Pre-contractual disclosure for the financial products 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: GENERALI INVESTMENT SICAV – SRI EUROPEAN EQUITY **Legal entity identifier:** 549300FC3OFNMIBUX492

Environmental and/or social characteristics

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.

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 **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 50% 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 will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

The Sub-fund promotes environmental and social characteristics pursuant to Article 8 of the Regulation (EU) 2019/2088 by investing, with a Socially and Responsible Investment (**SRI**) process, in listed equities from European companies that demonstrate superior ESG performance based on the Investment Manager's proprietary methodology.

In addition, the Investment Manager aims at analysing the portfolio's exposure and/or contribution to the United Nations Sustainable Development Goals ("**SDGs**") and to have an overall better result at a Sub-fund Level compared to the MSCI Europe – Net Total Return Index, the Sub-fund's ("**Benchmark**") on certain environmental and governance pillars. Furthermore, the Sub-fund commits to partially make sustainable investments in companies that meet environmental, social and governance (ESG) criteria. The investment team pays particular attention to the companies' business models and examines their visibility, growth prospects and drivers for creating value going forward.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

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

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

The sustainability indicators used to measure the attainment of the social and environmental characteristics promoted by the Sub-fund are:

- The investee companies' overall SPICE (i.e. Suppliers&Society, People, Investors, Clients and Environment) [14] rating, based on the Investment Manager's internal methodology. tool assesses the sustainable performance of companies. It integrates the analysis of economic, governance, environmental, social and societal risks and opportunities in business practices and in the products and services offering of companies. The analysis takes into account 90 criteria from which a score between 1 to 5 per letter of SPICE is obtained. These 5 scores are weighted according to the company's most material impacts;
- The investee companies' overall Controversy Rating (as described in the "*what investment strategy does this financial product follow?"* question below);
- The investee companies' Societal Contribution of products and services. The Societal Contribution[15] is a quantitative metric, on a scale of -100% to +100%, which combines the positive and negative societal contributions of a company's products and services. The methodology draws on the societal aspects of the United Nations' 17 Sustainable Development Goals (SDGs) and their 169 sub-goals (or targets), which provide a shared roadmap for private and public sector players for 2030, designed to create a better and more sustainable future. The methodology also includes macroeconomic and scientific data sourced from public research institutions, and from independent organizations such as the Access to Medicine Foundation or the Access to Nutrition Initiative;
- The Sub-fund's overall Net Environmental Contribution (NEC)[16] compared to that of the Benchmark;
- The Sub-fund's overall percentage of women in key management roles compared to that of the Benchmark;
- The minimum percentage of the Sub-fund's investments allocated to socially and environmentally sustainable investments;
- The share of securities within the portfolio with exposure to economic activities set out in the Investment Manager's SRI exclusion policy (as described in the "*What investment strategy does this financial product follow*?" question below).

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?

The Sub-fund will partially make sustainable investments with a social objective, based on at least one of the following criteria:

- On the societal side: investments with a Societal Contribution of products and services above or equal to +30%. The Societal Contribution metric combines the positive and negative societal contributions of a company's products and services. The methodology draws on the societal

[14] More information can be found on the website page indicated at the end of this document

[15] More information can be found on the website page indicated at the end of this document

[16] More information can be found on the website page indicated at the end of this document

aspects of the United Nations' 17 SDGs and their 169 sub-goals (or targets). Companies associated with a Societal Contribution above or equal to the selected threshold therefore make a significant contribution to one or several of these SDGs or targets.

- On the human capital side, two metrics both addressing SDG 8, as well as SDGs 3, 4, 5 and 10:
  - Investments with a Good Jobs Rating, based on the Investment Manager's internal methodology[17], above or equal to 55/100. The Good Jobs Rating is a quantitative metric designed to assess – on a scale of 0 to 100 – a company's overall ability to create durable and quality jobs for all, and particularly in areas (regions or countries) where employment is relatively scarce and therefore needed to ensure sustainable and inclusive economic growth;
  - Investments with a Happy@Work [18]Environment rating, , based on the Investment Manager's internal methodology, above or equal to 4.5/5. The analysis framework provides a complete and objective assessment of the level of well-being at work, focusing on: purpose, autonomy, competence, working relations, and fairness;
  - Companies associated with a Good Jobs Rating or a Happy@Work Environment rating above or equal to the selected thresholds therefore make a significant contribution to SDG 8.

