

**Sustainable Growth Fund, Generali Invest CEE plc**

(hereinafter also referred to as „Sustainable Growth Fund“ or „Fund“)

Generali Investments CEE, investiční společnost, a.s. (hereinafter also referred to as „Company“) publishes information about the Fund below in accordance with Article 24 Commission Delegated Regulation (EU) 2022/1288 of April 6, 2022.

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**a) Summary**

The financial product is the Sustainable Growth Fund, managed by the Generali Investments CEE, investiční společnost, a.s., with registered office at Na Pankráci 1720/123, 140 21 Prague 4, ID number: 43873766, registered in the commercial register maintained by the Municipal Court in Prague, Section B, File No. 1031, which is subject to the supervision of the Czech National Bank.

The Fund promotes environmental and social characteristics ("ESG") in accordance with Article 8 of Regulation (EU) 2019/2088 (SFDR), but will not make any sustainable investments, nor are such investments its objective. The investment objective and strategy of the Fund will be fulfilled with regard to the ESG characteristics of the companies in whose securities the Fund invests. Asset selection is based on consideration of financial and non-financial criteria.

During the implementation of the investment strategy (described below and in the Fund's prospectus), the Fund supports certain environmental and social characteristics and will invest in securities meeting these criteria. The assessment of investment suitability will include an assessment of activities in the coal sector and good corporate governance practices, respectively issuers of securities. No minimum share of sustainable investments is applied within the Fund, but at least 85% of the Fund's investments must meet the minimum criteria set out in the Company's Ethical Filter and the Company declares that at least 85% of the Fund's investments (including cash) are used to fulfill environmental and/or social characteristics supported by the Fund. At the same time, the ethical filter serves for ongoing and subsequent monitoring of the fulfillment of environmental and social properties. The company further proceeds in accordance with the internal engagement policy, which is described below in section k).

The Fund may only invest in companies with responsible governance practices.

Information for assessing the ESG profile of issuers of the Fund's underlying assets comes from external data sources. The company obtains information with maximum effort so that, taking into account the existing restrictions, there is no distortion of publicly presented data.

The Fund does not monitor any reference indicator (hereinafter referred to as a benchmark) intended for the purpose of achieving environmental or social characteristics.

The methodology for environmental or social characteristics is described below in section g) and simultaneously published on the Company's website. The Company continuously evaluates this methodology with due care in order to properly adapt it to changing conditions and with the aim of eliminating its possible limitations.

#### **b) No sustainable investment objective**

This financial product promotes certain environmental or social characteristics, but does not follow the objective of sustainable investments.

#### **c) Environmental or social characteristics of the financial product**

The Fund invests in securities of companies that aim to limit activities in the coal mining sector and implements responsible corporate governance practices.

The Fund limits or excludes investments in securities using the Company's Ethical Filter described in more detail below in section g).

For the avoidance of doubt, the Fund may, within specified limits, also invest in investment instruments described in the Fund's investment strategy that do not partially or fully contribute to the promoted characteristics listed above, if the Company is of the opinion that such investment offers investment opportunities for the Fund.

#### **d) Investment strategy**

The objective of the Fund is to achieve asset appreciation in the long term through a diversified portfolio of transferable debt and equity securities. The Fund is actively managed. The parameters and portfolio distribution of the share and bond part of the Fund's portfolio can change significantly with the aim of profiting from the current phase of the economic cycle or the development of individual markets. Technical market analysis and sentiment indicators are used for optimal timing of individual investments. The fund will not track or copy any particular index or indicator (benchmark).

Details regarding the Fund's investment strategy and its implementation are described in the Fund's prospectus, which is available at <https://www.general-investments.cz/en/>, section Products.

#### **e) Proportion of investments**

The Fund will invest **at least 85% of its investments** in investment instruments of these issuers that are in line **with the environmental characteristics** of this financial product.

No minimum proportion of sustainable investments is applied within the Fund. The Fund's investments are not directly targeted at environmentally sustainable economic activities, however the Fund uses the so-called negative list in order to limit investments in companies exhibiting higher environmental risks (e.g. issuers involved in business in the coal mining sector).

#### **f) Monitoring of environmental or social characteristics**

The Company continuously assesses the ability of the Fund's current or potential investments to contribute to environmental characteristics by applying asset selection criteria at the issuer level, i.e. whether issuers follow responsible corporate governance procedures.

The Company excludes investments in securities using its own Ethical filter. Furthermore, there are several indicators that the Company can use when using the Ethical Filter to measure the achieved environmental and social characteristics supported by the Fund.

