

Product name: **INVL Global Sustainable Equity** (hereinafter – “the Investment basket”)

Legal entity identifier: N/A

Does this financial product have a sustainable investment objective?

YES

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.

NO

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

YES

NO

I Summary

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 may represent from 70% to 100% of total assets) and alternative investments (which may represent up to 30% of the assets). Chosen equity index 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 contributes to climate change mitigation.

Additionally, investment basket should invest in equity index that excludes 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.

Benchmark index is MSCI World Climate Change Index.

II No significant harm to the sustainable investment objective

Investment manager and/or analyst checks if selected equity index 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 (RTS). Alternative investments are screened against areas that could significantly harm the investment basket sustainable investment objective.

Analysis of investments includes assurance of meeting minimum safeguards.

Investment managers will put their best efforts to monitor and report on the indicators, as set out in Table 1 of RTS.

III Sustainable investment objective of the financial product

- What is the sustainable investment objective of this financial product?

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 accelerate the transition to lower carbon economy through its investments which decrease the exposure to investments exposed to risks associated with transition.

The reference benchmark has 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 “Green Revenue” to “Brown Revenue” as that of the underlying investment universe;
- active weight in High Climate Impact Sector relative to Parent Index is equal to 0%;
- higher allocation to companies setting targets

Investment basket manager before investing in equity index fund and alternative investments checks if those investments could contribute to above mentioned objectives.

The MSCI Climate Change Indexes are considered EU Climate Transition Benchmarks under the EU Benchmark Regulation (Regulation (EU) 2016/1011 as amended by Regulation (EU) 2019/2089) and are constructed from their corresponding Parent Indexes, taking into account the minimum requirements in the EU Benchmark Regulation. The Indexes aim to represent the performance of an investment strategy that reweights securities based upon the opportunities and risks associated with the climate transition risks while satisfying the corresponding minimum requirements as per the EU Benchmark Regulation. Additionally, the Indexes also 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. To avoid concentration, the weight of each security in the Index is capped at 5%. Methodology of reference benchmarks can be found on the following [website](#).

- 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 index fund provider and alternative investment manager, in order to evaluate the attainment of the sustainable investment object. The indicators used:

1. Assets invested in funds that qualify as article 9 of SFDR and follows benchmark that qualifies as EU Climate Transition
2. Other indicators which are collected from the respective external asset managers.

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.

- 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 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, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The assessment is made either by the Investment basket manager itself or by equity index fund provider or alternative asset manager.

IV 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

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

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. Adverse impact indicators are collected from respective external asset managers and they are considered in investment process.

V Investment strategy

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

The Investment basket only invests its assets into equity index funds that replicate indices which has the same investment object as Investment basket and alternative investments, which encourage the transition to a low-carbon economy.

- 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 index fund providers or alternative asset managers.

On index level, provider applies the evaluation framework, which is designed to be consistent with international norms represented in numerous widely accepted global conventions. Index providers assess performance, looking for instances where companies are involved in major controversies or have breached the standards set by international bodies. Approach covers environment, human rights & community, labor rights & supply chain, customers and governance. Controversies are marked with green, yellow, orange or red controversies, where red indicates that company is involved in one or more severe controversies. Companies flagged red receives an MSCI ESG Controversary score equal to 0 and are excluded from the index.

VI Monitoring of the sustainable investment objective

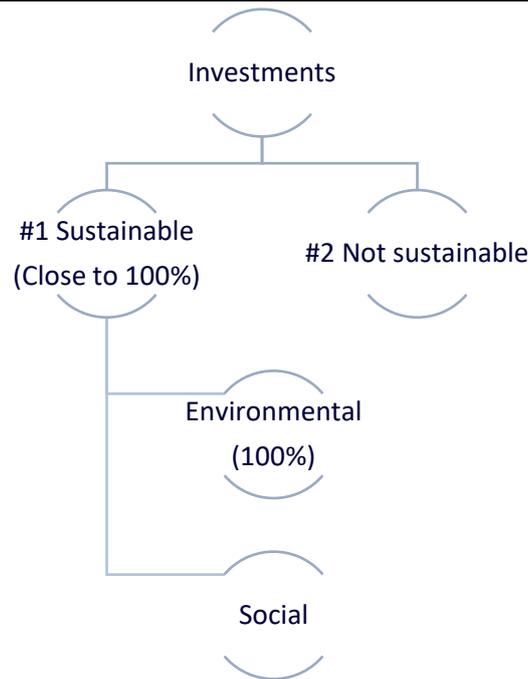
- How are the sustainable investment objective and the sustainability indicators used to measure the attainment of the sustainable investment objective are monitored throughout the lifecycle of the financial product and the related internal/external control mechanisms?

The objectives of the investment basket's ESG strategy are regularly monitored to ensure that the investment basket can once again be steered towards its objective in the event of deviations. Monitoring is performed on a regular basis using external tools provided by the international data providers, index provider, equity index fund providers and alternative investment manager. The process involves comparing aggregated data of equity index fund and alternative investment in which the Investment basket invests with established environmental, social and governance characteristics and investment object.

VII Proportion of investments

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

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



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

#2 Not sustainable 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 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?

