

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.

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

Product name:
Global Sustainable Equity
(hereinafter – Investment direction)

Legal entity identifier:
Not applicable

Sustainable investment objective

Did this financial product have a sustainable investment objective?

☒ Yes

☐ No

☒ It made **sustainable investments with an environmental objective: 62.92%**

☐ 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 made **sustainable investments with a social objective: 16.58%**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a 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 promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The Investment direction has integrated ESG (environmental, social, governance) considerations into the entire investment decision-making process and followed them throughout the investment period. The aim was to ensure an appropriate level of environmental and social indicators.

The Investment direction has ensured the following environmental and (or) social features:

- **Climate change mitigation.** Priority is given to investments in funds with lower greenhouse gas (hereafter - GHG) emissions than those of the MSCI World Equity Index (hereafter - Classic Index).
- **Respect for international standards and conventions.** Priority is 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 Organisation for Economic Co-operation and Development recommendations.

The Investment direction aimed for these indicators to be better than the Classic Index.

How did the sustainability indicators perform?

Indicator	Portfolio	Classic Index
Weighted average carbon intensity*	68.6	103.1
Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.0%	0.0%

*Scope 1 and 2 GHG emissions of investee companies, tons / million EUR turnover

...and compared to the previous period?

Indicator	Portfolio, 2023	Portfolio, 2024
Weighted average carbon intensity*	60.6	68.6
Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises**	0.0%	0.0%

*Scope 1 and 2 GHG emissions of investee companies, tons / million EUR turnover

**The portfolio indicator for 2023 has been recalculated due to a change in the data source to MSCI

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The Investment direction analyses the environmental impact of sustainable investments, with a particular focus on carbon emissions intensity. In addition, the Investment direction ensures that current investments comply with international standards and conventions adopted by the UN and the OECD in relation to sustainability objectives.

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

The Investments direction manager monitored the controversial areas of ESG and checked, based on the mandatory Principle Adverse Impact indicators as set out in the European Union's SFDR Technical Regulatory Standards (RTS), whether the selected equity index fund ensured that the investments comprising the Investment direction did not cause material harm to the sustainable investment objective.

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

The Investments direction manager conducted an analysis of sustainable investments using the MSCI database and, during the reporting period, sustainable investments were assessed to be in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

How did this financial product consider principal adverse impacts on sustainability factors?

The investment direction has incorporated key indicators of negative impacts into the overall investment process. For investment decisions, the key indicators were benchmarked against the Classic Index; the dynamics of the key indicators are monitored post-investment.

The values of the indicators that were assessed are given in the sustainability indicator results section.

What were the top investments of this financial product?

Largest investment	Sector	% Assets	Country
JPMorgan Carbon Transition Global Equity	Investment fund	98.99%	Ireland

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 list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: **98.99%**

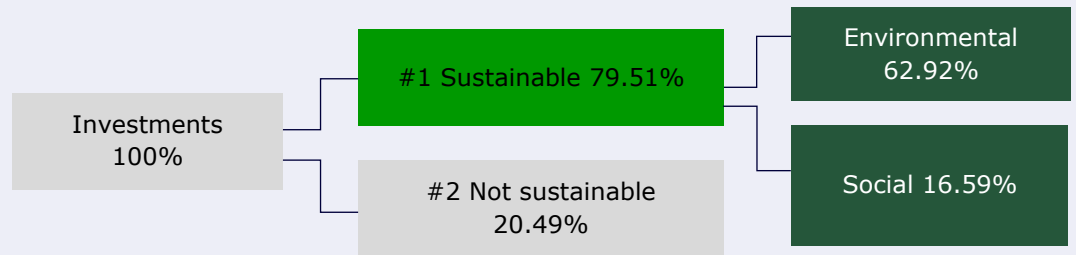


What was the proportion of sustainability-related investments?

The investment direction 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 direction'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.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



#1 Sustainable covers sustainable investments with environmental or social objectives.