While complying with the investment strategy of the Sub-fund, the Sub-fund also commits to make sustainable investments with an environmental objective, based on the following criterion: investments with a NEC above or equal to +10%. The NEC is a metric that measures the extent to which a company's business model is aligned with the ecological transition and the climate change mitigation objectives. It ranges from -100% for businesses that are highly damaging to natural capital, to +100% for companies with a strong positive net impact. Companies associated with a NEC above or equal to the selected threshold therefore make a significant contribution to the ecological transition and the climate change mitigation objectives.

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 Sub-fund does not invest in any company involved in activities identified in the Investment Manager's SRI exclusion policy for their controversial social or environmental impacts, in companies affected by a level 3/3 controversy and in companies with a SPICE rating equal or less than 3/5.

Four layers are implemented to avoid occurrence of significant harm to any environmental or social sustainable investment objective, on an *ex ante* basis, prior to any investment-decision. Indeed, investments targeted by one or more of the criteria below will not be considered as a sustainable investment:

1. **As per the Investment Manager's SRI exclusion policy:** activities are excluded for their controversial social or environmental impacts, as defined in Sycomore AM's core policy (applicable to all Sycomore AM's direct investments), and in the Socially Responsible Investment Policy (SRI) policy (applicable to all open-ended UCITs, mandates and dedicated funds managed according to an SRI strategy).
2. **Companies affected by a level 3/3 controversy**: such companies are considered in violation of one of the principles of the United Nations' Global Compact.
3. **SPICE rating below 3/5:** The SPICE methodology, through its 90 criteria, covers all environmental, social and governance issues targeted by the indicators for adverse impacts on sustainability factors listed within the draft Regulatory Technical Standards. A lower rating, below 3/5, indicates a lower sustainability performance on one or more adverse impacts; and,

[17] More information can be found on the website page indicated at the end of this document

[18] More information can be found on the website page indicated at the end of this document

4. **As per Sycomore AM's Principle Adverse Impact (PAI) policy**: a PAI policy applied to identify further potential significant harm across environmental and social matters targeted by the PAI indicators listed in Table 1 of Annex I is implemented. Companies meeting any exclusion criterion regarding GHG emissions, biodiversity, water, waste, gender equality, UN Global Compact principles/OECD Guidelines for Multinational Enterprises compliance, or controversial weapons, will be reported as "not sustainable".

   Upon meeting the criteria required to be considered as "sustainable" as described under this section and the following subsections, the investment in a company is considered as included in the sustainable investments portion of the portfolio.

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

Adverse impacts on sustainability factors involve indicators at two levels:

3. **For sustainable investments only: a PAI policy** directly drawing from indicators of Table 1 of Annex I and any relevant indicators in Tables 2 and 3.
4. **For all investments of the financial product** invested exclusively in equities of listed : the SPICE analysis framework, going through all issues targeted by all adverse sustainability indicators, with ability to use them to feed the analysis.

PAI policy: each sustainability factor targeted by Table 1 of Annex I was associated with an exclusion criterion:

Applicable to investee companies

- GHG emissions:
  - Indicators #1-2-3-5-6 (GHG emissions scope 1, 2, 3, and total emissions; Carbon footprint; GHG intensity of investee companies ; Share of non-renewable energy consumption and production; Energy consumption intensity per high impact climate sector): for all sectors, GHG emissions are assessed adjusting for company size, relative to their sub-sector, and taking into account science-based decarbonization levels required to keep global temperature increase below 2°C compared to preindustrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). As a consequence, Sycomore AM's PAI approach to GHG emissions for all sectors relies on science-based target metrics: from the science-based target initiative (SBTi) on the one hand, and on the temperatures computed by the Science-Based 2°C Alignment (SB2A) initiative on the other hand. Companies associated with a temperature exceeding the threshold set in the PAI policy are deemed to significantly harm the climate change mitigation objective.
  - Indicator #4 (exposure to companies active in the fossil fuel sector): companies active in the fossil fuel sector are addressed by Sycomore AM's exclusion policy.
- Biodiversity:
  - Indicator #7 (Activities negatively affecting biodiversity-sensitive areas), complemented by indicator #14 of Table 2 (Natural species and protected areas): these two indicators send a signal that activities in biodiversity-sensitive areas without appropriate mitigation measures might occur. Companies for which this is confirmed are deemed to significantly harm the objective of protection and restoration of biodiversity and ecosystems. The detailed process for confirming excluded companies is provided in the PAI policy.
- Water:
  - Indicator #8 (Emissions to water): for companies reporting emissions exceeding the threshold set in the PAI policy, further investigation is made on the impact on stakeholders of past emissions, based on controversy reviews. A severe impact not yet fully addressed by the company is deemed to significantly harm the objective of sustainable use and protection of water and marine resources.

