingsfonds.

Op basis van de informatie van de vermogensbeheerder van de onderliggende beleggingsfondsen werden deze onderliggende beleggingsfondsen ingedeeld als artikel 6¹ of 8² of 9 SFDR³.

31 van de fondsen (77,50 % van het totaal aantal fondsen) zijn ingedeeld als artikel 8 SFDR, 6 fondsen (15,00 % van het totaal aantal fondsen) zijn ingedeeld als artikel 9 SFDR en 3 fondsen (7,50 % van het totaal aantal fondsen) zijn ingedeeld als artikel 6 SFDR.

Voor fondsen ingedeeld als artikel 8 en 9, is nadere informatie over de duurzame kenmerken beschikbaar op de productpagina op onze website :

- **NN Strategy niet-fiscaal:** <https://www.nn.be/nl/prive/beleggen/nn-strategy-vrij-beleggen-tak-23-niet-fiscaal>
- **NN Scala Invest:** <https://www.nn.be/nl/product/nn-scala-invest-vrij-beleggen-tak-23>

onder “Belangrijke documenten”.

De informatie met betrekking tot het in overweging nemen van de belangrijkste ongunstige effecten van beleggingsbeslissingen op de duurzaamheidsfactoren opgenomen door de onderliggende beleggingsfondsen is beschikbaar in de precontractuele informatieverschaffing voor elk van deze beleggingsopties. Bij de selectie van de beleggingsopties voor dit product was de inachtneming van deze belangrijkste ongunstige effecten echter niet doorslaggevend.

3. Classificatie van het product

NN Insurance Belgium nv heeft dit product geclassificeerd als artikel 8 SFDR omdat het ecologische en/of sociale kenmerken promoot. Opdat het product voor de verzekeringnemer onder artikel 8 SFDR kan worden ingedeeld, moet het financiële product worden belegd in ten minste één van de beleggingsopties die worden ingedeeld als artikel 8 of 9 in de onderstaande lijst en moet ten minste één van deze beleggingsopties worden aangehouden gedurende de periode dat het product wordt aangehouden.

¹ Artikel 6 SFDR: het fonds promoot geen ecologische en/of sociale kenmerken en streeft geen duurzame beleggingsdoelstellingen na.

² Artikel 8 SFDR: het fonds promoot ecologische en/of sociale kenmerken.

³ Artikel 9 SFDR: het fonds streeft een duurzame beleggingsdoelstelling na.

Lijst van beleggingsfondsen:

