FORWARD DYNAM®

(Tariff UUIM2 / UUIMT2)

Sustainability-related disclosures according to Art. 10 SFDR

Version 1.1 – January 2024

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PART I - INFORMATION ON

UCITS Sub-Fund	Currency	ISIN
FORWARD LUCY GLOBAL EQUITY STRATEGY CI	USD	LU1899150392
FORWARD LUCY EUROPEAN EQUITY STRATEGY CI	EUR	LU1899150046
FORWARD LUCY GLOBAL SUSTAINABLE EQUITY STRATEGY CI	USD	LU1960005939
FWU FORWARD LUCY GLOBAL MEGATRENDS CI	USD	LU2459148222
FORWARD LUCY GLOBAL SUSTAINABLE BOND STRATEGY CI	EUR	LU2106059244
FWU FORWARD LUCY LOW RISK EQUITY STRATEGY CI	USD	LU2459147927
FWU FORWARD LUCY LOW RISK BOND STRATEGY CI	EUR	LU2461131224

Product name: Forward DYNAM (UUIM2 / UUIMT2)	Legal entity identifier: 529900JZWWCJKQ1GTT02

The insurance-based investment product "Forward DYNAM" ("Financial Product") allows the client to choose between seven different investment options (hereinafter "Pre-defined Investment Combinations"). Each Pre-defined Investment Combination consists of a combination of at least 2 and max. 4 of the following Sub-Funds.

Group 1 Sub-Fund	ISIN	Group 2 Sub-Fund	ISIN
Forward Lucy Global Equity Strategy	LU1899150392	Forward Lucy Global Sustainable Bond Strategy	LU2106059244
Forward Lucy European Equity Strategy	LU1899150046	Forward Lucy Global Sustainable Equity Strategy	LU1960005939
Forward Lucy Global Megatrends	LU2459148222		
Forward Lucy Low Risk Equity Strategy	LU2459147927		
Forward Lucy Low Risk Bond Strategy	LU2461131224		

The Sub-Funds on the left side all have in common that they promote environmental/social (E/S) characteristics but do not commit to sustainable investments (hereinafter "Group 1 Sub-Funds").

The Sub-Funds on the right side all have in common that they promote Environmental/Social (E/S) characteristics and, while not having a sustainable investment objective, they will have a minimum proportion of 60% sustainable investments, with a minimum proportion of 30% consisting in an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy (hereinafter "Group 2 Sub-Funds").

A third type of Fund is the DWS Funds Global Protect 80, ISIN LU0188157704, which is part of only one Pre-defined Investment Combination called "Difensivo". This fund also promotes Environmental/Social characteristics.

The level of min. sustainable investments of each Pre-defined Investment Combination depends on the portion of the Forward Lucy Global Sustainable Bond Strategy or the Forward Lucy Global Sustainable Equity Strategy within the selected Pre-defined Investment Combination. On this basis, the average level of minimum sustainable investments and taxonomy-aligned investments at Starting Date for each Pre-defined Investment Options is as follows (sorted from lower to higher levels of risks):

Pre-defined Investment Combination	Underlying Sub Funds	Sustainable Investments	Taxonomy Aligned Investments*
1. Difensivo	- *40% DWS Funds Global Protect 80* - 40% Forward Lucy Global Sustainable Bond Strategy - 20% Forward Lucy Low Risk Equity Strategy	24%	12%
2. Cauto	- 30% Forward Lucy Global Sustainable Bond Strategy - 30% Forward Lucy Low Risk Bond Strategy - 40% Forward Lucy Low Risk Equity Strategy	18%	9%

3. Conservativo & Sostenibile	- 85% Forward Lucy Global Sustainable Bond Strategy - 15% Forward Lucy Global Sustainable Equity Strategy	60%	30%
4. Prudente	- 40 % Forward Lucy Global Sustainable Bond Strategy - 40 % Forward Lucy Low Risk Equity Strategy - 20 % Forward Lucy Global Equity Strategy.	24%	12%
5. Moderato & Sostenibile	- 40% Forward Lucy Global Sustainable Bond Strategy - 60% Forward Lucy Global Sustainable Equity Strategy	60%	30%
6. Dinamico & Sostenibile	- 25% Forward Lucy Global Sustainable Bond Strategy - 75% Forward Lucy Global Sustainable Equity Strategy	60%	30%
7. Esplorativo:	- 10 % Forward Lucy Global Sustainable Equity Strategy, - 50 % Forward Lucy Global Equity Strategy, - 20 % Forward Lucy European Equity Strategy, - 20 % Forward Lucy Global Megatrends;	6%	3%
** Investment of an environmental objective in economic activities that qualify as environmentally sustainable according to the EU Taxonomy; for further information, please see below.*			

During the Contract Duration, the ratio between the Sub-Funds of each pre-defined Investment Combination may vary due to different performances. If the portion of the Forward Lucy Global Sustainable Bond Strategy or the Forward Lucy Global Sustainable Equity Strategy on the pre-defined Investment Combination decreases or increases, the level of sustainable investments also varies accordingly.

The Pre-defined Investment Options 1, 2, 4 and 7 do not commit to keep the level of sustainable investments over the Contract Duration. The Pre-defined Investment Options 3, 5 and 6 on the other hand commit to keep the initial level of sustainable investments over the entire Contract Duration.

In the following sections, You will find information about the Group 1 Sub-Funds and Group 2 Sub-Funds separately. Please note that the higher the portion of Group 2 Sub-Funds in a Pre-defined Investment Combination is, the higher is the is the commitment to E/S Criteria.

<u>Information according to Art. 10 SFDR regarding the DWS Funds Global Protect 80 can be found in Part II of this document.</u>

Does this financial product aim to make sustainable investments?

☐ Yes

☐ 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

☒ No

☒ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it had a proportion of 0% 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

A. Summary

Group 1 External Funds

ENG

For the Group 1 External Funds, ESG (Environment, Social and Governance) scoring is a complement to the fundamental analysis. The Management Company's (*i.e.* FWU Invest S.A.) approach to adopting ESG criteria comprises a "best-in-universe" approach with special attention to the environment, human capital and corporate governance favouring the development and improvement of best practices. An internal scoring system for securities held within the portfolio is used, based on proprietary analysis and external databases. For that purpose, the appointed portfolio managers use the data provided by the market leader Arabesque S-Ray, to assess the ESG compliance of investments. Arabesque S-Ray assists the portfolio managers by providing them on a daily basis with a list containing potential target investments scored in terms of ESG criteria (the "ESG Score"). Currently, any company scoring less than 30 (out of 100) will be excluded from the portfolio and the Group 1 External Funds will disinvest as soon as possible within 3 months from the securities held in portfolio of a company scoring less than 30 (out of 100). The resulted portfolio is afterwards optimized by applying the Forward Quant Algorithm taking into account the ESG Score.

This extra-financial scoring system impacts the overall portfolio structure by excluding exposure to companies exhibiting low ESG scores and is used to ensure a certain overall ESG quality level

ITA

Per i Fondi Esterni del Gruppo 1, il punteggio ESG (Environment, Social and Governance) è un supporto all'analisi sostanziale. L'approccio della Società di gestione (cioè FWU Invest S.A.) all'adozione dei criteri ESG comprende un approccio "best-in-universe" con particolare attenzione all'ambiente, al capitale umano e alla governance, favorendo lo sviluppo e il miglioramento delle migliori pratiche. Inoltre, viene utilizzato un sistema interno di punteggio per i titoli del portafoglio, chiesi basa su analisi proprietarie e banche dati esterne. A tal fine, i gestori del portafoglio si avvalgono dei dati forniti da Arabesque S-Ray per valutare la conformità ai parametri ESG degli investimenti. Arabesque S-Ray assiste i gestori del portafoglio fornendo loro giornalmente una lista contenente potenziali investimenti target valutati sulla base dei criteri ESG (il "punteggio ESG"). Attualmente, qualsiasi società con un punteggio inferiore a 30 (su 100) sarà esclusa dal portafoglio e i Fondi Esterni del Gruppo 1 disinvestiranno il prima possibile, entro 3 mesi, dai titoli detenuti in portafoglio di una società che abbia ottenuto un punteggio inferiore a 30 (su 100). Il portafoglio risultante viene successivamente ottimizzato applicando il Forward Quant Algorithm tenendo conto del punteggio ESG.

Questo sistema di punteggio extra-finanziario ha un impatto sulla struttura generale del portafoglio, escludendo l'esposizione a società of the portfolio.

While the Group 1 External Funds promote environmental characteristics within the meaning of Article 8 of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"), it does not currently commit to investing in any "sustainable investment" within the meaning of the SFDR or the EU Taxonomy.

che presentano bassi punteggi ESG e viene utilizzato per garantire un certo livello di qualità ESG complessiva del portafoglio.