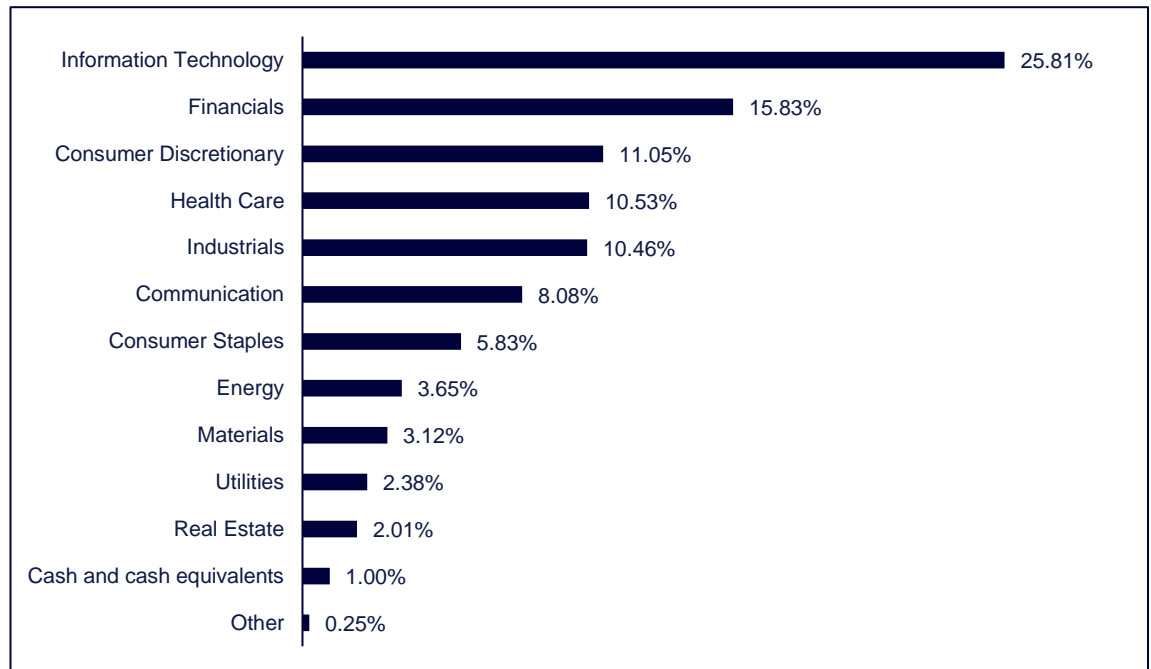
#2 Not sustainable includes investments which do not qualify as sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power and 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 economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

In which economic sectors were the investments made?



Under the Global Industry Classification Standard – GICS.



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

No investments were made in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

☐ Yes

☐ in fossil gas

☐ in nuclear energy

☒ No

Taxonomy-aligned activities are expressed as a share of:

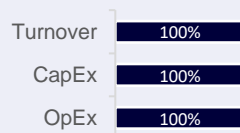
- **turnover** reflecting the share of revenue from green activities of investee companies

- **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.

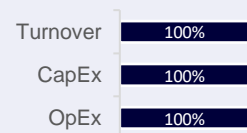
The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product 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*



■ Taxonomy-aligned ■ Non Taxonomy-aligned

2. Taxonomy alignment of investments excluding sovereign bonds*



■ Taxonomy-aligned ■ Non Taxonomy-aligned

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

● **What was the share of investments made in transitional and enabling activities?**

No investments were made in economic activities that were aligned with the EU Taxonomy.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

No investments were made in economic activities that were aligned with the EU Taxonomy, therefore, the comparison with previous periods does not apply.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

During the reporting period 79.51% of investments were consisted as sustainable that are not aligned with the EU Taxonomy.



What was the share of socially sustainable investments?

During the reporting period 20.49% of investments were consisted as socially sustainable.



What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

Investments included in the "not sustainable" category were shares in companies that did not meet the criteria for sustainable investments, also cash and cash equivalents. Investments did not have minimum required environmental or social safeguards.

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 no significant harm to 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.

What actions have been taken to attain the sustainable investment objective during the reference period?

At the beginning of the year, the Investment direction invested most of its assets in the Swisscanto (LU) Equity Fund Sustainable (ISIN - LU2211859272). Regular monitoring showed that this fund was no longer meeting the sustainability objectives of the investment direction, and it was therefore decided to sell the fund and reinvest the money in the JPMorgan Carbon Transition Global Equity (ISIN - IE00BMDWYZ92) exchange-traded fund, which aims to have at least 80% of the portfolio's assets in sustainable investments. At year-end, sustainable investments represented 96.83% of the portfolio. Given the change in the composition of the portfolio in the third quarter, the average annualised sustainable investment weighting was at 79.51%.



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

How did this financial product perform compared to the reference sustainable benchmark?

Not applicable. No benchmark was determined as a reference value for achieving the sustainable investment targets.

How did the reference benchmark differ from a broad market index?

Not applicable.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?

Not applicable.

How did this financial product perform compared with the reference benchmark?

Not applicable.

How did this financial product perform compared with the broad market index?

Not applicable.