Naam van het interne fonds	Naam van de vermogensbeheerder	Naam van het onderliggende beleggingsfonds	ISIN code	SFDR classificatie
NN BlackRock BGF Global Allocation Fund A2 Fund	BlackRock	BGF Global Allocation Fund A2 EUR (CAP)	LU0171283459	6 (2)
NN Capital Group Global Allocation Fund	Capital Group	Capital Group Global Allocation Fund (LUX) B EUR	LU1006075656	6 (3)
NN Carmignac Emergents Fund	Carmignac Gestion	Carmignac Emergents A EUR Acc	FR0010149302	9
NN Carmignac Patrimoine Fund	Carmignac Gestion	Carmignac Patrimoine A EUR Acc	FR0010135103	8
NN DNCA Invest Eurose Fund	DNCA Investments	DNCA Invest Eurose	LU0284394235	8
NN Ethenea Ethna-AKTIV Fund	ETHENEA Independent Investors S.A.	Ethna-AKTIV -T-	LU0431139764	8
NN FFG European Equities Sustainable Moderate Fund	Funds For Good	FFG European Equities Sustainable Moderate	LU0945616984	8
NN FFG Global Flexible Sustainable Fund	Funds For Good	FFG Global Flexible Sustainable	LU1697917083	8
NN Fidelity America Fund	Fidelity International	Fidelity Funds - America Fund	LU0251127410	8
NN Fidelity Pacific Fund	Fidelity International	Fidelity Funds - Pacific Fund	LU0368678339	8
NN Fidelity World Fund	Fidelity International	Fidelity Funds - World Fund	LU1261432659	8
NN Flossbach von Storch - Bond Opportunities Fund	Flossbach von Storch	Flossbach von Storch - Bond Opportunities - RT	LU1481583711	8
NN Flossbach von Storch Multiple Opportunities II RT Fund	Flossbach von Storch	Flossbach von Storch Multiple Opportunities II RT	LU1038809395	8
NN GS Emerging Markets Debt Fund	Goldman Sachs Asset Management	Goldman Sachs Emerging Markets Debt (Hard Currency)	LU0546915058	8
NN GS Euro Bond Fund	Goldman Sachs Asset Management	Goldman Sachs Euro Bond	LU0546917773	8
NN GS Europe Sustainable Equity Fund	Goldman Sachs Asset Management	Goldman Sachs Europe Sustainable Equity	LU0991964320	8
NN GS Eurozone Equity Income Fund	Goldman Sachs Asset Management	Goldman Sachs Eurozone Equity Income	LU0127786431	8
NN GS Global Social Impact Equity Fund	Goldman Sachs Asset Management	Goldman Sachs Global Social Impact Equity	LU0332192961	9
NN GS Global Sustainable Equity Fund	Goldman Sachs Asset Management	Goldman Sachs Global Sustainable Equity	LU0119216553	8
NN GS Multi Asset Factor Opportunities Fund	Goldman Sachs Asset Management	Goldman Sachs Multi Asset Factor Opportunities	LU2055071596	6 (1)
NN GS Patrimonial Aggressive Fund	Goldman Sachs Asset Management	Goldman Sachs Patrimonial Aggressive	LU0119195450	8
NN GS Patrimonial Balanced Europe Sustainable Fund	Goldman Sachs Asset Management	Goldman Sachs Patrimonial Balanced Europe Sustainable	LU1444115874	8
NN GS Patrimonial Balanced Fund	Goldman Sachs Asset Management	Goldman Sachs Patrimonial Balanced	LU0119195963	8
NN GS Patrimonial Defensive Fund	Goldman Sachs Asset Management	Goldman Sachs Patrimonial Defensive	LU0119196938	8
NN JP Morgan Euro Liquidity Fund	JPMorgan Asset Management	JPMorgan Liquidity Funds - EUR Standard Money Market VNAV Fund	LU2095450479	8
NN JPM US Technology Fund	JPMorgan Asset Management	JPM US Technology Fund	LU0159052710	8
NN Lazard Patrimoine Opportunities SRI Fund	Lazard Frères Gestion	Lazard Patrimoine Opportunities SRI RC EUR	FR0007028543	8
NN M&G Dynamic Allocation Fund	M&G Investments	M&G (Lux) Dynamic Allocation Fund	LU1582988058	8
NN M&G Global Listed Infrastructure Fund	M&G Investments	M&G (Lux) Global Listed Infrastructure Fund	LU1665237704	8
NN M&G Optimal Income Fund	M&G Investments	M&G (Lux) Optimal Income Fund	LU1670724373	8
NN Nordea Global Climate and Environment Fund	Nordea Asset Management	Nordea Global Climate and Environment Fund	LU0348926287	9
NN Nordea Global Real Estate Fund	Nordea Asset Management	Nordea Global Real Estate Fund	LU0705259769	8
NN Pictet-Global Megatrend Selection Fund	Pictet Asset Management	Pictet-Global Megatrend Selection	LU0386882277	8
NN R-co Valor Balanced Fund	Rothschild & Co Asset Management Europe	R-co Valor Balanced	FR0013367281	8
NN R-co Valor Fund	Rothschild & Co Asset Management Europe	R-co Valor	FR0011261197	8
NN Schroder ISF Global Energy Transition Fund	Schroders	Schroder ISF Global Energy Transition	LU2390151400	9