Sebbene i Fondi Esterni del Gruppo 1 promuovano caratteristiche ambientali ai sensi dell'articolo 8 del Regolamento (UE) 2019/2088 del Parlamento europeo e del Consiglio, del 27 novembre 2019, sulle informazioni relative alla sostenibilità nel settore dei servizi finanziari ("SFDR"), attualmente non si impegnano a investire in alcun "investimento sostenibile" ai sensi dell'SFDR o della Tassonomia UE.

Group 2 External Funds

<u>ENG</u>

The Group 2 External Funds promote environmental characteristics within the meaning of Article 8 of the SFDR and will have a strong focus on Sustainable investing, and as such every selected asset will be in-line with this philosophy. To that effect, the Group 2 External Funds use a best-in-class approach to adopting additional ESG criteria. This is comprised by a "best-in-universe" approach with special attention to the environment, human capital and corporate governance favouring the development and improvement of best practices.

An internal scoring system for securities held within the portfolio is used, based on proprietary analysis and external databases. For that purpose, the appointed portfolio managers use the data provided by the market leader Arabesque S-Ray, to assess the ESG compliance of investments. Arabesque S-Ray assists the portfolio managers by providing them on a daily basis with a list containing potential target investments scored in terms of ESG criteria. Any company scoring less than 30 (out of 100) will be excluded from the portfolio and the Group 2 External Funds will disinvest within 3 months from the securities held in portfolio of a

<u>ITA</u>

I Fondi Esterni del Gruppo 2 promuovono le caratteristiche ambientali ai sensi dell'articolo 8 della Direttiva sui requisiti patrimoniali e si concentreranno fortemente sull'investimento sostenibile, per cui ogni attività prescelta sarà in linea con questa filosofia. A tal fine, i Fondi Esterni del Gruppo 2 utilizzano un approccio "best-in-class" per applicare ulteriori criteri ESG. Si tratta di un approccio "best-in-universe" con particolare attenzione all'ambiente, al capitale umano e alla governance aziendale, che favorisce lo sviluppo e il miglioramento delle migliori pratiche.

Per i titoli in portafoglio viene utilizzato un sistema di punteggio interno, basato su analisi proprietarie e banche dati esterne. A tal fine, i gestori di portafoglio si avvalgono dei dati forniti dal leader di mercato Arabesque S-Ray, per valutare la conformità ESG degli investimenti. Arabesque S-Ray assiste i gestori di portafoglio fornendo loro quotidianamente un elenco di potenziali investimenti target con un punteggio in termini di criteri ESG (il "Punteggio ESG"). Qualsiasi società che ottenga un punteggio inferiore a 30 (su 100) sarà esclusa dal portafoglio e i Fondi Esterni del Gruppo 2 disinvestiranno entro 3 mesi dai titoli detenuti in portafoglio di una società che abbia ottenuto un company scoring less than 30 out of 100.

In addition, the Group 2 External Funds aim to make sustainable investments (within the meaning of article 2 (17) of the SFDR) that contribute to the sustainable investment objective of climate change mitigation. Sustainable investments will represent at least 60% of the Net Asset Value of the Group 2 External Funds. The Group 2 External Funds determine that a company contributes to climate change mitigation where a company derives more than 15% of its revenue from economic activities defined as eligible under the EU Taxonomy. The “do no significant harm” principle with respect will be assessed by integrating the principal adverse impact (PAI) indicators, as described below.

Further, the Group 2 External Funds aim at predominantly investing into companies with a high level of alignment with the EU Taxonomy. The Forward Lucy algorithm is set at a minimum of 30% (including enabling and transitional activities) of sustainable investments with an environmental objective aligned with the EU Taxonomy. Nonetheless, the “do no significant harm” principle applies only to those investments underlying the Group 2 External Funds that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of these Group 2 External Funds do not take into account the EU criteria for environmentally sustainable economic activities.

Lastly, the Group 2 External Funds take the 14 principal adverse impact (PAI) indicators into account by implementing individual metrics to each PAI, and either excluding the companies from the investment universe, or minimizing their effect in the total portfolio. This consideration of such PAI indicators further ensures that the “do not significantly harm” principle is respected for the sustainable investments (including those with an

punteggio inferiore a 30 su 100. Inoltre, i Fondi Esterni del Group 2 si impegnano a non investire in titoli di società che abbiano ottenuto un punteggio inferiore a 30.

Inoltre, i Fondi Esterni del Gruppo 2 mirano a effettuare investimenti sostenibili (ai sensi dell'articolo 2, paragrafo 17, della Direttiva sui requisiti patrimoniali) che contribuiscano all'obiettivo di investimento sostenibile della mitigazione dei cambiamenti climatici. Gli investimenti sostenibili rappresenteranno almeno il 60% del Valore patrimoniale netto dei Fondi Esterni del Gruppo 2. I Fondi Esterni del Gruppo 2 stabiliscono che una società contribuisce alla mitigazione dei cambiamenti climatici quando ottiene più del 15% dei suoi ricavi da attività economiche definite ammissibili ai sensi della tassonomia UE. Il principio "non arrecare danni rilevanti " sarà valutato integrando i principali indicatori di impatto negativo (PAI), come descritto di seguito.

Inoltre, i Fondi esterni del Gruppo 2 mirano a investire prevalentemente in società con un elevato livello di allineamento con la tassonomia UE. L'algoritmo Forward Lucy è fissato a un minimo del 30% (comprese le attività abilitanti e transitorie) di investimenti sostenibili con un obiettivo ambientale allineato alla tassonomia UE. Tuttavia, il principio "non arrecare danni rilevanti" si applica solo agli investimenti sottostanti i Fondi esterni del Gruppo 2 che tengono conto dei criteri UE per le attività economiche sostenibili dal punto di vista ambientale. Gli investimenti sottostanti la restante parte di questi Fondi Esterni del Gruppo 2 non tengono conto dei criteri UE per le attività economiche sostenibili dal punto di vista ambientale.

Infine, i Fondi Esterni del Gruppo 2 tengono conto dei 14 principali indicatori di impatto negativo (PAI) implementando metriche individuali per ciascun PAI ed escludendo le società dall'universo di investimento o riducendo environmental objective aligned with the EU Taxonomy) made.

al minimo il loro effetto sul portafoglio totale. La considerazione di tali indicatori PAI garantisce ulteriormente il rispetto del principio "non danneggiare in modo rilevante" per gli investimenti sostenibili (compresi quelli con un obiettivo ambientale allineato alla tassonomia UE) effettuati.

B. No sustainable investment objective

Group 1 External Funds

The Group 1 External Funds promote environmental or social characteristics but do not have as their objective a sustainable investment.

Group 2 External Funds

The Group 2 External Funds promote environmental or social characteristics but do not have as their objective a sustainable investment.

What are the objectives of the sustainable investments that the Group 2 External Funds partially intend to make and how does the sustainable investment contribute to such objectives?

The Group 2 External Funds aim to make sustainable investments (within the meaning of article 2 (17) of the SFDR) that contribute to the sustainable investment objective of climate change mitigation.

Sustainable investments will represent at least 60% of the Net Asset Value of the Group 2 External Funds.

The Group 2 External Funds determine that a company contributes to climate change mitigation where such company derives more than 15% of its revenue from economic activities defined as aligned under the EU Taxonomy, whilst at the same time ensuring 'do no significant harm' on the remaining revenue. For this measure MSCI's Taxonomy data is used. This data provides for each company the percentage of revenue aligned with the Taxonomy, where in the annual statement for each Group 2 External Funds, the portion of the fund with an alignment larger than 15% will be reported as part of periodic reporting requirements.

The Group 2 External Funds will have an average minimum of 30% of the revenue in the portfolio (including enabling and transitional activities) of sustainable investments with an environmental objective aligned with the EU taxonomy. The definition used is the MSCI methodology mentioned above.

How do the sustainable investments that the Group 2 External Funds partially intend to make, not cause significant harm to any environmental or social sustainable investment objective?

In order to ensure that the sustainable investments that the Group 2 External Funds intend to make do not cause significant harm to any environmental or social investment objective, the Group 2 External Funds:

(i) take into account all the mandatory indicators for PAI; and
(ii) ensure that the Group 2 External Fund's investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, both as further outlined below.

In addition the MSCI ESG Controversies and Global Norms are used to provide an assessment of companies' involvement in events that constitute violations of global norms and pose risks to society and the environment. MSCI ESG Controversies also assess the severity of environmental violations and idiosyncratic events that pose a significant harm to the environment.

