

Product name:
Global Sustainable Equity
(further – investment basket)

Legal entity identifier:
Not applicable

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**: 80 %

☐ 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**: ____ %

☐ The product **promotes Environmental/Social (E/S) characteristics** and, although it does not meet the sustainable investment objective, will have a minimum sustainable investment share 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 does not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ This product promotes A/S features but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

The investment basket has integrated ESG (environmental, social, governance) considerations into the entire investment decision-making process and follows them throughout the investment period. The aim is to ensure an appropriate level of environmental and social performance.

The investment basket pursues these sustainability features:

- **Climate change mitigation.** Priority is given to investments in funds with lower greenhouse gas (GHG) emissions than the MSCI World Equity Index (the “Classical Index”).
- **Respect for international standards and conventions.** Priority shall be given to investments that comply with international standards and conventions, for example by avoiding investments in companies that violate principles such as those of the United Nations Global Compact or the Organization for Economic Co-operation and Development.

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

The following indicators are used to measure the achievement of the Sustainable investment objective:

- Weighted GHG emission intensity.
- The share of investments in investee companies involved in violations of the UN Global Compact principles or the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

The investment basket will aim to outperform the Classical Index.

Sustainable investments mean 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.

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

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

The investment basket analyses the environmental impact of sustainable investments, with a particular focus on GHG emissions intensity. In addition, the investment basket ensures that available investments comply with international standards and conventions adopted by the UN and the OECD in relation to sustainability objectives. This is to ensure that sustainable investments do not significantly undermine environmental or social objectives.

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

The investment manager and/or analyst shall verify that the selected equity index fund ensures that the investments comprising the investment basket are not materially detrimental to the objective of sustainable investing by monitoring controversial areas of ESG, based on the mandatory indicators of principal adverse impact set out in the European Union's SFDR Regulatory Technical Standards ('RTS'). Alternative investments shall be screened for areas that may materially undermine the sustainable investment objective of the investment basket.

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

The investments targeted by the investment basket are expected to be aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Investments that violate these standards should be excluded from the portfolio. The assessment is carried out either by the Investment basket manager itself, by the equity fund provider or by an alternative investment manager.

Principal adverse impacts are 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**, indicators of negative impacts on sustainability factors are used to measure the achievement of the sustainability objective and to assess whether sustainable investments are causing significant harm.

☐ No



What investment strategy does this financial product follow?

The financial product strategy is described in the investment basket rules.

The investment basket invests in investment targets related to the global equity market. The majority of the investments shall be in exchange traded equity funds with a sustainable investment objective. Before investing in funds, additional review of their reports or other sources is carried out in order to select those funds with at least 80% of their investments having a sustainability objective.

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

The investment objective of the investment basket is to invest your assets in equity index funds (which may represent between 70% and 100% of total assets) and alternative investments (which may represent up to 30% of assets). The equity funds chosen should reflect an investment strategy that seeks to invest more in companies that benefit from sustainability-related opportunities and to reduce the performance of companies that are exposed to sustainability-related risks. Alternative investments aim at sustainable investments (e. g. renewable energy, infrastructure, etc.) that directly contribute to mitigating climate change. In addition, investment-oriented assets may not be invested in companies whose revenues are derived from controversial arms, tobacco production, thermal coal mining.

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

Good governance practice includes sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practises of the investee companies?

An assessment of good governance practices, including governance structure, employee relations, remuneration and tax compliance, is part of the due diligence process prior to making an investment decision.

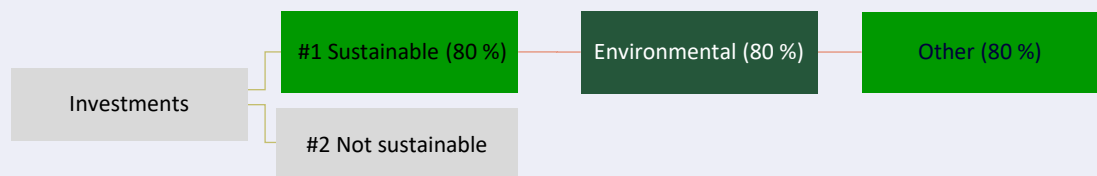
Investment managers also check that the investee entity has governance policies that all portfolio companies should follow (market best practice). This means that the investment basket seeks to exert influence in important areas such as anti-corruption and whistleblowing.



Asset allocation describes the share of investments in specific assets.

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

The investment basket may invest up to 100% in one or more actively managed investment funds investing in global equities with a sustainable investment objective. In addition, up to 30% of the investment basket's assets may be invested in alternative investment funds that directly contribute to the sustainability objectives (e. g. renewable energy funds). The minimum proportion of sustainable investments is 80%. The remaining other investments that are not sustainable may consist of cash for liquidity management purposes.



Category “**#1 Sustainable investments**” covers sustainable investments with environmental or social objectives. “**#2 Not sustainable investments**” includes investments which do not qualify as sustainable investments.

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

The investment basket does not intend to use hedging or derivative financial instruments for investment purposes, but in certain cases, derivative financial instruments such as futures, options, and swaps (collectively, “Derivatives”) may be used to hedge the investment basket against fluctuations in interest rates, currency prices. Derivatives will not be used as a means to achieve the investment basket’ sustainable investment objective, but the investment basket shall take into account minimum ESG safeguards, including that the Derivatives must be traded on a regulated market or over-the-counter (“OTC”) market, and must be executed in transactions with first-class financial institutions or entities of good repute that specialize in this type of transaction.



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

0% of the investment basket portfolio.

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

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change and mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left and 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.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power of low-carbon fuels by the end of 2035.

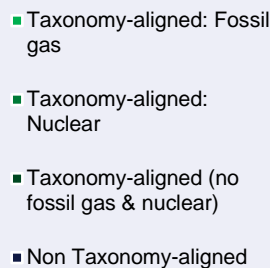
For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

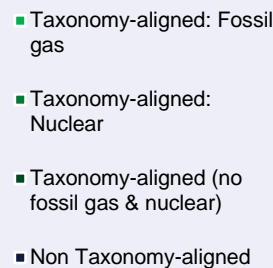
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in the 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.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding 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% of the investment basket portfolio.



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 an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments for which the environmental objective is not aligned with the EU taxonomy is 80%.



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

The minimum proportion of sustainable investments that have a social objective is 0%.



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

Any investments in the investment basket that can be classified as “#2 Not sustainable” are mainly for efficient portfolio management, liquidity management or hedging. For example, the investment basket may also invest in companies that may not meet all ESG criteria but have adequate minimum safeguards.



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

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

No benchmark has been set to achieve the sustainable investment objectives.



Where can I find more product specific information online?

More information about the product can be found on the website <https://www.artea.it/draudimo-tvarumo-informacija>.