NN Threadneedle Global Focus Fund	Columbia Threadneedle Investments	Threadneedle (Lux) Global Focus	LU0757431068	8
NN Threadneedle Global Smaller Companies Fund	Columbia Threadneedle Investments	Threadneedle (Lux) Global Smaller Companies	LU0570870567	8
NN Triodos Euro Bond Impact Fund	Triodos Investment Management	Triodos Euro Bond Impact Fund	LU0278272504	9
NN Triodos Global Equities Impact Fund	Triodos Investment Management	Triodos Global Equities Impact Fund	LU0278271951	9

De Europese SFDR-verordening voorziet niet in een specifieke bijlage voor artikel 6-fondsen. Waar relevant wordt informatie over de belangrijkste negatieve effecten (PAI) op duurzaamheidsfactoren verstrekt via een link hieronder.

(1) <https://www.gsam.com/responsible-investing/nl-BE/non-professional/about/verklaring-belangrijkste-ongunstige-effecten-op-duurzaamheid>

(2) <https://www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/sfdr-principal-adverse-sustainability-impact-statement.pdf>

(3) [https://www.capitalgroup.com/content/dam/cgc/tenants/eacg/esg/files/statement-on-impacts-of-investment-decisions-on-sustainability-factors\(en\).pdf](https://www.capitalgroup.com/content/dam/cgc/tenants/eacg/esg/files/statement-on-impacts-of-investment-decisions-on-sustainability-factors(en).pdf)

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:
Goldman Sachs Global Social Impact Equity

Legal entity identifier:
549300CW60747M6WV837

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ Yes

☐ No

☐ It will make a minimum of **sustainable investments 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

☒ It will make a minimum of **sustainable investments with a social objective**: 50%

☐ 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

☐ with an environmental objective in economic activities that 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 promotes E/S characteristics, but **will not make sustainable investments**



What is the sustainable investment objective of this financial product?

The Sub-Fund aims to promote inclusive growth, by contributing to a better quality of life and enabling people to participate in economic development. In order to achieve this, the Sub-Fund focuses on a number of themes aligned with this objective, including but not limited to

- Thriving communities – areas such as affordable housing, digital inclusion, access to clean water and sanitation, access to clean energy
- Economic empowerment – areas such as education for all, equal job opportunities, financial inclusion
- Safe society – areas such as data privacy and security, human safety, climate change resilience, accountable and transparent institutions
- Good health & well-being – areas such as nutritious food, accessible and innovative healthcare, active lifestyle

The primary target of the Sub-Fund will be to invest in Sustainable Investments with a social objective. However, due to non-mutually exclusive and interrelated nature between social and environmental sustainable factors, it is expected the Sub-Fund will also incur investments in issuers with Sustainable Investments with an environmental objective.

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

Principal adverse impact are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The following sustainability indicators are used to measure the attainment of each of the sustainable investment objectives of the Sub-Fund:

- Number of issuers excluded from the investment universe based on the Exclusion List
- Average weighted ESG Rating against the Index/Benchmark
- Number of issuers involved in material violations of internationally recognised standards, for example: OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and UN Global Compact.
- Percentage of Sustainable Investments

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

Issuers that are classified as contributing to a sustainable investment are also required to meet the do no significant harm (DNSH) criteria of the Management Company's Sustainable Investment Framework. Any issuers that do not meet the DNSH test will not qualify as a sustainable investment. A proprietary quantitative or qualitative threshold for significant harm has been set for all 14 mandatory indicators relating to investee companies for adverse impacts on sustainability factors ("PAIs") set out in the regulatory technical standards supplementing SFDR.

Additionally, all issuers with a very severe controversy are considered to be causing significant harm and excluded from qualifying as a sustainable investment.

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

The Sub-Fund considers principal adverse impacts on sustainability factors across social pillars. The PAIs are taken into account through the application of the DNSH principle outlined above for the determination of sustainable investments as well as qualitatively through the Portfolio's investment approach.