The MSCI ESG Controversies takes the following into consideration:

Issuers with revenue derived from environmental, social or governance controversies are removed from the portfolio based on the following criteria:

MSCI ESG Factor Name	MSCI ESG Factor Identifier and Criteria
Environment – Controversy Score	ENVIRONMENT_CONTROVERSY_SCORE = 0 OR ENVIRONMENT_CONTROVERSY_SCORE = 1
Social – Controversy Score	SOCIAL_CONTROVERSY_SCORE = 0
Governance – Controversy Score	GOVERNANCE_CONTROVERSY_SCORE = 0

Hence, any company doing harm to Environment, Social or Governance has been excluded from the investable universe.

How have the indicators for adverse impacts on sustainability factors been taken into account for Group 2 External Funds?

The 14 PAI indicators will be taken into account by implementing individual metrics to each PAI, and either excluding the companies from the investment universe, or minimizing their effect in the total portfolio:

Climate and other environment-related indicators		
Greenhouse gas emissions	1. GHG Emissions	The Group 2 External Funds will use metrics on the amount of carbon emissions and the intensity of carbon emission compared to the company's revenue to target companies that emit less CO2
	2. Carbon Footprint	
	3. GHG Intensity of investee companies	
	4. Exposure to companies active in the fossil fuel sector	The Group 2 External Funds will exclude all companies with active exposure to the fossil fuel sector.
	5. Share of non-renewable energy consumption and production	The Group 2 External Funds will take into account the amount and intensity of the company's energy consumption and the percentage of consumption that is renewable.
	6. Energy consumption intensity per high impact climate sector	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	The Group 2 External Funds exclude companies who have operations located in biodiversity sensitive areas and are involved in controversies with severe impact on the environment.
Water	8. Emissions to water	The Group 2 External Funds will take into account the amount of tons of emission to water, and penalise those companies with high emissions or no disclosure.
Waste	9. Harzadous waste ratio	The Group 2 External Funds will take into account the amount of hazardous waste, and penalise those companies with much waste or no disclosure.
Social and employee, respect for human rights, anti-corruption and anti-bribery matters		
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic	The Group 2 External Funds will exclude all companies where there is evidence of severe adverse

	Cooperation and Development (OECD) Guidelines for Multinational Enterprises	impact on society and environment indicating violation of Global Norms.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	The Group 2 External Funds will take into account if the companies have appropriate processes and mechanisms, and will penalise those who have not, or have no disclosure.
	12. Unadjusted gender pay gap	The Group 2 External Funds will take into account the gap in median average payments between male and female employees relative to average median pay to male employees. Companies who deviate from zero in any direction are penalised.
	13. Board Gender Diversity	The Group 2 External Funds will take into account the female to male ratio of their board composition. Companies who deviate from equal representation in any direction are penalised.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	The Group 2 External Funds will exclude all companies with active exposure to controversial weapons.

How are the sustainable investments of Group 2 External Funds aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

PAI indicators 10 and 11 in the above table directly align the Group 2 External Fund's portfolios with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, where companies are either excluded from the investment universe, or their effect in the total portfolio is minimised.

C. Environmental or social characteristics of the Financial Product

What are the environmental or social characteristics promoted by this Financial Product?

Group 1 External Funds

The environmental and social characteristics promoted by the Group 1 External Funds consist of applying a best-in-class approach (with special attention to the environment, human capital and corporate governance favouring the development and improvement of best practices) through investing in companies demonstrating outstanding performance on the ESG scoring system provided by the market leader Arabesque S-Ray.

The Group 1 External Funds utilize 2 sets of scores:

(i) Global Compact Scores: A normative assessment of each company based on the core principles of the United Nations Global Compact. The sub-scores are Human Rights, Labor Rights, Environment, Anti-Corruption

(ii) ESG Scores: A sector-specific analysis of each company's performance on financially material environmental, social, and governance (ESG) issues. The sub-scores: Environment, Social, Governance

The scores are further split into the component scores through which, the fund promotes environmental and social characteristics by measuring the performance of the investee companies in terms of Product Quality and Safety, Human Rights, Water, Environmental Management, Labour Rights, Compensation, Employment Quality, Emissions, Environmental Stewardship, Resource Use, Environmental Solutions, Waste, Diversity, Occupational Health and Safety, Training and Development, Product Access, Community Relations, Business Ethics, Corporate Governance, Transparency, Forensic Accounting, Company Capital Structure.

Characteristics	E/S/G	Description
Emissions	E	Contribution of business activities to the emission of greenhouse gases and other air pollutants
Environmental Management	E	Mechanisms and policies to manage the overall environmental performance of the business
Environmental Solutions	E	Environmental impact of products and services and contribution towards sustainable consumerism
Environmental Stewardship	E	Impact of business activities on biodiversity and animal welfare
Resource Use	E	Efficient use of energy and other natural resources (incl. land and materials)
Waste	E	Generation of waste and other hazardous output as part of business activities
Water	E	Efficient and responsible use of water throughout company operations
Capital Structure	G	Relative level of leverage and how it might take away from a long-term focus in decision making
Corporate Governance	G	Procedures and mechanisms to ensure proper long-term control and management of the corporation
Forensic Accounting	G	Overall earnings quality or the degree to which reported earnings properly represent a company's financial health
Transparency	G	Level of transparency and disclosure of critical information about the business
Community Relations	S	Level of community involvement and public trust
Compensation	S	Fair and equal compensation of staff and board members

Diversity	S	Representation of and equal opportunity for women and minorities in the workforce and on the board
Employment Quality	S	Working conditions and employee satisfaction
Human Rights	S	Adherence to and promotion of human rights throughout all business activities, incl. the supply chain
Labor Rights	S	Compliance with internationally recognized labour standards, both in-house and across the supply chain
Occupational Health and Safety	S	Workplace-related health and safety performance
Product Access	S	Providing access to products and/or services for disadvantaged communities
Product Quality and Safety	S	Quality and safety of products and services and level of customer satisfaction
Training and Development	S	Opportunities and programs to enable and support learning across employees and the supply chain

No reference benchmark has been designated for the purposes of attaining either environmental or social characteristics promoted by the Group 1 External Funds.

Group 2 External Funds

The environmental and social characteristics promoted by the Group 2 External Funds consist of applying a best-in-class approach (with special attention to the environment, human capital and corporate governance favouring the development and improvement of best practices) through investing in companies demonstrating outstanding performance on the ESG scoring system provided by the market leader Arabesque S-Ray.

The Group 2 External Funds utilize 2 sets of scores:

(i) Global Compact Scores: A normative assessment of each company based on the core principles of the United Nations Global Compact. The sub-scores are Human Rights, Labor Rights, Environment, Anti-Corruption

(ii) ESG Scores: A sector-specific analysis of each company's performance on financially material environmental, social, and governance (ESG) issues. The sub-scores: Environment, Social, Governance

The scores are further split into the component scores through which, the fund promotes environmental and social characteristics by measuring the performance of the investee companies in terms of Product Quality and Safety, Human Rights, Water, Environmental Management, Labour Rights, Compensation, Employment Quality, Emissions, Environmental Stewardship, Resource Use, Environmental Solutions, Waste, Diversity, Occupational Health and Safety, Training and Development, Product Access, Community Relations, Business Ethics, Corporate Governance, Transparency, Forensic Accounting, Company Capital Structure.

Characteristics	E/S/G	Description
Emissions	E	Contribution of business activities to the emission of greenhouse gases and other air pollutants
Environmental Management	E	Mechanisms and policies to manage the overall environmental performance of the business
Environmental Solutions	E	Environmental impact of products and services and contribution towards sustainable consumerism
Environmental Stewardship	E	Impact of business activities on biodiversity and animal welfare
Resource Use	E	Efficient use of energy and other natural resources (incl. land and materials)
Waste	E	Generation of waste and other hazardous output as part of business activities
Water	E	Efficient and responsible use of water throughout company operations
Capital Structure	G	Relative level of leverage and how it might take away from a long-term focus in decision making
Corporate Governance	G	Procedures and mechanisms to ensure proper long-term control and management of the corporation
Forensic Accounting	G	Overall earnings quality or the degree to which reported earnings properly represent a company's financial health
Transparency	G	Level of transparency and disclosure of critical information about the business
Community Relations	S	Level of community involvement and public trust
Compensation	S	Fair and equal compensation of staff and board members
Diversity	S	Representation of and equal opportunity for women and minorities in the workforce and on the board
Employment Quality	S	Working conditions and employee satisfaction
Human Rights	S	Adherence to and promotion of human rights throughout all business activities, incl. the supply chain
Labor Rights	S	Compliance with internationally recognized labour standards, both in-house and across the supply chain
Occupational Health and Safety	S	Workplace-related health and safety performance
Product Access	S	Providing access to products and/or services for disadvantaged communities
Product Quality and Safety	S	Quality and safety of products and services and level of customer satisfaction

Training and Development	S	Opportunities and programs to enable and support learning across employees and the supply chain

Furthermore, the Group 2 External Funds partially commit to make sustainable investments with an environmental objective as further described below.

