

Methodology for the promotion of ESG characteristics of Generali Investments CEE, investiční společnost, a.s.

Generali Investments CEE, investiční společnost, a.s. (hereinafter referred to as the “Manager”) promotes the following Environmental, Social, Governance (“ESG”) characteristics in dedicated funds (as described in the prospectuses of funds or the appendix to the prospectuses for sub-funds).

The principles of promoting ESG characteristics are based on the Manager’s internal methodology disclosed below. The Manager reserves the right to update the internal methodology including this description upon the future legislative development and available data sources.

The Manager shall apply binding asset selection criteria based simultaneously on parameters related to the Environmental, Social and Governance (ESG) dimension at an issuer level (including the ultimate parent if relevant), on an ongoing basis, provided that the issuers follow good corporate governance practices. The minimum share of investments in the issuers that comply with environmental characteristic as described in this Appendix is disclosed in the prospectuses of funds or appendix to the prospectuses for sub-funds.

1) Promotion of ESG characteristics – limited investment in companies exposed to the coal sector

- To promote investments in companies not exposed to the coal sector, the funds limit/exclude investments in companies not fulfilling (asset) selection criteria.
- For these purposes, the Manager uses exclusion criteria provided by the Generali Group according to a methodology that analyses various available data of all issuers where the assessment is applicable.
- Data used includes third-party provided data. When data coverage might not be possible, the Manager uses reasonable efforts to obtain the required data. If the data is not reasonably available, that fact shall be recorded instead.
- The list of companies considered for exclusion are subject to approval by the Manager’s internal department, the “ESG Committee”, meeting at least on a quarterly basis, with participation (with voting power) of the following functions: ESG officer, Portfolio Management, Risk Management, Product, Legal/Compliance.
- The ESG Committee exercises discretion in recommending investments in some issuers, provided that the issuer does not receive a negative assessment or is an automatically excluded company in the [Group Ethical Filter](#) issued by the Generali Group. Criteria that may trigger exclusion of an issuer take into account relative exposure, absolute exposure and new projects, to name a few.

2) Funds invest in companies with good corporate governance

- Funds may invest in companies only with good corporate governance.
- The Manager uses an external provider to assess good governance and additionally may use its own research (research department).
- The role of the ESG Committee is to approve companies considered for exclusion with respect to the aforementioned data.
- The portfolio manager is obliged to take into account the results of the above research during the investment process. No investments in companies that do not, as a result of internal assessment, correspond to the “good corporate governance” criteria will be allowed. (One of the criteria for exclusion of an issuer is a breach of the UN global compact.)