In regard to the consideration of the PAIs as part of the DNSH assessment of an issuer, as noted above a proprietary quantitative or qualitative threshold for significant harm has been set for all 14 mandatory PAIs relating to investee companies are assessed using information from an external data provider. These thresholds for significant harm have been set on a relative or absolute basis against each PAI depending on the Management Company's assessment of the worst performing investments with respect to those PAIs. Where data is not available for a specific PAI a suitable proxy metric has been identified. If both PAI and proxy PAI data (where relevant) is not available and/or applicable to complete the DNSH assessment on an issuer, such issuer is generally excluded from qualifying as a sustainable investment.

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

The Sub-Fund leverages the Management Company's proprietary approach to identifying and evaluating companies which, amongst other factors, are not considered to be aligned with global norms. Following this assessment, any companies which are considered to be in violation of these global norms (including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights) will be excluded from qualifying as a sustainable investment.



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

- ☒ Yes, the Sub-Fund does consider Principal Adverse Impacts (PAIs) on Sustainability Factors. For the Sustainable Investments, PAI Indicators are taken into account as part of the DNSH assessment as described in the Sustainable Investment Framework. Furthermore, the Sub-Fund incorporates a selection of mandatory and optional PAI Indicators as part of the documented investment process of the Sub-Fund. The PAIs themselves are embedded within the Sub-Fund's investment process, via the restrictions criteria and Stewardship, as well as via the Management Company's policy documents.

Information on how the Sub-Fund considered indicators for adverse impacts on sustainability factors will be available in the Sub-Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The Sub-Fund applies:

- Norms-based RI criteria
- ESG integration approach
- Stewardship
- Sustainable Investment Framework
- Thematic alignment

Norms-based RI criteria

The Sub-Fund applies the Management Company's norms-based responsible investment criteria that, as stipulated in the Management Company's Responsible Investment Policy, restricts investment in issuers involved in controversial activities.

In addition, the Sub-Fund applies additional restrictions on issuers with activities in oil and gas, airlines, mining, alcohol and nuclear energy exposure.

ESG integration approach

The Sub-Fund integrates the information on environmental, social and governance factors for its investments based on the Management Company's ESG Integration approach. The first step towards ESG integration is to identify material ESG risk and opportunities. Secondly, the material ESG risks and opportunities are assessed and expressed via a number of ESG ratings. The final step of ESG Integration involves incorporating this ESG analysis into investment screening and stock selection of issuers.

At least annually, the Sub-Fund's initial investment universe is reduced by at least 20%, as a result of the application of a "Best-in-Universe" approach and the relevant exclusions and restrictions.

Stewardship

This Sub-Fund leverages the Goldman Sachs Asset Management Global Stewardship Team's engagement initiatives. The Goldman Sachs Asset Management Global Stewardship Team focuses on proactive, outcomes-based engagement, in an attempt to promote best practices.

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

Engagement initiatives are continually reviewed, enhanced and monitored to ensure they incorporate current issues and evolving views about key environmental, social and governance topics. To guide engagement efforts, the Goldman Sachs Asset Management Global Stewardship Team creates an annual Focus List, which reflects the Goldman Sachs Asset Management Global Stewardship Team's thematic priorities and guides voting and engagement effort.

Sustainable Investment Framework

The Sustainable Investments of the Sub-Fund adhere to the definition of 'Sustainable Investment' as per SFDR, which requires issuers to 1. contribute to an environmental or social objective, 2. do no significant harm and 3. follow good governance practices. The Sustainable Investment Framework leads to a binary outcome: an issuer will either qualify as a whole as a Sustainable Investment, or not at all. An issuer can be identified as contributing to an environmental or social objective based on 2 categories: 1. Product contribution (based on the activities of the issuer) and 2. Operational contribution (the way in which the issuer conducts its business).