While there may be investments in the investment basket that are in economic activities that contribute to an environmental objective and may be eligible to be assessed against the Technical Screening Criteria (TSC), Investment basket manager (neither equity index provider) is not currently in a position to describe:

- the extent to which the investments of the Investment basket are in economic activities that qualify as environmentally sustainable and are aligned with the Taxonomy Regulation;
- the proportion, as a percentage of the Investments basket portfolios, of investments in environmentally sustainable economic activities which are aligned with the Taxonomy Regulation; or
- the proportion, as a percentage of the Investment basket portfolios, of enabling and transitional activities (as described in the Taxonomy Regulation).

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

Described in section of Taxonomy-aligned activities

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

Described in section of Taxonomy-aligned activities

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

Although the Investment basket primarily has an environmental objective, it also could contribute to the social objective. However, investment basket does not make a commitment to make investments with social objectives.

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

The purpose of any investments made by the Investment basket that may be classified as “#2 Not sustainable” is mainly for efficient portfolio management, liquidity management or hedging purposes.

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

- How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

Through its methodology and the manner it is constructed (as described in section „Methodologies“), the Index is aligned with the sustainable investment objective of the Investment basket.

- How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

The benchmark has the same sustainable investment objective as the Investment basket. The methodology of the Index is reviewed on regular basis.

- How does the designated index differ from a relevant broad market index?

Through its methodology and the manner it is constructed, the Index differs from a broad market index (as described in section „Methodologies“).

- Where can the methodology used for the calculation of the designated index be found?

Methodology used for calculation of the designated index is described in detail in section “Methodologies”. Methodology of reference benchmark can be found on the following [website](#).

IX Methodologies

- Please describe the methodologies used to measure the attainment of the sustainable investment objective and how the sustainability indicators to measure the attainment of that sustainable investment objective are used.

The methodologies to measure the attainment described in both the monitoring and due diligence sections of this disclosure. Investment basket will invest in equity index funds and alternative investments if they satisfy reference benchmark requirements.

Reference index methodology is provided below.

The Index will be constructed as follows:

- The Applicable Universe includes all the existing constituents of the Parent Index (i.e. mid and large-cap equities that equate to 85% of the total capitalization for the geographical area covered by the Parent Index).
- The Eligible Universe is constructed from the Initial Universe by excluding securities based on the following criteria:
 1. Companies involved in controversial weapons,
 2. Companies involved in very severe ESG Controversies
 3. Companies involved in severe Environmental controversies;
 4. Companies involved in the Tobacco-related businesses;
 5. Companies involved in Thermal Coal extraction and mining.
- Each company is weighted according to its market capitalization and its Low Carbon Transition (LCT) Combined Score in order to increase the exposure to companies participating in opportunities associated with climate transition and decrease the exposure to companies exposed to risks associated with climate transition.
- The Parent index and the Eligible universe are both broken into two universes: ‘High Climate Impact’ and ‘Low Climate Impact’.
- The Final Universe is constructed from the Eligible Universe by weighting the ‘High Climate Impact’ and ‘Low Climate Impact’ universes according to their respective allocations in the Parent index and the securities based upon their targets and commitments to meet the EU Climate Transition benchmark (EU CTB) minimum requirements.

- The weight of each security in the Index is capped at 5%.

X Data sources and processing

- Please describe what data sources were used to attain the sustainable investment objective

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.

XI Limitations to methodologies and data

- Please describe what limitations surrounded the described methodologies and data sources (including what actions are taken to address such limitations).

Limitations of methodologies and ESG data include the lack of consistency, reliability, comparability, and quality of the data available. This is driven by issues including, but not limited to:

- Lack of common methodology across providers of ESG ratings;
- Lack of standardized reporting by companies;
- Different models and analytical tools for unreported data;
- Difficult to quantify factors and unverified or unaudited information.

XII Due diligence

Investment basket invests its assets only in equity index funds managed by biggest well-known international providers which track indices which in turn are maintained by world's major index administrators. Quantitative and qualitative analysis is performed when selecting and reviewing equity index funds.

- What internal and external controls were in place on that due diligence?

The Investment basket manager assesses sustainable investment objective in several stages:

- Pre-investment due diligence (Investment basket manager conducts equity index sustainability objective and assessment during the due diligence process to determine whether proposed investments meet required ESG thresholds. Analysis is presented for the Investment Committee which approves the investments into proposed equity index funds).
- Holding period (if there is a marked deterioration from sustainability objective, actions will be taken, i.e. where possible manager will look for better suited investments for investment portfolio).

XIII 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 good governance practices.

In certain circumstances Investment basket manager could reach out to the equity index provider e.g. if equity index depart from its investment objective.

XIV Attainment of the sustainable investment objective

The Investment basket reference benchmark to measure sustainability investment objective is the MSCI World Climate Change Index, which aims to represent the performance of an investment strategy that reweights securities based upon the opportunities and risks associated with the climate transition risks while satisfying the corresponding minimum requirements as per the EU Benchmark Regulation. The index also applies exclusions securities of companies based on their revenues from the manufacture of controversial weapons, tobacco products, thermal coal mining and companies which are involved in very severe ESG controversies and in severe Environmental controversies.

Methodology used for calculation of the designated index is described in detail in section "Methodologies". Methodology of reference benchmark can be found on the following [website](#).

More product-specific information can be found on the [website](#).

Version	Changes	Date
No. 1	Publication by Technical Regulatory Standards	2022-03-22
No. 2	Version No. 1 is supplemented with information required by updated Technical Regulatory Standards	2022-06-30