

LUX IM – GENERALI INVESTMENTS EURO GOVIES (“Sub-fund”)

Sustainability-related disclosures required for Article 8 financial products under the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”)

Section	Disclosure
No sustainable investment objective	The Sub-fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.
Environmental or social characteristics of the financial product	<p>The Sub-fund promotes environmental and social characteristics according to a responsible investment process on the portion of the Sub-fund’s invested in government bonds. Characteristics promoted in the investment process are based on positive environmental, social and governance (“ESG”) criteria relative to its initial investment universe, defined as the “J.P. Morgan EMU Index”. These characteristics include:</p> <ul style="list-style-type: none"> • On the environmental pillar: global warming. • On the social and governance pillars: the fight against money laundering and financing of terrorism, tax practices, human rights violation and corruption.
Investment strategy	<p>The Investment Manager will be applying the ESG selection process on an ongoing basis on the portion of the Sub-fund’s invested in government bonds.</p> <p>The Investment Manager selects securities that present positive ESG criteria relative to its initial investment universe, as per the following process:</p> <ol style="list-style-type: none"> 1. Sovereign Ethical Filter (negative screening or “exclusions”) <p>The Investment Manager applies on an ongoing basis the below criteria when considering Sovereign issuers.</p> <ol style="list-style-type: none"> 1.1 Norm-based exclusion and ESG based exclusion <p>The proprietary “Sovereign Ethical Filter”, which excludes any Sovereign issuers that do not comply with one or more of the following elements:</p> <ol style="list-style-type: none"> 1.1.1. Compliance/ Norm-based exclusion: <ul style="list-style-type: none"> ○ Money laundering and financing terrorism exclusion criteria: countries with strategic deficiencies in their regimes to combat money laundering and terrorist financing, based on the Financial Action Task Force (FATF) list. ○ Abusive Tax practices exclusion criteria: countries that encourage abusive tax practices and refused to engage with the European Union to address their shortcoming governance, based on the EU list of third country jurisdictions for tax purposes. 1.1.2. ESG based exclusion: <ul style="list-style-type: none"> ○ Social exclusion criteria: countries who are responsible of severe violations of human rights, based on “Freedom House” data. ○ Governance exclusion criteria: countries with a high level of corruption based on the Corruption Perception Index. 1.2. Sovereign ESG Scoring <p>As part of the proprietary “Sovereign Ethical Filter”, the Investment Manager will exclude Sovereign issuers with a score below a certain threshold. This filter will apply to all Sovereign issuers of bonds and reference obligations underlying single name CDSs. The result of the above filters is the Sovereign Ethical Filter, a list of Countries that are either allowed or not (excluded) for investing.</p> 2. Selection based on “Sovereign warming potential – (positive screening) <p>Sovereign issuers are subject to a positive screening based on a warming potential metric, which quantifies emission targets of governments/countries, and it will be used to assess a country's alignment to a global stabilization goal, based on the country's commitments to reduce its emission profile. The Sub-fund’s average weighted sovereign warming potential must be lower (meaning “better”) than that of the initial investment universe.</p>
Proportion of investments	<p>The Sub-fund invests a minimum of 90% of its net assets to investments that are aligned to the promoted environmental and social characteristics.</p> <p>The remaining investments of the Sub-fund (“#2 Other”) may be invested in (i) ancillary cash and cash equivalents for liquidity purposes within the limits prescribed by applicable laws; (ii) securities, directly or indirectly, of issuers from the investment universe, whose issuers did not meet the ESG criteria described above to qualify as exhibiting positive environmental or social characteristics.</p> <p>No minimum environmental or social safeguards are applied to these investments.</p> <div style="text-align: center;"> <pre> graph LR A[Investments] --- B["#1 Aligned with E/S characteristics Min 90%"] A --- C["#2 Other"] </pre> </div>

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Monitoring of environmental or social characteristics	<p>The Investment Manager will be applying simultaneously the Environmental, Social and Governance (ESG) criteria process on an ongoing basis to selected securities, covering at least 90% of the Sub-fund's portfolio.</p> <p>The Sovereign Ethical Filter applicable to this Sub-fund is reviewed at least on an annual basis and is available in the portfolio management and risk management system for monitoring and ex-ante controls.</p> <p>The Sovereign Warming Potential (NDC) indicator, provided by a third party ESG data vendor, is directly integrated into the portfolio management and risk management system for monitoring and ex-ante controls. The Sub-fund's Management Company will oversee the information provided by the Investment Manager and ensures that the ESG compliance of the Sub-fund is met.</p>
Methodologies for environmental or social characteristics	<p>The Investment Manager integrates the ESG analysis within the investments' selection process, as follows:</p> <ul style="list-style-type: none"> ▪ Negative screening (severe controversies and specific activities, e.g. controversial and nuclear weapons; conventional weapons; adult entertainment; unconventional coal and tar sands; tobacco; gambling) ▪ Sovereign Ethical Filter ▪ Positive screening (warming potential metric) ▪ PAI consideration (PAI number 16)
Data sources and processing	<p>The Investment Manager will analyse and monitor the ESG profile of issuers using information sourced from an external ESG data provider.</p> <p>Accordingly, within the initial investment universe - and after the negative screening process described in section Investment Strategy - each target issuer will be analysed and ranked by the Investment Manager according to both its fundamentals and the overall ESG score assigned to it by the external ESG data provider.</p> <p>An external ESG data provider is also used to exclude issuers when their controversy level is considered material.</p>
Limitations to methodologies and data	<p>The limitations to the attainment of the promoted environmental and social characteristics, are deemed non-material, as the investment universe of the Sub-fund provides an appropriate level of disclosure and coverage of required information by the Investment Manager to allow for the application of the investment methodology.</p>
Due Diligence	<p>In order to qualify for initial investment, the target investments must comply with the binding elements applied by the Sub-fund. This compliance has to be ensured by the Investment Manager through pre-trade compliance mechanism in place</p>
Engagement Policies	<p>This section is not applicable, as the Sub-fund is not deploying an ESG engagement strategy for the attainment of the promoted environmental or social characteristics.</p>
Designated reference benchmark	<p>No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.</p>