

**Template pre-contractual disclosure for the financial products referred to in Article 9,  
paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation  
(EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** FFG European Impact Equities  
**Legal entity identifier:** 549300SJHBIMBVX6J109

## Sustainable investment objective

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective : 10%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective : 10%</b>	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



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

The Investment Manager seeks to invest in companies that have a material and measurable impact on sustainability. To achieve this objective, the Investment Manager selects issuers whose activities contribute directly or indirectly to achieving one or more of the Sustainable Development Goals (SDGs) defined by the United Nations.

● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The Manager bases his sustainability approach on the 17 Sustainable Development Goals (SDGs) defined by the United Nations. Through a detailed qualitative analysis of the company, the Manager identifies the effect of the company's activities on one or more of the SDGs.

The following constraints apply:

- individual issuers must generate at least 5% of their sales through products and services that contribute to one or more of the SDGs;

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

- the weighted average percentage of sales generated by portfolio companies from products and services that contribute to one or more of the SDGs will be at least 20%.

The Investment Manager uses an internal methodology to define sustainable assets, which is available on the Investment Manager's website: [www.banquedeluxembourginvestments.com](http://www.banquedeluxembourginvestments.com) and more specifically under the "Responsible Investment" tab.

***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager applies an internal model for monitoring the principal adverse impacts (PAIs) and compliance with the principles of good governance, which makes it possible to identify any significant detrimental effects of a sustainable investment on other sustainability objectives. In particular, the Investment Manager excludes from its investment universe companies that are highly controversial in terms of governance.

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

The Investment Manager has defined a methodology for taking PAIs into account to ensure that any investment contributing to one area of sustainability does not cause significant harm to others. As part of this, the Investment Manager tests each potential investment across all PAIs by applying a threshold to measure the level of negative impact.

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

The Sub-Fund excludes issuers that are subject to severe controversy in relation to human rights and the OECD Guidelines for Multinational Enterprises. In practice, companies which are not in compliance with the United Nations Global Compact, which are not in compliance with the United Nations Guiding Principles on Business and Human Rights or which are highly controversial are not included in the universe of sustainable assets.

The Investment Manager uses data provided by MSCI ESG Research, an external and independent data provider.

*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 by specific EU 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. The 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 harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



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

- Yes. The Manager aggregates the Principal Adverse Impact Indicators (PAIs) at portfolio level and checks them periodically. This periodic review enables the Investment Manager to optimise its portfolio in terms of PAIs. This information is detailed in the fund's annual report. The Manager publishes the list of PAIs monitored and defines its approach in this respect on its website: [www.banquedeluxembourginvestments.com](http://www.banquedeluxembourginvestments.com) and more specifically under the "Responsible investment" tab.

No



## What investment strategy does this financial product follow?

The Sub-Fund follows the following investment strategy:

**Investment in companies with a positive impact** The Sub-Fund invests a minimum of 75% of its net assets in sustainable environmental or social assets. The Investment Manager seeks to invest in companies that have a material and measurable impact on sustainability and selects those that contribute directly or indirectly through their activities to the achievement of one or more of the Sustainable Development Goals (SDGs) defined by the United Nations.

A detailed analysis of each candidate investment's business model is carried out to identify the impact of its activities on one or more of the SDGs. The result of this fundamental analysis is materialised through an impact investment thesis highlighting the positive and negative impact elements identified, their quantified scale and their interpretation.

**Exclusions** The Fund applies an exclusion policy based on :

- consideration of controversial issues, including breaches of international social, labour or human rights standards and conventions, such as the United Nations Global Compact principles and the OECD Guidelines for Multinational Enterprises
- the exclusion of companies whose activity involves the manufacture, use or possession of controversial weapons, such as anti-personnel mines, cluster munitions, biological and chemical weapons and depleted uranium.

The Sub-Fund also excludes companies generating more than 10% of their revenues from the following sectors:

- thermal coal (extraction and power generation) and oil (extraction, refining and power generation)
- gold mining
- Tobacco
- alcohol, tobacco or gambling

**Active engagement** On a case-by-case basis, and in particular with a view to safeguarding the interests of its shareholders and achieving its ESG objectives, the Fund may engage in dialogue with management and exercise its voting rights in order to influence its portfolio companies on material ESG issues.

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

Exclusions and the quest for positive impact are binding elements of the investment strategy.