- Waste:
    - Indicator #9 (Hazardous waste and radioactive waste ratio): for companies reporting quantities exceeding the threshold set in the PAI policy, further investigation is made on the impact on stakeholders of waste generated, based on controversy reviews. A severe impact not yet fully addressed by the company is deemed to significantly harm the objective of pollution prevention and control.
- UN Global Compact principles/OECD Guidelines for Multinational Enterprises compliance:
    - Indicator #10 (Violations): The aforementioned controversy analysis framework implemented by Sycomore AM precisely aims at identifying violations of these international standards.
    - Indicator #11 (Lack of processes and compliance mechanism to monitor compliance): lack of processes and compliance mechanism to monitor compliance with these international standards is a signal that further due diligence is necessary to conclude on the likeliness of potential violations. More stringent requirements throughout the SPICE analysis, in particular related to Society (S), People (P) and Clients (C) stakeholders, defined in the PAI policy, are then implemented. Any company failing the test will be deemed to significantly harm one or more social objectives.
- Gender equality:
    - Indicator #12 (Unadjusted gender pay gap): Companies associated with an unadjusted gender pay gap exceeding the threshold set in the PAI policy are deemed to significantly harm the social objective of tackling inequality.
    - Indicator #13 (Board gender diversity): Companies associated with a share of women seating on the company's Board below the threshold set in the PAI policy are deemed to significantly harm the social objective of tackling inequality.
- Controversial weapons: Indicator #14 (Exposure to controversial weapons): Companies involved in the manufacture or selling of controversial weapons are specifically addressed by Sycomore AM's exclusion policy.

Applicable to sovereigns and supranationals:

- GHG intensity (indicator #15): GHG intensity is part of the analysis of sovereigns, described in Sycomore AM's ESG integration policy, that allows to exclude low performers across a range of environmental, social and governance matters.
- Investee countries subject to social violations (indicator #16): similarly, the analysis framework applicable to sovereigns addresses adherence to the Charter of the United Nations. In addition, a set of indicators allows to assess government practices in terms of sustainable development and governance, including in particular corruption, human rights and social inclusion.

SPICE rating: The SPICE methodology, through its 90 criteria, covers all environmental, social and governance issues targeted by the indicators for adverse impacts on sustainability factors listed within Annex I of the Commission Delegated Regulation (EU) 2022/1288.

The Sub-fund invests exclusively in equities of listed companies. Out of the 46 adverse impactindicators applicable to investee companies – excluding one non-mandatory indicator dedicated to Green securities investments (14 principal adverse impact indicators listed in Table 1, as well as 32 additional adverse impact indicators listed in Table 2 and Table 3), 42 indicators (23 environmental indicators and 19 social indicators) are covered during SPICE analysis, and 4 indicators (1 environmental indicator and 3 social indicators) relate to adverse impacts targeted by Sycomore AM's exclusion policy.

More specifically, Sycomore AM's fundamental analysis model SPICE, is an integrated model, allowing to get a holistic view of companies of the **investment universe**. It was built taking into account the Organisation for Economic Cooperation and Development ("**OECD**") guidelines for Multinational Enterprises. It fully integrates ESG factors to capture how companies are managing adverse impacts as well as key sustainable opportunities following a double materiality approach.

Exclusion policy: finally, Sycomore AM's exclusion policy targets adverse sustainability impact indicators including controversial weapons, exposure to fossil fuel sector, chemical pesticide production, and more broadly was drafted to target companies in breach of the UN Global Compact ("**UNGC**") principles and OECD Guidelines for Multinational Enterprises.

Once the analysis – SPICE analysis including review of controversies, exclusion policy compliance – is performed, it impacts investment decisions in the following ways:

- As indicated in the previous question, it provides a safeguard against significant harm to any sustainable investment objective, by excluding companies not meeting minimum safeguard requirements, i.e., a company attaining a SPICE overall rating equal to or less than 3/5 is excluded, or a company exposed to any economic activity mentioned in Sycomore AM's exclusion policy;

- It also impacts the financial investment case in two ways: 1. assumptions related to the company's prospects (growth and profitability forecasts, liabilities, M&A, etc.) can be fed by certain SPICE outputs as relevant, and 2. some core assumptions of valuation models are systematically linked to SPICE outputs.