Thematic Alignment

Thematic Alignment refers to the outcome of the process applied by the Management Company to assess an issuer's positive impact contribution to solving social and environmental issues. The themes relevant to the investment objective of the Sub-Fund are determined by the Management Company's assessment of investment opportunities arising from global society's ambition to achieve the UN Sustainable Development Goals. An issuer's alignment is determined through evaluation of its products and services; the Management Company also assesses whether the positive impact of the issuer's economic activities is material and whether it is part of the issuer's strategic intention. Individual investments will be required to demonstrate alignment to one (or more) of the Sub-Fund's key themes in accordance with the Management Company's assessment. The Sub-Fund will seek to maintain alignment to these themes and adhere to the SI Framework on an ongoing basis. Selected investments will also be assessed on impact metrics and the Sub-Fund will report the aggregate contribution of companies held within the Portfolio to impact key performance indicators on an annual basis.

If the Management Company considers that any Sub-Fund investments no longer adhere to its criteria, it will take appropriate remedial steps which may include (without limitation) engaging with investee companies, enhanced monitoring, identifying alternative or additional investments, and/or determining disposition of the applicable Sub-Fund investments.

● *What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?*

Exclusion based on the norms-based RI criteria. The Sub-Fund, as per the Management Company's norms-based responsible investment criteria, will aim to exclude investment in issuers potentially involved in activities including but not limited to, the development, production, maintenance or trade of controversial weapons, the production of tobacco products, thermal coal mining and/or oil sands extraction. Additional restrictions apply for activities related to gambling, weapons, adult entertainment, fur & specialty leather, arctic drilling and shale oil & gas. Adherence to the norms-based responsible investment criteria is based on pre-set revenue thresholds, as stated in the Management Company's Responsible Investment Policy, and relies on third-party data. For the latest thresholds and activities, please refer to the Management Company's Responsible Investment Policy available on the website.

ESG Rating. The portfolio aims to target an average weighted ESG Rating higher than the Index/Benchmark.

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

The Sub-Fund leverages a proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in

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

particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

This proprietary approach seeks to identify, review, evaluate and monitor companies that are flagged by external data providers as being in violation of, or otherwise not aligned with, the United Nation Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as well companies that have received high controversy scores (including significant governance controversies, severe labour rights controversies and severe tax compliance controversies). Following review of these external data inputs, companies that the Management Company believes to have an ongoing and serious violation and/or are considered to not be following good governance practices with insufficient remediation will be excluded from the Sub-Fund. This list of companies will be reviewed on a semi-annual basis. The Management Company may not be able to readily sell securities that are intended for exclusion from the Portfolio at each semi-annual review (for example, due to liquidity issues or for other reasons outside of the Management Company's control), however, will seek to divest as soon as possible in an orderly manner and in the best interests of Shareholders.



What is the asset allocation planned for this financial product?

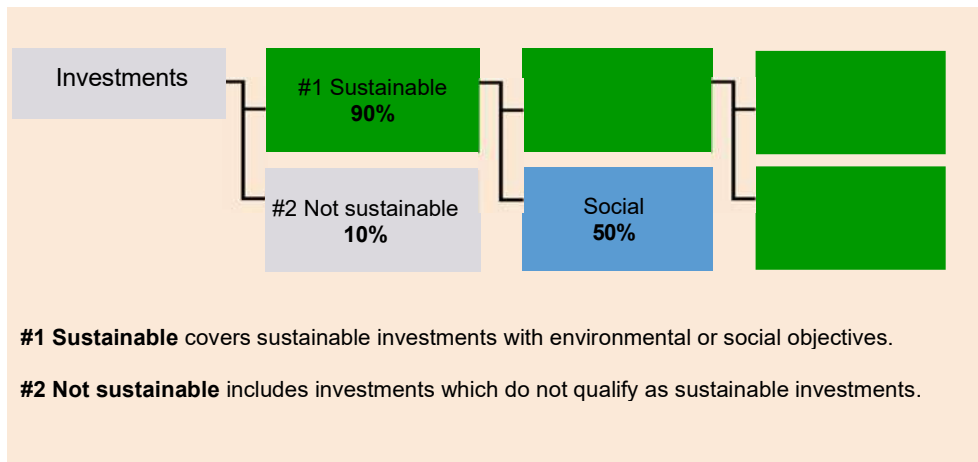
The asset allocation of the Sub-Fund towards Sustainable Investments is reflected in the table below.

