

## SUSTAINABILITY RELATED DISCLOSURE

PRE-CONTRACTUAL DISCLOSURE OF A **INVL GLOBAL SUSTAINABLE EQUITY INVESTMENT BASKET** THAT HAS SUSTAINABLE INVESTMENT AS ITS OBJECTIVE PURSUANT TO ARTICLE 9 OF THE SFDR

This product:

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

It does not invest in sustainable investments.

It invests partially in sustainable investments

Has **sustainable investment as its objective**. 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.

Has a **reference benchmark** been designed for the purpose of attaining these characteristics promoted by the financial product?

Yes

No

## SUSTAINABILITY – RELATED INVESTMENT OBJECTIVE AND POLICY

Investment basket has sustainable investment as its objective within the meaning of article 9 of the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector. The investment objective of the investment basket is to invest its assets in equity index funds which aim to represent the performance of an investment strategy that **re-weights securities based upon the opportunities and risks associated with the transition to a lower carbon economy**. Investment basket invests in equity index fund, which represents an investment strategy that re-weights securities as defined in MSCI World Climate Change Index (the “Index”) methodology), and 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**. The Index applies a heuristics-based approach in order to meet the following objectives:

- Reduce the weighted average greenhouse gas intensity by 30% (compared to the underlying investment universe);
- Reduce the weighted average greenhouse gas (GHG) intensity by 7% on an annualized basis;
- Reduce the weighted average potential emissions intensity by 30% (compared to the underlying investment universe);
- Have at least equivalent ratio of weighted average “Green Revenues” to weighted average “Brown Revenues” as that of the underlying investment universe.

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.

The investment basket limits sustainability risks by excluding certain types of investments. Exclusion's list is based on the Index provided universe to reduce exposure to climate-related risks. The Index excludes companies that derive their revenue from manufacturing controversial weapons, tobacco-related businesses, thermal coal extraction and mining, very severe ESG Controversies.

"INVL Global Sustainable Equity" has investments which focus on equity funds that meet specific criteria and have objective of sustainable investments. However, there might be situations when equity index companies fail to meet specific sustainability criteria – such investments may conclude a smaller part of total assets compared to other investments. Sustainable equity investments may (i) underperform the market as a whole if such equity investments underperform the market and/or (ii) underperform relative to other investments that do not utilize ESG criteria.

### **DO NOT SIGNIFICANTLY HARM PRINCIPLE & PRINCIPAL ADVERSE IMPACTS**

Investment manager and/or analyst checks if selected equity index fund ensures that the underlying investments in the fund do no significant harm to 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 (RTS).

Investment managers will put best efforts to monitor and report on the indicators, as set out in Table 1 of RTS, by 30 June 2023 at the latest.

### **PROPORTION OF INVESTMENTS**

The investment basket invests close to 100% of its assets in equity index funds that has sustainable investment as its objective, as such investments contribute towards the transition to a lower carbon economy.

A sustainable objective of the index fund is monitored with a proprietary model that asses each company's contribution to the objective. A significant component of the model measures the alignment of a company to the EU Taxonomy for sustainable activities. The alignment activities on the Taxonomy regulation can be found at equity index fund (in which the Investment basket invests) ESG report (if report is available).

### **REFERENCE BENCHMARK**

Benchmark is MSCI World Climate Change Index which represents the performance of an investment strategy that re-weights securities based upon the opportunities and risks associated with the transition to a lower carbon economy. Through its methodology and the manner how it is constructed, the Index is aligned with the sustainable investment objective of the Investment basket.

Methodology of reference benchmarks can be found on the following [website](#).

### **DATA SOURCES AND PROCESSING**

Primarily data is obtained from indexes administrators webpages, including but not limited to index methodologies descriptions, fact sheets and others. Additional data is sourced from equity index funds providers' webpages, including but not limited to fund fact sheets, prospectuses, reports and other.

**ENGAGEMENT POLICIES**

Investment basket invests its assets only in equity index funds and has no direct investments in investee companies, therefore no engagement policies are utilized. Despite that, investment managers and/or analysts check information on equity index fund's engagement policies and practices.