

Pre-contractual disclosure for 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

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

Product name: INVL Global Sustainable Equity

Legal entity identifier: N/A

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: 10 %**

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: 10 %**

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 any sustainable investments.**

What is the sustainable investment objective of this financial product?

Regarding the investment basket, the objective of the asset manager is to invest in equity funds that are considered to be above average in terms of sustainable economic criteria (the funds disclose information according to article 9 of SFDR). The funds focus mostly will be on securities that contribute to the fulfilment of major sustainability goals (mostly that equity fund applies a thematic investment strategy with a focus on climate, sustainable cities, sustainable consumption, and empowerment).

In addition to the positive contribution to solutions, ESG (Environmental, Social and Governance) aspects are integrated into the investment decision.

The investment basket may make investments in equity funds with both an environmental and a social objective. There is no prioritization of environmental or social objectives. The investment process accommodates the combination of environmental and social objectives by allowing the flexibility to allocate between these based on availability and attractiveness of investment opportunities, while keeping sustainable **investments with environmental and/or social objectives to an overall minimum of 80 percent (minimum 10% with an environmental objective; minimum 10% with social objective; remaining 60% combination of environmental and social or either environmental or social).**



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

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

Investment basket uses indicators, reported by equity fund provider and alternative investment manager, to evaluate the attainment of the sustainable investment object (e.g., CO2e intensity for companies, exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons, and biological weapons, violations of UN Global Compact principles etc.)

The investment basket integrates sustainability factors into the investment process and investment decisions. Among other things investment basket must be aligned with “INVL Life” internal policies, guidelines and procedures regulating responsible investment and sustainability risk assessment integration. Investment decisions take into account not only financial aspects, but also risks associated with the environment, social and governance (e.g., climate change, human capital, product liability). Investments are monitored from an ESG perspective and portfolio managers together with analysts monitor the news flow on their investment objects.

Sustainability risk is understood as an environmental, social or governance (ESG) event or situation, the occurrence of which could have a real or potential significant negative impact on the value of investments. Sustainability risk can also manifest itself through other types of risk (including but not limited to market, liquidity, credit, etc.). The impact of sustainability risks may vary by investment, e.g., investments in sectors with high levels of carbon dioxide emissions may be more exposed to climate change risks.

All or a combination of these factors may have an unpredictable effect on the Investment Basket's investments and a significant effect on the value of the Investment Basket.

Sustainability risk assessment depends on the specific asset class. Different asset classes require different data and tools to apply due diligence and assess the materiality and impact of sustainability risks. In order to reduce this risk, the manager also assesses the sustainability factors relevant to the investment being analyzed and the sustainability risks related to them.

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

Investment manager and/or analyst checks if selected equity fund ensures that the underlying investments in the investment basket do not significantly harm the sustainable investment objective by monitoring of ESG controversies and on the mandatory indicators of principal adverse impacts specified in the European level-2 regulatory technical standards. Alternative investments are screened against areas that could significantly harm the investment basket sustainable investment objective.

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

Investment basket uses indicators, reported by equity fund provider and alternative investment manager, in order to evaluate the attainment of the sustainable investment objective. Investment basket invests in equity funds which ensure as causing significant harm on the basis of PAIs are not included in sustainable investments.

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

The investments in which investment basket is seeking to invest are expected to be aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Serious breaches of these standards should result in the exclusion of any sustainable investments by the equity fund. The assessment is made either by the Investment basket manager itself or by equity fund provider or alternative asset manager.

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.

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.



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

Yes, indicators for adverse impacts on sustainability factors are used in order to evaluate the attainment of sustainable objective and evaluate if sustainable investments do not cause any significant harm.

No



What investment strategy does this financial product follow?

Financial product invests in actively managed mutual fund/funds that invest in equities worldwide aligned with Article 9 SFDR sustainability objectives and contribute positively to solving sustainability problems.

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

The investment objective of the investment basket is to invest its assets in equity funds (which may represent from 70% to 100% of total assets) and alternative investments (which may represent up to 30% of the assets). Chosen equity funds should represent the performance of an investment strategy that aims to increase the exposure to companies participating in opportunities associated with transition and decrease the exposure to companies exposed to risks associated with transition. Alternative investment’s objective should still remain sustainable investments (e.g., renewable energy, infrastructure etc.) that directly contribute to climate change mitigation. Additionally, investment basket should invest in equity funds that exclude securities of companies based on their revenues from the manufacture of controversial weapons, tobacco products, thermal coal mining as well as companies which are involved in very severe ESG controversies and in severe Environmental controversies.