For the purpose of monitoring environmental or social characteristics, the Company uses available data from external providers.

### **g) Methodologies**

The Company limits or excludes investments in securities using its own Ethical filter.

The methods used by the Company to measure sustainability indicators in the field of coal mining include the following:

- Negative (exclusionary screening): Issuers of assets (including parent companies, if relevant) in which the Fund may invest as part of setting an investment strategy will be assessed in terms of the Ethical Filter, primarily with the aim of excluding issuers with significant involvement in activities in of the coal mining sector, defined through quantifiable thresholds. The Ethical filter and excluded issuers will be continuously monitored and, if necessary, revised and updated at least once a year.

Sustainability indicators used to assess the good governance practices of investee companies include compliance with recognized norms and standards: compliance with the principles of the UN Global Compact, compliance with the UN Guiding Principles on Business and Human Rights and compliance with the Core Principles of the International Labor Organization.

The Company's methodology is placed on the website <https://www.generali-investments.cz/en/>, section Information relating to sustainability.

### **h) Data sources and processing**

The information according to which the issuers' ESG profile and responsible governance practices will be monitored comes from external data sources. External data source means an independent provider of data and analysis relating to third parties approved according to the Company's internal procedures. The Company obtains this data using specialized databases (e.g. MSCI) and resources available in the Generali Group.

The Company processes the obtained data with the aim of expanding the internal database enabling responsible monitoring of current and potential exposures of the Fund's underlying assets.

The use of expert estimates is only an additional method of obtaining data that the Company cannot objectively obtain from reliable external sources.

### **i) Limitations to methodologies and data**

Environmental characteristics are enforced based on data obtained by the Company with best efforts and taking into account its availability.

The monitored ESG characteristics are specific, their relevance varies in different industries and certain limitations cannot be avoided, as some issuers do not report reliable data for assessment, or this data is not sufficiently covered by external data providers. The Company's commitments regarding, for example, future emission reductions, are considered credible by the Company if they are verifiable and/or supported by recognized public platforms or data providers.

In the future, the Company expects that the availability of this data will improve in connection with the growing requirements for non-financial reporting for large corporations and for small and medium-sized enterprises.

#### **j) Due diligence**

The method of allocation and the rules for ongoing management of the underlying assets are described in detail in the Fund's prospectus, in the section relating to the investment strategy. The prospectus is available at <https://www.generali-investments.cz/en/>, section Products.

#### **k) Engagement policies**

The Company has an engagement policy in place defined as follows.

Engagement with issuers of securities in which the Company invests: The Company actively engages with issuers of securities in which it invests and maintains an open dialogue to ensure that executives of investee companies understand their responsibilities to adhere to good governance practices and Company management in accordance with the Company's Ethical Filter. The Company appeals to executives of issuers of securities to share any concerns they may have regarding their ESG obligations under the SFDR. The Company will then submit proposals for further measures to resolve potential shortcomings in the field of ESG, which may be continuously indicated.

The Company organizes meetings with the executives of issuers of securities in which it invests, with the aim of resolving possible shortcomings in the ESG area as soon as possible. The Company seeks to understand how investee companies have transformed their operating model to promote ESG principles across their organizations and continuously monitors compliance. In addition, in relevant cases, the Company may share with other investors concerns related to the enforcement of ESG principles in the companies in which it invests.

Monitoring the degree of engagement: The degree of engagement (involvement) of the Company with the issuer in whose securities it invests is subject to the approval of the ESG Committee of the Company.

The Company (through its ESG Committee) assesses the degree of involvement of the Company with each issuer in whose securities the Company invests in terms of its compliance with ESG criteria, where this assessment will be carried out with regard to the initial objectives defined at the quarterly ESG Committee meetings. The ESG Committee will individually assess various elements of investee companies, including identified risks, issues related to the investee company's compliance with ESG criteria, any proposals to correct identified deficiencies related to compliance with ESG criteria, the strategy to be implemented to ensure compliance with the ESG framework and the current status of the investee company with regard to compliance with ESG criteria and the results to be achieved through the active involvement of the issuer.

More detailed information on the Company's engagement policy can be found at <https://www.generali-investments.cz/en/>, section About us.

#### **l) Designated reference benchmark**

The Fund does not follow the best approach to the integration of ESG factors (so-called best-in-class) and at the same time it does not follow any reference benchmark intended for the purpose of achieving environmental or social characteristics.