At least 90% of the investments of the Sub-Fund are sustainable investments. The Sub-Fund does not commit to invest in sustainable investments with an objective that is aligned with the EU Taxonomy. A maximum of 10% of the investments of the Sub-Fund is estimated to be in the category 'other' and are not sustainable investments. These investments are mostly in cash and cash equivalents. Derivatives used for hedging purposes and UCI's and UCITS that do not have a sustainable investment objective could be in this category as well.

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.



How does the use of derivatives attain the sustainable investment objective?

The use of derivatives is primarily meant to hedge investment risks. The investments do not affect the attainment of the sustainable investment objective.



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

Whilst this Sub-Fund intends to make sustainable investments, it does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the EU Taxonomy and therefore its portfolio alignment with such EU Taxonomy is 0%. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

As noted above, whether investments made by this product are sustainable investments is determined by reference to the Management Company's Sustainable Investment Framework for assessing the contribution of investments to environmental and/or social objectives. This product does not target one specific category of sustainable investments, but instead assesses all investments made pursuant to its overall investment strategy using the framework.

● **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, 0%

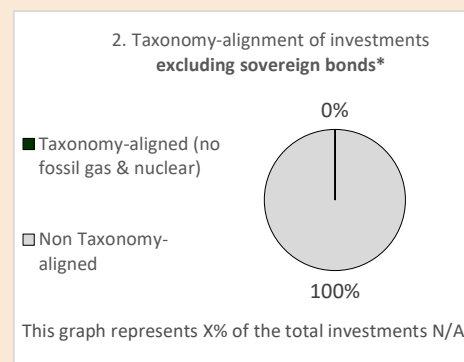
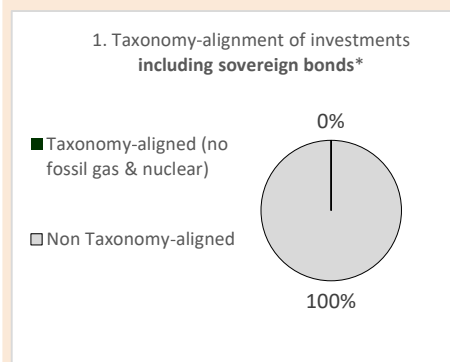
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do 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.

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. As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.



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

The minimum share of investments in transitional and enabling activities is 0%.



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

N/A



● ***What is the minimum share of sustainable investments with a social objective?***

The minimum share of Sustainable Investments with a social objective is 50%.



● ***What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?***

Investments included under ‘not sustainable’ includes cash used for liquidity purposes and derivatives for hedging purposes.

The percentage shown is the planned percentage which may be held in these instruments but the actual percentage can vary from time to time.

These investments are not subject to any minimum environmental or social safeguards.



● ***Is a specific index designated as a reference benchmark to meet the sustainable investment objective?***

N/A – This question is not applicable as the Sub-Fund does not have a specific index designated as a reference benchmark to meet the sustainable investment objective

● ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

N/A – The Sub-Fund does not have a specific index designated as a reference benchmark to meet the sustainable investment objective.

● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A – The Sub-Fund does not have a specific index designated as a reference benchmark to meet the sustainable investment objective.

● ***How does the designated index differ from a relevant broad market index?***

N/A – The Sub-Fund does not have a specific index designated as a reference benchmark to meet the sustainable investment objective.

● ***Where can the methodology used for the calculation of the designated index be found?***

N/A – The Sub-Fund does not have a specific index designated as a reference benchmark to meet the sustainable investment objective.

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