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

The Investment basket does not invest directly in companies; therefore, it does not assess the good management practices of individual companies. However, Investment basket manager checks engagement and governance policies and practices of the equity fund providers or alternative asset managers. On fund level, provider applies the evaluation framework, which is designed to be consistent with international norms represented in numerous widely accepted global conventions. Fund managers assess performance, looking for instances where companies are involved in major controversies or have

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

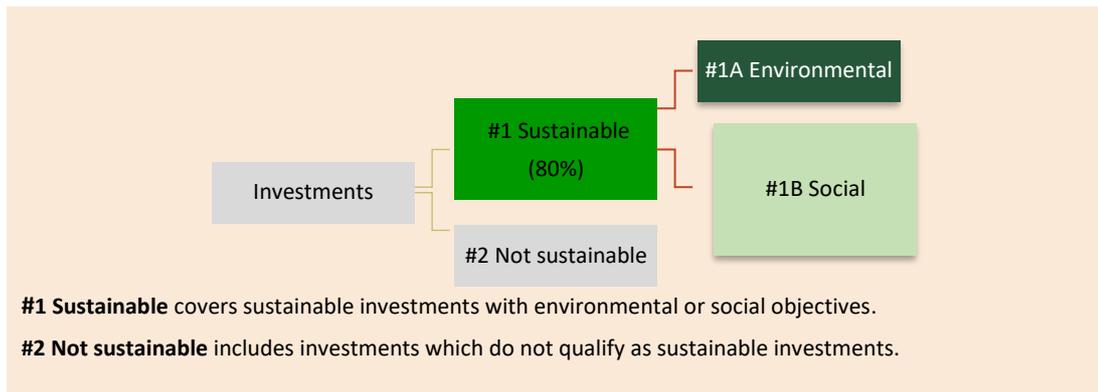
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



breached the standards set by international bodies. Approach covers environment, human rights & community, labor rights & supply chain, customers, and governance.

What is the asset allocation and the minimum share of sustainable investments?

The Investment Basket may invest up to 100% in one or several actively managed mutual funds that invest in global equities that have sustainable investment as an objective. Additionally, up to 30% of Investment basket's assets may be invested in alternative investment funds that directly contribute to sustainability objectives (e.g., renewable energy funds). Minimum share of sustainable investments – 80%. The remaining other investments, which are not sustainable, may include cash for liquidity management purposes.



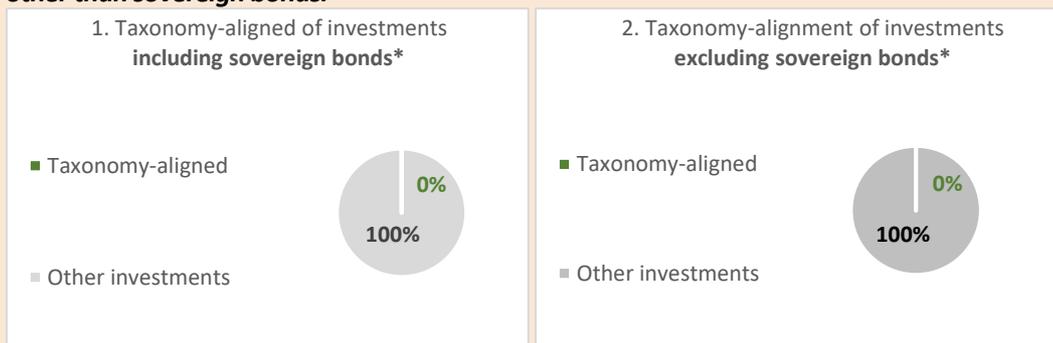
● How does the use of derivatives attain the sustainable investment objective?

The Investment basket does not intend to use hedging or derivatives for investment purposes but may from time-to time use derivative financial instruments such as futures, options, futures contracts, and swaps (collectively “Derivatives”) to protect the Investment basket from fluctuations of interest rates, currency prices. The Derivatives will not be used as a mean to achieve sustainable investment objective of the Investment basket, but the Investment Basket does consider minimum ESG safeguards, including that the Derivatives must be traded on a regulated market or by private agreement (OTC) entered with first class financial institutions or reputable entities specialized in this type of transactions.



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

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

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.

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 minimum share of investments in transitional and enabling activities?**
0% of the portfolio.



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

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 10 %.

The equity funds (in which Investment basket invest) investments might be with both an environmental and a social objective. There is no prioritisation of environmental or social objectives. The investment process accommodates the combination of environmental and social objectives by allowing the equity funds flexibility to allocate between these based on availability and attractiveness of investment opportunities, while keeping sustainable investments with environmental and/or social objectives to an overall minimum of 80 %.



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 sustainable investments with social objective?

The minimum share of sustainable investment with a social objective is 10%.

The equity funds (in which Investment basket invest) investments might be with both an environmental and a social objective. There is no prioritisation of environmental or social objectives. The investment process accommodates the combination of environmental and social objectives by allowing the equity funds flexibility to allocate between these based on availability and attractiveness of investment opportunities, while keeping sustainable investments with environmental and/or social objectives to an overall minimum of 80 %.



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

Investments classified as “not sustainable” are all investments included in net assets after the deduction of sustainable investments.

These assets may include any investments covered by the specific investment policy, including derivatives for hedging purposes and cash, and are used to pursue the investment strategy. For these investments, minimum environmental and social safeguards are generally applied, with the exception of derivatives and cash, to which these principles cannot be applied.



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

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

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives.

Where can I find more product specific information online?

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

<https://www.invl.com/en/private/insurance/about-insurance/sustainability-related-information/>