Environmental and social characteristics are also indirectly promoted via taking the 14 Principle Adverse Impact ("PAI") indicators into account which allows to ensure the 'do no significant harm' principle is respected and exclude harmful companies from the investable universe.

No reference benchmark has been designated for the purposes of attaining either environmental or social characteristics promoted by the Group 2 External Funds.

D. Investment strategy

What investment strategy does this Financial Product follow and how is the strategy implemented in the investment process on a continuous basis?

Group 1 External Funds

The Group 1 External Funds use a best-in-class approach to adopting ESG criteria. An internal scoring system for securities held within the portfolio is used, based on a proprietary analysis and external databases.

For that purpose, the Management Company uses the data provided by the market leader Arabesque S-Ray, to assess the ESG compliance of investments. Arabesque S-Ray assists the Management Company by providing it on a daily basis with a list containing potential target investments scored in terms of ESG criteria ("ESG Score").

Any company scoring less than 30 (out of 100) will be excluded from the portfolio and the Group 1 External Funds will disinvest as soon as possible (within three months) from the securities held in portfolio of a company scoring less than 30 (out of 100).

The resulted portfolio is afterwards optimized by applying the Forward Quant Algorithm taking into account the ESG Score. This extra-financial scoring system impacts the overall portfolio structure by excluding exposure to companies exhibiting low ESG Scores.

Group 2 External Funds

The Group 2 External Funds use a best-in-class approach to adopting ESG criteria. An internal scoring system for securities held within the portfolio is used, based on a proprietary analysis and external databases.

For that purpose, the Management Company use the data provided by the market leader Arabesque S-Ray, to assess the ESG compliance of investments. Arabesque S-Ray assists the Management Company by providing them on a daily basis with a list containing potential target investments scored in terms of ESG criteria ("ESG Score").

Any company scoring less than 30 (out of 100) will be excluded from the portfolio and the Group 2 External Funds will disinvest as soon as possible (within three months) from the securities held in portfolio of a company scoring less than 30 (out of 100). This extra-financial scoring system impacts the overall portfolio structure by excluding exposure to companies exhibiting low ESG Scores and is used to ensure "do no significant harm" and attain a certain overall ESG quality level of the portfolio.

In addition, the Group 2 External Funds invest at least 60% of their Net Asset Value in sustainable investments that contribute to the sustainable investment objective of climate change mitigation, as described above.

Moreover, the Group 2 External Funds aim at predominantly investing into companies with a high level of alignment with the EU Taxonomy. The Forward Lucy algorithm used by the Group 2 External Funds is set at a minimum of 30% of sustainable investments (including enabling and transitional activities) with an environmental objective aligned with the EU Taxonomy.

Lastly and as further described below, the Group 2 External Fund take the 14 PAI indicators into account by implementing individual metrics to each PAI, and either excluding the companies from the investment universe, or minimizing their effect in the total portfolio.

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?

Group 1 External Funds

The binding elements investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the Group 1 External Funds are:

- Exclusion of all companies having any Environmental, Social or Global Compact component scores (Human Rights, Labor Rights, Environment, Anti-Corruption) less than 30 out of 100. By doing so, the fund removes a significant number of companies considered to not be in alignment of a robust ESG and Global Compact sustainability framework as described above.
- Use of the ESG score in the investment strategy as an integral part of the Forward Lucy algorithm, where the mathematical optimisation ensures that the portfolio is tilted towards the higher ESG ranked companies with the best risk and return outlook. All companies must have an ESG score of at least 30 out of 100 otherwise they will be excluded from the portfolio or disinvested within 3 months.

Hence, the investment strategy is bound to select securities only from an investment universe, where all companies meet certain quality requirements in all relevant sustainability characteristics. On top of that, mathematical optimisation ensures that the companies with the highest sustainability ranking are preferred during the portfolio construction process leading to portfolios that promote the environmental and social characteristics.

Group 2 External Funds

The Group 2 External Funds have the following binding elements:

(i) A minimum average portfolio revenue of 30% alignment with EU Taxonomy standards
(ii) 60% of the assets in the portfolio has a minimum of 15% of their revenue aligned with the EU Taxonomy standards and doing no significant harm on the remaining revenue.
(iii) Exclusion of any company having a score of less than 30 on the Arabesque S-Ray ESG Score methodology.
(iv) Exclusion of any company that does not respect the exclusion criteria based on the integration of PAI indicators.
(v) Exclusion of any company that does significant harm based on the MSCI Controversies Methodology

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

Group 1 External Funds

All the companies in the universe must have ESG Score more than 30 which ensures minimum governance standards (G component) based on Arabesque S-ray. When it comes to governance score component, S-ray considers business ethics, corporate governance, transparency, forensic accounting and capital structure.

Additionally, the mathematical optimisation in the portfolio construction tilts the portfolio towards the highest-ranking companies in terms of sustainability, which also contains the governance component.

Group 2 External Funds

The majority of the portfolio will be invested in companies with EU Taxonomy alignment of more than 0%, which by MSCI definition of "Do no significant harm" excludes all the companies with governance controversies related to bribery, fraud and governance structures.

All of the companies in the universe must have ESG Score more than 30 which ensures minimum governance standards (G component) based on Arabesque S-ray. When it comes to governance score component, S-ray considers business ethics, corporate governance, transparency, forensic accounting and capital structure.

Does this Financial Product consider principal adverse impacts on sustainability factors?

Group 1 External Funds

☐ Yes
☒ No

Group 2 External Funds

☒ Yes, as per the PAI table above, the 14 PAI indicators will be taken into account by implementing individual metrics to each PAI, and either excluding the companies from the investment universe, or minimizing their effect in the total portfolio.

Information on how principal adverse impacts on sustainability factors were considered will be made available in the periodic reporting of the Group 2 External Funds.

☐ No

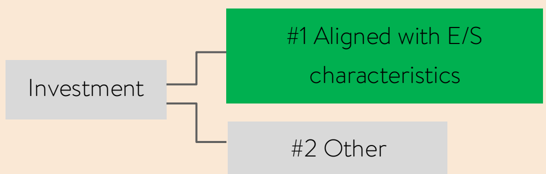
E. Proportion of investments

What is the planned asset allocation for this financial product?

Group 1 External Funds

The Group 1 External Funds are expected to invest 60% of their Net Asset Value in companies that are aligned with the E/S characteristics promoted (#1 Aligned with E/S characteristics). The Group 1 External Funds do not commit to making any sustainable investments (0% in #1A Sustainable, 100% in #1B Other E/S characteristics).

A maximum of 40% of its Net Asset Value will be in cash and other investments without an ESG Score (#2 Other).



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

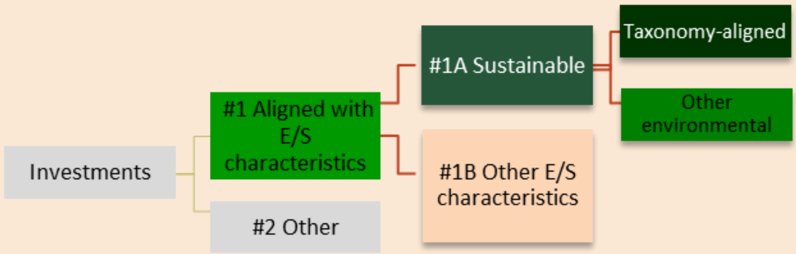
#2 Other includes the remaining investments of the Group 1 External Funds which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Group 2 External Funds

The Group 2 External Funds are expected to invest 90% of their Net Asset Value in companies that are either sustainable or have other E/S characteristics and are thus aligned with E/S characteristics (#1 Aligned with E/S characteristics).

The Group 2 External Funds further commit to invest at least

- (i) 60% of their Net Asset Value in sustainable investments within the meaning of article 2 (17) of the SFDR (#1A Sustainable) that contribute to an environmentally sustainable investment objective (Other environmental) and
- (ii) 30% of their Net Asset Value in sustainable investments with an environmental objective aligned with the EU Taxonomy (taxonomy-aligned).
- (iii) The proportion of investments aligned with the E/S characteristics which do not qualify as "sustainable" is expected to be maximum 30% of the Group 2 External Funds' Net Asset Value (#1B Other E/S characteristics).
- (iv) A maximum of 10% of its Net Asset Value will be in cash (#2 Other).