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

The development of Sycomore AM's analysis framework "SPICE" as well as the exclusion policy have been inspired by the OECD's Guidelines for multinational companies, the UNGC principles, the International Labour Organization's international standards and the UN Guiding Principles on Business and Human Rights. To assess the fundamental value of a company, analysts systematically examine how a firm interacts with its stakeholders. This fundamental analysis is designed to understand strategic challenges, business models, management quality and degree of involvement, and the risks and opportunities faced by the company. Sycomore AM has also defined its Human Rights Policy in compliance with the UN Guiding Principles on Business and Human Rights.

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

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.

☒ Yes, as indicated in the previous sub-section, principal adverse impacts ("**PAIs**"), as well as all other adverse impacts, are considered for any investment (excluding i) Ancillary Liquid Assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions, and (ii) cash equivalents (i.e., bank deposits, Money Market Instruments, money market fund), pursuant to the Sub-fund Investment Policy, and (iii) government bonds, corporate bonds, convertibles and participation rights, that are not subject to the SRI process) of the portfolio through SPICE analysis and outputs, complemented by Sycomore AM's exclusion policy.

For all investments of the financial product: the SPICE analysis framework, going through all issues targeted by all adverse sustainability indicators, with ability to use them to feed the analysis.

Among 14 PAIs indicators, 9 are environmental indicators addressed within the E section of SPICE analysis, 2 are social indicators addressed within the P section of SPICE analysis, and 3 are targeted by the company's exclusion policy.

In addition, to qualify as a sustainable investment, any investment must comply with the PAI policy specifically addressing principal adverse impactsMore information on how PAI are considered during the reference period will be made available in the periodic reporting of the Sub-fund.

☐ No

What investment strategy does this financial product follow?

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

The Sub-fund shall invest at least 90% of its net assets in listed equities issued by European companies compliant with the SRI process. Moreover, the investment team pays particular attention to the companies' business models and examines their visibility, growth prospects and drivers for creating value going forward. For this reason, only companies with a Business Model rating (within the Investor pillar of SPICE) above 3/5 are investible in the sub-fund.

<u>Negative screening or "exclusions"</u>

- The Investment Manager's exclusion policy

The Investment Manager excludes companies involved in activities identified in the Investment Manager's SRI exclusion policy for their controversial social or environmental impacts. Those activities restricted for their controversial social or environmental impacts, as defined and revised annually in Sycomore AM's core policy (applicable to all Sycomore AM's direct investments), and in the Socially Responsible Investment Policy (SRI) policy (applicable to all open-ended UCITs, mandates and dedicated funds managed according to an SRI strategy) such as violation violations of fundamental rights, controversial and nuclear weapons, conventional weapons and ammunitions, thermal coal, tobacco, pesticides, pornography, carbon-intensive energy generation, oil & gas.

- SPICE rating

ESG analysis, being simultaneously and fully integrated into the investment process, is conducted through the Investment Manager (Sycomore Asset Management)'s proprietary "SPICE" methodology. SPICE is the acronym for the Investment Manager's extra-financial methodology. It aims in particular to understand the distribution of the value created by a company between all its stakeholders (society and suppliers, people – i.e. employees, investors, clients and environment), the Investment Manager's conviction being that an equitable sharing of the value between its stakeholders is determinant to ensure its sustainable growth.

This methodology leads to a SPICE rating from 1 to 5 (5 being the highest rate). The SPICE analysis covers at least 90% of the net assets of the Sub-fund (excluding government bonds and cash) and is applied on an ongoing basis. The Investment Manager excludes companies that attain an overall SPICE rating equal to or less than 3/5. Companies which are rated less than 3/5 in the Clients pillar of SPICE are also excluded. A particular attention is paid to the analysis of this dimension as the Sub-fund invests in companies offering products and solutions contributing to social objectives linked to an ageing society and potentially to senior customers who might be considered more fragile.

- Controversy Rating

The Investment Manager carries out a full monitoring of the controversies impacting the companies based on several sources of external data. The controversies are integrated to the Investment Manager's analysis tool and matched with the SPICE criteria. Each controversy is assigned a rating from 0 to 3 based on the severity, type and status of the controversy, and on the company's attitude

and reaction to the event. The Investment Manager excludes companies that affected by a level 3/3 controversy.

Positive screening

The eligible investment universe of the Sub-fund is built according to specific criteria into the overall SPICE methodology as explained in the "SPICE rating" point of this section.