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

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

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

The formal exclusion of companies with very severe governance and employee relations controversies represents a minimum guarantee of compliance with good governance practices.

In addition, the four pillars of corporate governance (sound corporate management structures, employee relations, employee remuneration and tax compliance) are taken into account at several levels during the Managers' qualitative and quantitative analysis of the company.

Stock selection is naturally geared towards companies with higher environmental, social and governance ratings that are less exposed to sustainability risks - particularly in terms of governance.



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

**Asset allocation** describes the share of investments in specific assets.

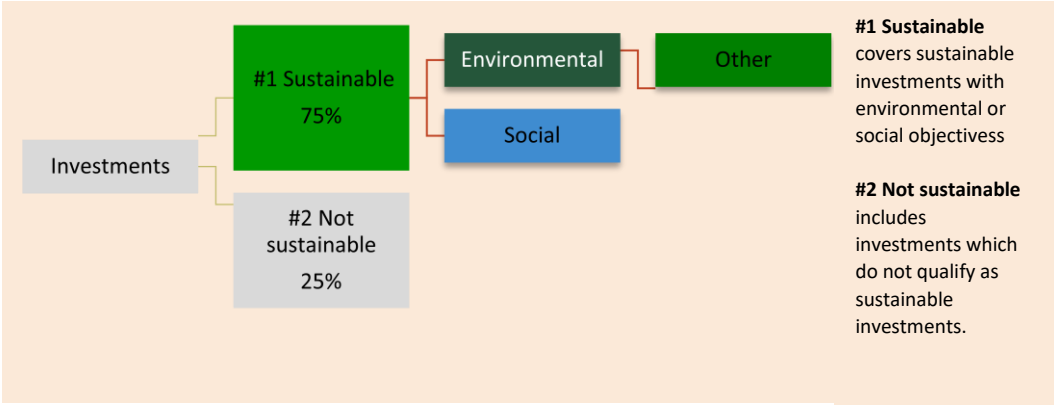
The Sub-Fund holds a minimum of 75% of its investments #Sustainable.

The actual weighting in #1A Sustainable assets may be higher than the above minimum.

The Investment Manager does not know in advance the proportion of investments it will make in the #2 Non-Sustainable category, as the size of this pocket will depend on the proportion of investments actually made in the #1 Sustainable pocket.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the sustainable investment objective?**

The Sub-Fund does not use derivatives to achieve its environmental or social characteristics.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



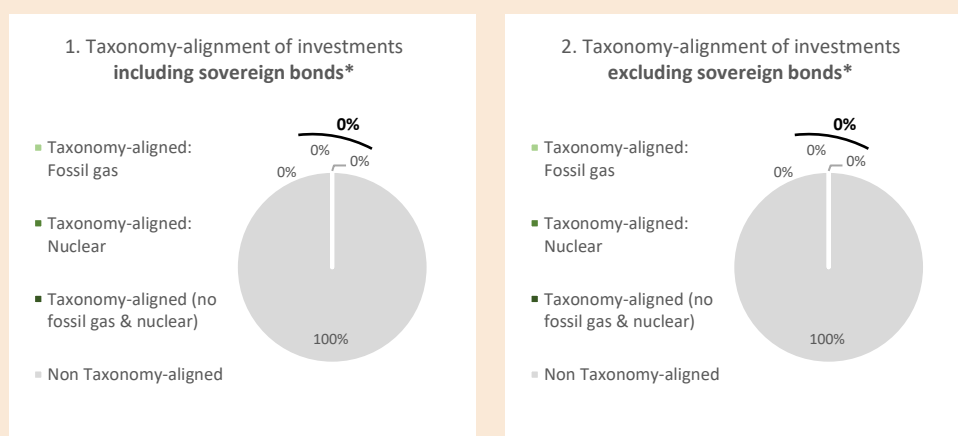
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

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 investments in transitional and enabling activities?

The minimum proportion of the investments underlying this Sub-Fund that target environmentally sustainable economic activities within the meaning of the EU Taxonomy is currently estimated at 0% of the Sub-Fund's net assets.

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



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

10%



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

10%

<sup>1</sup> 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 objectives - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



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

These investments include cash and derivatives used for hedging purposes.



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

No

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



**Where can I find more product specific information online?**

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

[www.banquedeluxembourginvestments.com](http://www.banquedeluxembourginvestments.com)