#1 Aligned with E/S characteristics includes the investments of the Group 2 External Funds used to attain the environmental or social characteristics promoted by the Group 2 External Funds.

#2 Other includes the remaining investments of the Group 2 External Funds 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.

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

Group 1 External Funds

N/A

Group 2 External Funds

Compliance of the investments with the taxonomy is expected to be subject to assurance by our internal audit, Ernst & Young, at some point in future dependent upon the audit plan.

An ongoing assumption will be to maintain 0% of investments that consist of sovereign exposures where the extent of taxonomy-alignment cannot be assessed.

Taxonomy alignment is measured via revenue or turnover in accordance with the RTS as opposed to CapEx or OpEx where either alternative requires justification as to how they are instead appropriate.

The EU taxonomy sets out a "do not significant harm" principle by which taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied EU-specific criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. Investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly undermine any environmental or social objectives

Does the financial product invest in fossil gas and/ or nuclear energy related activities that comply with the EU Taxonomy[1]?

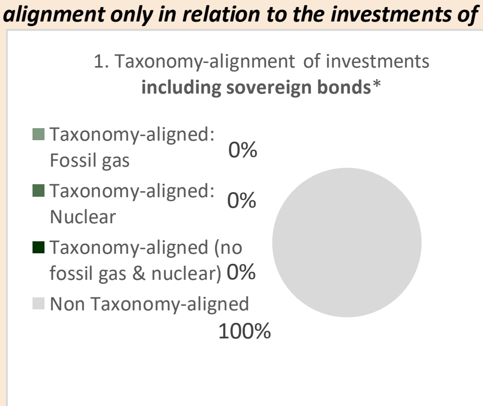
Group 1 External Funds

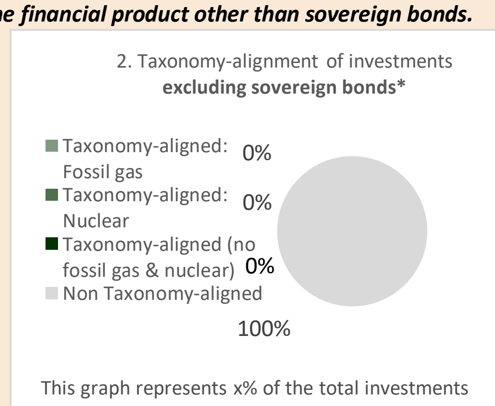
☐ Yes:

☐ 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.





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

[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 not significantly harm any EU Taxonomy objective. 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.

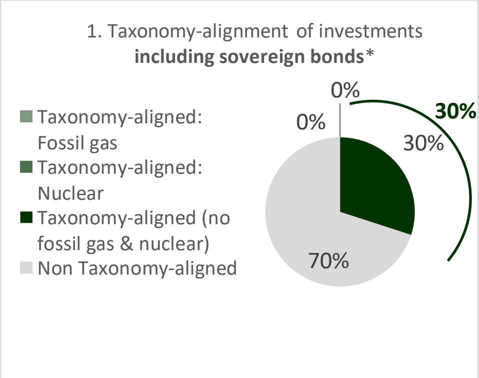
Group 2 External Funds

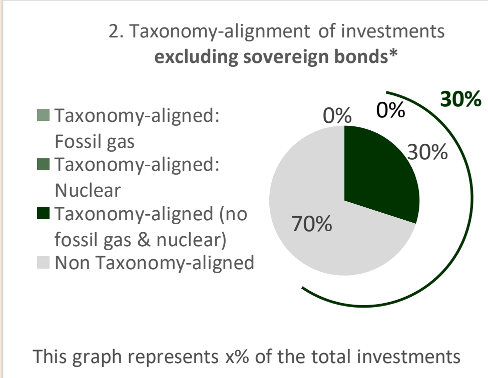
☐ Yes:

☐ 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.





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

What is the minimum share of sustainable investments of Group 2 External Funds with an environmental objective that are not aligned with the EU Taxonomy?

The Group 2 External Funds invest at least 60% of their Net Asset Value in environmentally sustainable investments. The Group 2 External Funds further commit to invest at least 30% of their Net Asset Value in sustainable investments with an environmental objective in economic activities that are Taxonomy-aligned. The Group 2 External Funds do not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

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

Group 1 External Funds

Cash held on an ancillary basis. As such, they do not apply any minimum safeguards.

The Group 1 External Funds also invest in Emerging Markets equities and Bonds via broadly diversified mutual Funds and ETFs to efficiently improve the diversification of the Group 1 External Funds. These investments do not have minimum environmental or social safeguards.

Group 2 External Funds

Cash held on an ancillary basis. As such, they do not apply any minimum safeguards.

F. Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this Financial Product?

Group 1 External Funds

The Group 1 External Funds use the ESG and Global Compact (GC) scores as top-level sustainability indicators to measure the attainment of the environmental and social characteristics promoted.

To compute aggregate ESG and GC scores, each of the underlying sustainability characteristics (Product, Quality and Safety, Human Rights, Water, Environmental Management, Labour Rights, Compensation, Employment Quality, Emissions, Environmental Stewardship, Resource Use, Environmental Solutions, Waste, Diversity, Occupational Health and Safety, Training and Development, Product Access, Community Relations, Business Ethics, Corporate Governance, Transparency, Forensic Accounting, Company Capital Structure) are utilised.

For each characteristic, a quantitative sustainability indicator or feature score, is constructed as follows:

- Two types of feature sub-scores are constructed based upon the frequency or timing of data input i.e. based upon a recent controversy in the immediate term versus data from an annual report.
- Two sets of sub-scores are thus calculated:
  - i. Data received on a frequent basis i.e. based on newsworthy events, controversies and NGO campaigns ("Short-term correction")
  - ii. Less frequent data i.e. annual report data ("Long-term trend").
- The sub-scores are calculated by only considering the features within each of the ESG themes.
- Total ESG scores are then calculated as a weighted sum of the underlying sustainability indicators (feature scores) using materiality-based weights.

The GC Score is used to approximate reputational risk facing companies with lower scores correlating with a higher likelihood of a company being involved in a major scandal or controversy related to sustainability.

The GC scores are also built from the feature scores but combined in a way to reflect GC principles. Initially, each GC category is equally weighted however with the passage of time, if an individual category moves below a score of 50 out of 100 (i.e. increasing likelihood of reputational risk), the weight of the relevant GC category is increased.

Concurrently, the weights of the other GC categories are reduced. The effect of this leads to a heavier bias towards the GC category with increasing likelihood of reputational risk that seeks to ensure an accurate and up to date total GC Score on an ongoing basis.

For a company to perform well in their total GC Score, they must perform well in every GC category. Total ESG and Global Compact Scores are scaled between 0 and 100, with higher scores indicating higher attainment. All investee companies must have an ESG score of at least 30 out of 100.

ESG and Global Compact sets of scores are complementary to each other making the sustainability approach more robust. ESG scores are sector-specific and favour companies that stand out in terms of the environmental, social and governance characteristics. On the other hand, Global Compact scores provide normative assessment based on core principles of United Nations Global Compact.

The Group 1 External Funds will utilise both these scores and report in the annual statement :

- Average level of ESG scores throughout the reporting period
- Average level of Global Compact scores throughout the reporting period
- Average percentage of companies in the portfolio that scored less than 30 out of 100 throughout the reporting period.

Group 2 External Funds

The Group 2 External Funds use the following sustainability indicators to measure the attainment of the environmental and social characteristics promoted:

(i) ESG score of investee companies (30+ out of 100)

Within the score the following indicators are taken into consideration: Product Quality and Safety, Human Rights, Water, Environmental Management, Labour Rights, Compensation, Employment Quality, Emissions, Environmental Stewardship, Resource Use, Environmental Solutions, Waste, Diversity, Occupational Health and Safety, Training and Development, Product Access, Community Relations, Business Ethics, Corporate Governance, Transparency, Forensic Accounting, Company Capital Structure.

The Group 2 External Funds will report the following in the annual statement of the Fund as part of periodic reporting requirements :

- Average level of ESG scores throughout the reporting period
- Average percentage of companies in the portfolio that scored less than 30 out of 100 throughout the reporting period

(ii) Exposure to companies that meet the exclusion criteria based on the integration of PAI indicators will be 0%.

(iii) Minimum percentage of revenue of sustainable investments (including enabling and transitional activities) with an environmental objective aligned with the EU Taxonomy with a portfolio averaging revenue of 30%. The annual statement of each Group 2 External Fund will report the average percentage of revenue in the portfolio that is Taxonomy aligned as part of periodic reporting requirements.