Positive screening – to be eligible as an investment, companies must fulfil either one of the following criteria:

- Their products and services, which requires either:
  i) a Net Environmental Contribution (NEC) equal or above 10%; or
  ii) a Societal contribution of products and services equal or above 10%,
- Their practices, with a specific focus on one of the following themes:
  i) employment: Good Jobs Rating equal or above 45 or leadership (≥ 70) in one of the good Jobs Rating's constituents (Job Quantity, Job Quality, Job Geography); or
  ii) Gender Diversity: Women in key management roles equal or above the Benchmark's average; or

Monitoring exposure and/or contribution to SDGs

The SPICE methodology also contributes to analyzing a company's exposure and/or contribution to the United Nations SDGs:

- Within the People pillar, the approach to evaluating human capital in the company refers explicitly to SDGs 3, 4, 5, 8 and 10 on social issues such as health, lifelong learning, gender equality, full employment, decent work and reducing inequality.

- Within the Society & Suppliers pillar, the assessment of the societal contribution is based on the analysis of positive and negative contributions from business activities under 4 pillars (access and inclusion, health and security, economic and human progress and employment) and refers explicitly to SDGs 1, 3, 4, 6, 7, 8, 9, 10, 11, 12, 16 and 17.

- Within the Environment pillar, the assessment of the net environmental contribution (NEC) analyses the positive and negative impacts of companies and their products and services on 5 issues (climate, biodiversity, water, waste/resources and air quality) directly related to environmental SDGs 2, 6, 7, 9, 11, 12, 13, 14 and 15.

The Sub-fund also undertakes to report annually on the portfolio companies' exposure to SDGs through their products and services.

Environmental and governance performance against the Benchmark

In the framework of the SRI label, the Investment Manager aims at having an overall better result at a Sub-fund level compared to the Sub-fund's Benchmark on the two following factors:

- On the environment pillar: Net Environmental Contribution (NEC);
- On the governance pillar: percentage of women in key management roles.

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 binding elements are the application of the negative screening, the positive screening, and the enhanced environmental and governance performance against the Benchmark, and include the following:

- Excluding investments in companies exposed to economic activities set out under the Investment Manager's SRI exclusion policy;
- Excluding investment in companies that attain an overall SPICE rating equal to or less than 3/5;
- Excluding investment in companies that attain a in the business model subsegment an Investor pillar of SPICE rating equal to or less than 3/5;
- Excluding investments in companies affected by a level 3/3 controversy;
- Investing in companies with either, a Net Environmental Contribution (NEC) equal or above 10%; or a Societal contribution of products and services equal or above 10%, or a Good Jobs Rating equal or above 45 or leadership (≥ 70) in one of the good Jobs Rating's constituents (Job Quantity, Job Quality, Job Geography), or Women in key management roles equal or above the Benchmark's average
- An overall better result at a Sub-fund level compared to the Benchmark on the Net Environmental Contribution (NEC) and the percentage of women in key management roles indicators.

Compliance to the above filters is to be met by all investments excluding (i) Ancillary Liquid Assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions, and (ii) cash equivalents (i.e., bank deposits, Money Market Instruments, money market fund), pursuant to the Sub-fund Investment Policy, and (iii) government bonds, corporate bonds, convertibles and participation rights, that are not subject to the SRI process) of the Sub-fund following the E/S characteristics promoted by the Sub-fund.

In addition, the Sub-fund commits to the following binding element:

- At least 50% of the net assets of the Fund are invested in sustainable investments, of which at least 1% are with an environmental objective, and at least 1% are with a social objective.

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

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

Following the application of the investment strategy, the Sub-fund's eligible investment universe is reduced by at least 20% compared to its initial investment universe, namely listed equities issued by European companies.

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

Governance is part of the SPICE analysis, including a dedicated governance section within the Investors "I" section involving a significant focus on management structures, and governance items embedded into the other parts of the analysis framework, notably employee relations and remuneration of staff within the People "P" section, and tax practices within the Society & Suppliers "S" section. Overall governance of issues associated with each type of stakeholder (Society, People, Investors, Clients and the Environment) is addressed in each according section.

Further requirements to exclude from the investable universe insufficient governance practices from the "G" section, associated with a minimum threshold, can be found in Sycomore AM's exclusion policy.

What is the asset allocation planned for this financial product?

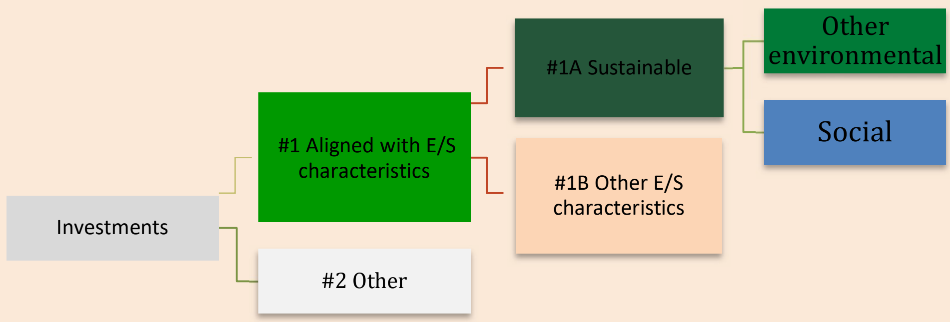
Asset allocation describes the share of investment s in specific assets.

Under normal market conditions, a minimum of 90% of the Sub-fund's net assets will be invested in equity securities that qualify as aligned with E/S characteristics (#1 Aligned with E/S characteristics).

Furthermore, a minimum of least 50% of the net assets of the Fund are invested in sustainable investments, of which at least 1% are with an environmental objective, and at least 1% are with a social objective.

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 remaining 10% % of the Sub-fund's net assets will be invested in other instruments as further described in the question: "*What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?*" (#2 Other).



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

The use of derivative financial instruments is limited to techniques that do not alter the ESG selection policy significantly or over the long term.

The underlying of derivatives are subject to the SRI process described above in the investment policy. The use of the derivatives must be compliant and consistent with the Sub-fund's long-term objectives. The use of the derivatives cannot lead to significantly or lastingly distort the ESG process. The Sub-fund may not hold a short position via derivatives in a stock selected through the ESG selection process.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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.

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

The Sub-fund does not currently commit to invest in any "sustainable investment" within the meaning of the EU Taxonomy. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

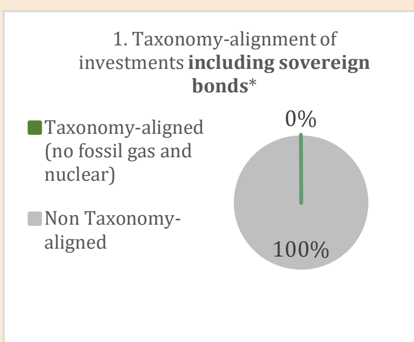
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[19]?

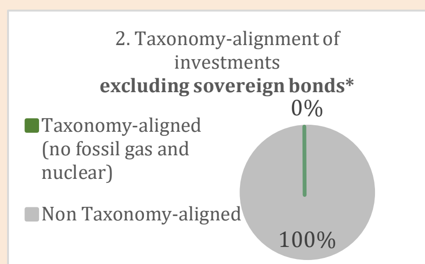
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

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





This graph represents 100% of the total investments**

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*
*** This percentage is purely indicative and may vary.*

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

[19] 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.

As the Sub-fund does not commit to invest any "sustainable investment" within the meaning of the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.

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

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

The Sub-fund promotes environmental and social characteristics and partially commits to make a minimum of 50% of its net assets in sustainable investments of which at least 1% are with a social objective and at least 1% are with environmental objective. As a consequence, the Sub-fund commits to a minimum share of 1% of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Sub-fund will make a minimal commitment regarding a minimum share of investments in sustainable investments with a social objective (at least 1%).

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

The "other" investments and/or holdings of the Sub-fund are comprised, directly or indirectly, of securities whose issuers are not subject to the SRI process described above considering those investments and/or holdings are not part of the core investments of the Sub-fund.

The #2 Other non-core investments include (i) Ancillary Liquid Assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions, and (ii) cash equivalents (i.e., bank deposits, Money Market Instruments, money market fund), pursuant to the Sub-fund Investment Policy, and (ii) government bonds, corporate bonds, convertibles and participation rights, UCITS or UCIs compliant with the provisions set out in Article 41 (1) e) of the UCI Law.

There are minimum environmental and social safeguards in respect of the (i) government bonds, corporate bonds, convertibles and participation rights, considering in-house ESG filters still applies and/or (ii) UCITS, UCIs Money Market Instruments, money market fund considering French SRI certification or equivalent in a member State of the European Union is required.

No minimum environmental or social safeguards are applied to the remaining "other" investments and/or holdings.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A

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

Where can I find more product specific information online?

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

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https://gipcdp.generali-cloud.net/static/documents/GIS_SRI_European_Equity_Art10_Website_disclosures_EN.pdf