The companies in the portfolio will for the majority have a high level of revenue aligned with the EU taxonomy, and by definition 'do no significant harm'. The MSCI methodology used to measure the Taxonomy alignment takes the following indicators in to consideration:

Climate Change Mitigation	Alternative Energy Carbon Energy and Efficiency Green Building Sustainable Agriculture (e.g., forest management, no-deforestation provisions) Sustainable Water (e.g., smart metering) Pollution Prevention (e.g., waste treatment)
Climate Change Adaptation	Carbon Energy and Efficiency (e.g., insulation solution) Green Building Sustainable Water
Sustainable Use and Protection of Water and Marine Resources	Sustainable Water Pollution Prevention & Control
Transition to a Circular Economy	Sustainable Water Pollution Prevention & Control (e.g., recycling)
Pollution Prevention and Control	Pollution Prevention & Control Sustainable Water
Protection and Restoration of Biodiversity and Ecosystems	Sustainable Water Sustainable Agriculture Pollution Prevention & Control

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the Financial Product and the related internal/external control mechanism?

Group 1 External Funds

The Group 1 External Funds are monitored on a frequent basis in terms of ESG Score of investee companies. Any company falling below ESG Score of 30 is disinvested as soon as possible (within three months). The level of monitoring is not dependent on the lifecycle of the financial product.

As an internal control mechanism, a new dashboard is currently being developed to monitor the portfolio holdings of Article 8 External Funds. The dashboard will track each holding's adherence to internal limits as well as limits documented in the prospectus. The same dashboard will also flag when a holding should be excluded or disinvested based upon the configuration of PAI exclusion rules.

Group 2 External Funds

The Group 2 External Funds are monitored on a frequent basis in terms of sustainability indicators. Any detected changes resulting into violating sustainability limits trigger disinvests as soon as possible. The level of monitoring is not dependent on the lifecycle of the Group 2 External Funds.

As an internal control mechanism, a new dashboard is currently being developed to monitor the portfolio holdings of Article 8 External Funds. The dashboard will track each holding's adherence to internal limits as well as limits documented in the prospectus. The same dashboard will also flag when a holding should be excluded or disinvested based upon the configuration of PAI exclusion rules.

G. Methodology for environmental and social characteristics

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the Financial Product using the sustainability indicators?

Group 1 External Funds

The attainment is measured using ESG Score of investee companies. The ESG Score is calculated as a weighted sum of the underlying feature scores using materiality-based weights. The E (environmental), S (social) and G (governance) pillar sub-scores are calculated by considering only the features within each of these themes. The three-pillar scores and the total ESG Score are scaled between 0 and 100, with higher scores indicating higher attainment.

Group 2 External Funds

The Group 2 External Funds follow 3 methodology approaches:

1. ESG Score of Arabesque S-Ray: The ESG Score is calculated as a weighted sum of the underlying feature scores using materiality-based weights. The E (environmental), S (social) and G (governance) pillar sub-scores are calculated by considering only the features within each of these themes. The three-pillar scores and the total ESG Score are scaled between 0 and 100, with higher scores indicating higher attainment.

2. EU Taxonomy: To measure the estimated alignment to EU Taxonomy, maximum percentage of revenue addressing environmental objectives is utilized to assess and rank companies. The data is provided by MSCI where this estimate removes companies with environmental, social and governance controversies as failing to meet the Do Not Significant Harm and Minimum Social Safeguards criteria of the EU Taxonomy. Companies dealing with tobacco and involved in controversial weapons are removed as well. The data field ranges from 0 to 100, where 100 is optimal.

   The following criteria are applied as part of our methodology and in accordance with the prospectus:

   - More than 60% of the portfolio should have a score above 15
   - The weighted average portfolio score should be above 30.

3. SFDR: The 14 principal adverse impact (PAI) indicators are taken into account by implementing individual metrics to each PAI. Based upon a resultant rank, the companies are either included, excluded or their effect minimized in the resultant portfolio.

   The methodology implemented seeks to:

- Exclude companies that have exposure or associated with PAIs relating to
    i. Exposure to companies active in the fossil fuel sector,
    ii. Activities negatively affecting biodiversity-sensitive areas,
    iii. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises,
    iv. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)
- Rank companies according to a proprietary method in relation to each of the remaining 10 PAIs, where applicable.
- The range of scores is from 0 to 100 with 100 being optimal.
- Across each of the 10 PAIs, companies with the lowest rank are removed from the asset universe.

Finally, an internal restriction combining EU Taxonomy and PAI scores is also applied. Companies are excluded from the asset universe when there is 0% EU Taxonomy alignment coupled with a low overall PAI rank.

H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

Group 1 External Funds

The Group 1 External Funds leverage on the data provided by the market leader Arabesque S-Ray, who collects vast amount of data grouped into:

- Report-based metrics (company reported metrics)
- News-based controversies (variety of news sources more than 100 countries)
- NGO-based activity (both positive and negative NGO campaigns)

The Group 1 External Funds utilize data from only top-of-the-class data providers, which ensures high degree of quality controls. The Arabesque S-ray ESG-assessment is data-driven and uses algorithmic processes, which are supervised by human analysts. As such, the rules based, objective approach limits the potential for human bias to skew assessments, while the ex-post human supervision ensures the algorithms have resulted in accurate assessments. For MSCI, the initial company research and analysis is followed by a rigorous quality assurance process. Data accuracy and company profiles are peer-reviewed by a second MSCI analyst, then sent to content leads for final approval.

S-ray relies purely on reported data and hence no data points are estimated. For the MSCI, there is a portion of the data that must be estimated to turn company reported revenues into EU Taxonomy and SFDR business classification. The portion of the estimated data is not fixed and improves over time as more and more companies start reporting in greater detail on the sustainability topics.

Group 2 External Funds

The Group 2 External Funds leverage on the data provided by the market leaders:

- *Arabesque S-Ray*, who collects vast amount of data grouped into Report-based metrics (company reported metrics), News-based controversies (variety of news sources more than 100 countries), NGO-based activity (both positive and negative NGO campaigns) in order calculate ESG Score
- *MSCI ESG Research*, who collects vast amount of data Company websites, company annual reports and regulatory filings, government financial agencies and disclosures, financial data providers, media and periodicals, non-governmental organization (NGO) reports and websites to quantify the requirements of EU Taxonomy and SFDR

The Group 2 External Funds utilize data from Arabesque, one of the ESG data leaders, which ensures high degree of quality controls. The ESG-assessments are data-driven and use algorithmic processes, which are supervised by human analysts. As such, the rules based, objective approach limits the potential for human bias to skew assessments, while the ex-post human supervision ensures the algorithms have resulted in accurate assessments.

S-ray relies purely on reported data and hence no data points are estimated

I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

Group 1 External Funds

General limitation is the underlying sustainability data availability, as without enough data a company cannot receive ESG Score in the S-Ray framework. To address this limitation, the ESG Score is not limited only to the company-reported data, but also leverages on news articles and NGO activities. As a result, only a limited number of companies cannot receive a reliable ESG Score and hence the limitation does not affect the attainment of the environmental and social characteristics.

Group 2 External Funds

General limitation is the underlying sustainability data availability, as without enough data a company cannot receive ESG Score and/or be assessed in terms of EU Taxonomy and SFDR. To address this limitation, both data providers (Arabesque and MSCI) do not limit the data to only the company reports, but also leverage on the news articles and NGO activities. As a result, only a limited number of companies do not receive a reliable sustainability assessment and hence the limitation does not affect the attainment of the environmental and social characteristics.

J. Due diligence

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

Group 1 External Funds

The due diligence related to the sustainability matters is ensured by at least weekly updating of the ESG Scores of investee companies. The controls are in place to ensure that each company is scored at least weekly.

Group 2 External Funds

The due diligence related to the sustainability matters is ensured by at least weekly updating of the ESG Scores and EU Taxonomy and SFDR data inputs for investee companies. The controls are in place to ensure that each company is assessed at least weekly.

K. Engagement policies

Is engagement part of the environmental or social investment strategy?

Group 1 External Funds

☐ Yes
☒ No

Group 2 External Funds

☐ Yes
☒ No

L. Reference benchmark

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

Group 1 External Funds

☐ Yes
☒ No

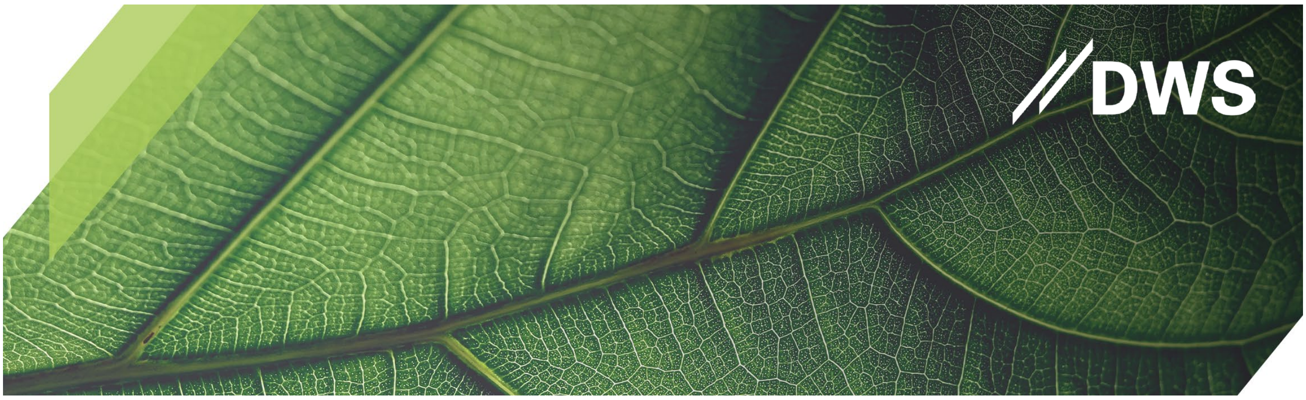
Group 2 External Funds

☐ Yes
☒ No

PART II - INFORMATION ON

DWS Funds Global Protect 80 LU0188157704

The following disclosure was created and issued by the issuing company of the DWS Funds Global Protect 80, DWS Investment S.A.. FWU Life Insurance Austria AG is not responsible for the content of the following disclosure template.



01/01/2023

Publication pursuant to SFDR - Details

DWS Funds Global Protect 80

This financial product promotes environmental and social characteristics and qualifies as product in accordance with article 8(1) of Regulation (EU) 2019/2088.

No sustainable investment objective

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

The sub-fund commits to partially invest in sustainable investments. To ensure those sustainable investments do not cause significant harm to any environmental or social sustainable investment objective following processes are implemented:

DNSH Assessment

The DNSH assessment is integral part of the sustainability investment assessment and evaluates whether an economic activity with a contribution to an UN SDG causes significant harm to any of these objectives. In case that a significant harm is identified, the economic activity fails the DNSH assessment and cannot be considered as sustainable economic activity.

Integration of adverse impacts on sustainability factors

As part of the DNSH assessment under article 2(17) SFDR, the sustainability investment assessment systematically integrates all mandatory principal adverse indicators from Table 1 and relevant indicators from Tables 2 and 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing the Sustainable Finance Disclosure Regulation (SFDR). Taking into account these adverse impacts, DWS has established quantitative thresholds and/or qualitative values to determine if an investment significantly harms any of the environmental or social objectives. These values are set based upon various external and internal factors, such as data availability or market developments and may be adapted going forward.

Alignement with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

As part of its sustainability investment assessment, DWS further evaluates through its safeguard assessment the alignment of a company with international norms. This includes checks in relation to adherence to international norms, for example, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the United Nations Global Compact and the standards of the International Labour Organization. Companies with assessed and reconfirmed highest violations of one of the international norms are considered as non-compliant to the safeguards and their economic activities cannot be considered sustainable.

Environmental or social characteristics of the financial product

This sub-fund promotes environmental and social characteristics related to climate, governance and social norms as well as sovereign matters through the avoidance of (1) issuers exposed to excessive climate and transition risks, (2) issuers exposed to highest severity of norm issues (i.e. as regards compliance with international standards of corporate governance, human rights and labour rights, customer and environment safety and business ethics), (3) sovereign issuers with high or excessive controversies regarding political and civil liberties, (4) issuers moderately, highly or excessively exposed to controversial sectors and controversial activities, and/or (5) issuers involved in controversial weapons.
This sub-fund further promotes a minimum proportion of sustainable investments with a positive contribution to one or several of the United Nations Sustainable Development Goals (UN SDGs).
This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

Investment strategy

This sub-fund follows a multi-asset strategy as the principal investment strategy, which is mapped by means of a dynamic hedging strategy. Depending on the market situation and the assessment of the fund management, the investments are switched between higher-risk investments (growth component) and lower-risk investments (capital preservation component). Higher-risk investments are, for example, equities, equity funds, higher-risk bonds and higher-risk bond funds. Lower-risk investments are, for example, bond/money market funds or lower-risk bonds. The objective is to ensure a minimum value for the share price while at the same time benefiting to the greatest possible extent from price increases as well as from positive returns in the growth component. The fund's assets may, at the discretion of the fund management, also be fully invested in either the growth component or the capital preservation component. The fund may additionally use derivatives (financial instruments whose value depends on the performance of one or more underlyings, e.g., a security, index or interest rate) in order to protect against extreme losses within a very short period of time. Please refer to the special section of the Sales Prospectus for further details of the principal investment strategy. The net assets of the sub-fund shall be primarily invested in assets that fulfill the defined standards for the promoted environmental or social characteristics, as set out in the following sections. The strategy of the sub-fund in relation to the promoted environmental or social characteristics is an integral part of the ESG assessment methodology and is continuously monitored through the investment guidelines of the sub-fund.

ESG assessment methodology

The portfolio management of this sub-fund seeks to attain the promoted environmental and social characteristics by assessing potential investments via a proprietary ESG assessment methodology irrespective of economic prospects of success. This methodology is based on the ESG database, which uses data from multiple ESG data providers, public sources and internal assessments (based on a defined assessment and classification methodology) to derive combined scores. The ESG database is therefore constituted by data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer's future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

The ESG database derives "A" to "F" letter coded assessments within different categories as further detailed below. Within each category, issuers receive one of six possible scores, with "A" being the highest score and "F" being the lowest score. If an issuer's score in one category is deemed insufficient, the portfolio management is prohibited from investing in that issuer, even if it is eligible according to other categories. For exclusion purposes, each letter score in a category is considered individually and may result in exclusion of an issuer.

The ESG database uses a variety of assessment categories to assess the attainment of the promoted environmental and social characteristics, including amongst others:

DWS Climate and Transition Risk Assessment

The DWS Climate and Transition Risk Assessment evaluates issuers in relation to climate change and environmental changes, e.g. in respect to greenhouse gas reduction and water conservation. Issuers that contribute less to climate change and other negative environmental changes or are less exposed to such risks receive better evaluations. Issuers with excessive climate risk profile (i.e. a letter score of "F") are excluded as an investment.

DWS Norm Assessment

The DWS Norm Assessment evaluates the behaviour of issuers, for example, within the framework of the principles of the United Nations Global Compact, the standards of the International Labour Organization and behaviour within generally accepted international standards and principles. The Norm Assessment examines, for example, human rights violations, violations of workers' rights, child or forced labour, adverse environmental impacts and business ethics. Issuers with highest severity of norm issues (i.e. a letter score of "F") are excluded as an investment.

DWS Sovereign Assessment

The DWS Sovereign Assessment evaluates the assessment of political and civil liberties. Sovereign issuers with high or excessive controversies regarding political and civil liberties (i.e. a letter score of "E" or "F") are excluded as an investment.

Exposure to controversial sectors

The ESG database defines certain business areas and business activities as relevant. Business areas and business activities are defined as relevant if they involve the production or distribution of products in a controversial area ("controversial sectors"). Controversial sectors are defined, for example, as the civil firearms industry, military defence and tobacco. Other business sectors and business activities that affect the production or distribution of products in other sectors are defined as relevant. Other relevant sectors are, for example, coal mining and coal-based power generation.

Issuers are evaluated according to the share of total revenues they generate in controversial business areas and controversial business activities. The lower the percentage of revenues from the controversial business areas and controversial business activities, the better the score.

As regards the involvement in tobacco and civil firearms, issuers (excluding target funds) with a moderate, high or excessive exposure (i.e. a letter score of "D", "E" or "F") are excluded as an investment.

As regards the involvement in the military defence industry, issuers (excluding target funds) with high or excessive exposure (i.e. a letter score of "E" or "F") are excluded as an investment.

As regards the involvement in coal mining and coal-based power generation or other controversial sectors and controversial business practices, issuers (excluding target funds) with excessive exposure (i.e. a letter score "F") are excluded as an investment.

Involvement in controversial weapons

The ESG database assesses a company's involvement in the business of controversial weapons. Controversial weapons include for example anti-personnel mines, cluster munitions, depleted uranium weapons,nuclear weapons, chemical and biological weapons.

Issuers are assessed based on their degree of involvement (production of controversial weapons, component production, etc) in the manufacturing of controversial weapons, regardless of total revenues they generate from controversial weapons. Issuers (with the exception of target funds) with medium, high or excessive involvement (i.e., a letter score of "D", "E" or "F") are excluded as an investment.

DWS Use of Proceeds Bond Assessment

In a departure from the above, bonds that conform to the DWS' Use-of-proceeds bond assessment are eligible for investment even if the issuer of the bond does not fully comply with the ESG assessment methodology.

The financing of use-of-proceeds bonds is examined in a two-stage procedure.

In the first stage, DWS checks whether a bond meets the requirements for a use-of-proceeds bond. A fundamental element of this is checking compliance with the ICMA Green Bond Principles, the ICMA Social Bond Principles or the ICMA Sustainability Bond Principles. The assessment focuses on the use of the proceeds, the selection of the projects financed with these proceeds, the management of the use of the proceeds and the annual reports to the investors about the use of the proceeds.

If a bond complies with these principles, the second stage assesses the ESG quality of the issuer of this bond with respect to defined minimum standards in relation to ecological, social and corporate governance practices. This assessment is based on the ESG assessment methodology described above and excludes

- Corporate issuers with poor ESG quality in comparison to their peer group (i.e., a letter score of "E" or "F"),
- Sovereign issuers with high or excessive controversies regarding sovereign governance (i.e., a letter score of "E" or "F"),
- Issuers with the highest severity of norm issues (i.e., a letter score of "F"), or
- Issuers with an excessive exposure to controversial weapons (i.e., a letter score of "D", "E" or "F")

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Sustainability investment assessment methodology

Further, for the proportion of sustainable investments DWS will measure the contribution to one or several UN SDGs via its sustainability investment assessment which evaluates potential investments in relation to different criteria to conclude that an economic activity can be considered as sustainable as further detailed in section “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?” (Pre-contractual disclosure according to Annex II of the Commission Delegated Regulation (EU)2022/1288 supplementing the Sustainable Finance Disclosure Regulation.)

Policy to assess Good Governance

The procedure to assess the good governance practices of the investee companies is based on the DWS Norm Assessment, as further detailed in the dedicated section “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?”. Accordingly, the assessed investee companies follow good governance practices.

Further, the management company considers active ownership as a strong driver to improve governance, policies and practices, and thus for a better long-term performance of investee companies. Active ownership means using the position as shareholders to influence the activities or behaviour of the investee companies. An engagement activity can be initiated with the investee companies regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be undertaken via, e.g., issuer meetings or engagement letters. Furthermore, for equity investments it could also be an interaction with the company resulting from proxy voting activities or participation at general meetings.

(Pre-contractual disclosure according to Annex II of the Commission Delegated Regulation (EU)2022/1288 supplementing the Sustainable Finance Disclosure Regulation.)

Proportion of investments

This sub-fund invests at least 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics. At least 1% of the sub-fund’s assets qualify as sustainable investments in the sense of article 2(17) SFDR. Up to 49% of the investments are not aligned with these environmental or social characteristics. A more detailed description of the specific asset allocation of this sub-fund can be found in the Special Section of the Sales Prospectus.

Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund.

Monitoring of environmental or social characteristics

For the purpose of the investment guideline monitoring, a coding process is established in which the investment policy as described in the prospectus and the investment limits contained therein are coded in accordance into the Investment Management System. This applies in particular to the respective ESG investment limits. The investment limits are monitored daily pre- and post-trade in the investment management system to ensure compliance with the investment guidelines. In pre-trade monitoring, it is ensured that the investment limits are complied with before trading. However, if a breach has been detected, the breach will be investigated for its cause and scope, addressed and corrected in accordance with legal/regulatory requirements and guidelines.

Methodologies

The attainment of the promoted environmental and social characteristics as well as the sustainable investment is assessed via the application of a proprietary ESG assessment methodology as further described in section “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 methodology applies a variety of assessment categories that are used as sustainability indicators to assess the attainment of the promoted environmental and social characteristics, which are as follows:

- **DWS Climate and Transition Risk Assessment** is used as indicator for an issuer’s exposure to climate and transition risks
- **DWS Norm Assessment** is used as indicator for an issuer’s exposure to norm-related issues
- **DWS Sovereign Assessment** is used as indicator for a sovereign issuer’s extent of controversies regarding governance, such as political and civil liberties
- **Exposure to controversial sectors** is used as indicator for an issuer’s involvement in controversial sectors and controversial activities
- **Involvement in controversial weapons** is used as indicator for an issuer’s involvement in controversial weapons
- **Sustainability Investment Assessment** is used as indicator to measure the proportion of sustainable investments

(Pre-contractual disclosure according to Annex II of the Commission Delegated Regulation (EU)2022/1288 supplementing the Sustainable Finance Disclosure Regulation.)

Data sources and processing

DWS sources sustainability information from commercial data vendors: Information concerning involvement in sectors from ISS-ESG, MSCI ESG, S&P TruCost; concerning norm violations and controversy issues from ISS-ESG, MSCI ESG, Morningstar Sustainalytics; concerning general ESG quality of corporates, sovereigns and/or funds from ISS-ESG, MSCI ESG, Morningstar Sustainalytics; concerning specific carbon and water data from ISS-ESG, MSCI ESG, S&P TruCost, ESG Book; concerning specific data on sustainable development goals (SDG), SFDR and EU taxonomy from ISS-ESG, MSCI ESG. Furthermore, information from non-commercial sources is considered, most notably from Urgewald, transition pathway initiative (TPI) and Science Based Targets (SBTI). There may be limited information on certain asset classes. Each of the commercial data vendors established upstream controls to ensure quality of their processes and of the data that is being provided to DWS. DWS as data users has set up processes to monitor the quality of the inbound data. This concerns checks on availability and integrity of the data as well as scrutiny towards cases where inbound data changes impact investment eligibility of assets under the sustainability criteria of the fund. Regular meetings with the ESG data providers are held to discuss issues and challenged cases when necessary. From the inbound data described above DWS derives ESG assessments, which then are used by the DWS investment professionals to make their investment recommendations or -decisions taking into account sustainability considerations. To that end, DWS employs an in-house developed software solution, the DWS ESG Engine. This tool standardizes and aggregates data across various sources. The resulting ESG assessments carry sustainability information concerning involvement in sectors; general ESG quality; specific water and carbon topics and concerning SDG, SFDR and EU taxonomy. DWS predominantly bases its ESG assessments on external vendor data in the aforementioned fully automated process. The ESG assessments may be corrected from internal control functions, in this case the information is sourced from the DWS research process. To that end, DWS itself does not estimate ESG data on their own. Where it concerns the EU taxonomy aligned assets, DWS utilizes a vendor package which offers non-estimated numbers. The ESG database is therefore based on data and figures as well as on internal assessments that take into account factors beyond the processed data and figures, such as an issuer’s future expected ESG development, plausibility of the data with regard to past or future events, an issuer's willingness to engage in dialogues on ESG matters or corporate decisions.

Limitations to methodologies and data

DWS bases its ESG assessments on external vendor data. The consumed data is of both quantitative (e.g. carbon intensities or share of sustainable activity) as well as qualitative nature (e.g. ESG assessments or assessment of possible violations of international norms). In both cases, the latter more than the former, potential expert-based subjectivity weighs in. Qualitative measures like general purpose ESG assessments may be subjective by construction; quantitative measures may originate from estimations or be based on certain assumption (e.g. determining the share of revenues from the share of produced energy). The prevalance of potential subjectivity constitutes a limitation if not properly mitigated. DWS mitigates this potential challenge by using multiple data vendors rather than only one in its ESG investment process m. With this approach the potential subjectivity of each vendor is mitigated and turned into a diversity of information. Further, DWS has implemented automated plausibility checks. An additional layer of scrutiny is employed which may choose to adjust challenged assessments. Assessments may go beyond the processing of external vendor data and may reflect internal assessments based on e.g. recent developments, engagement potential and progress.

Due Dilligence

The due diligence carried out on the underlying assets of a financial product is governed by relevant internal policies, key operating documents and handbooks. The due diligence is founded on the availability of ESG data which the management company sources from external ESG data vendors. In addition to the external quality assurance by the vendors, the management company has processes and governance bodies in place that control the quality of the ESG signals.

Engagement policies

An engagement activity can be initiated with the individual issuers regarding matters such as strategy, financial and non-financial performance, risk, capital structure, social and environmental impact as well as corporate governance including topics like disclosure, culture and remuneration. The engagement activity can be exercised by, for example, proxy voting, company meetings or engagement letters.

Designated reference benchmark

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.