Allianz Global Investors

Sustainability-related disclosure

This UCI is established as a SICAV domiciled in France and managed by Allianz Global Investors GmbH. This UCI is authorised and regulated by the Autorité des marchés financiers (www.amf-france.org). Allianz Global Investors GmbH, a German asset management company, is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) in Germany (www.bafin.de).

This document is provided in accordance with Article 10 of 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 and should be read in conjunction with the prospectus, including the attached pre-contractual information document (collectively, the "Prospectus") and the annual report. In the event of any discrepancy between the language versions of the Prospectus and the annual report and this document, the Prospectus and the annual report shall prevail.

Product name:

ALLIANZ VALEURS DURABLES

Legal entity identifier: 5299004IUMQV66XKF662

Summary

ALLIANZ VALEURS DURABLES (the "UCI") promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of sustainable investments.

The UCI takes into account a broad range of environmental, social, human rights and corporate governance and/or behaviour factors ("sustainability factors") by applying exclusion criteria and selecting, from among the remaining investment universe, the issuers that achieve the best results in their sector in terms of sustainability. With respect to sovereign issuers, these are issuers that generally achieve the best results in terms of sustainability.

By means of these exclusion criteria, the UCI takes into account the principal adverse impacts (PAI).

The manager excludes investee companies involved in controversial environmental or social economic activities or that severely violate good governance practices, principles and guidelines, such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Sustainability indicators have been defined for the UCI to measure the attainment of its environmental and/or social characteristics. The sustainability indicators are derived from the binding elements established for the UCI. The binding elements are monitored as part of pre-trade and post-trade compliance systems and are used to guarantee sufficient due diligence and to assess compliance with the environmental and/or social characteristics of the UCI. For each sustainability indicator, a methodology, based on different data sources, has been set up in order to guarantee accurate measurement and reporting of the indicators.

Without a sustainable investment objective, but partial commitment to sustainable investment

Information on how it is determined that the sustainable investment does no significant harm to any of the sustainable investment objectives, including how indicators relating to adverse impacts are taken into account and whether the sustainable investment complies with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The UCI promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments.

The objectives of the sustainable investments that the financial product partially intends to achieve include a broad range of environmental and social issues, for which the manager uses the UN Sustainable Development Goals (SDGs)[1] as reference frameworks, as well as the objectives of the EU Taxonomy, which are: Climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

The manager assesses the contribution of sustainable investments to the achievement of the objectives on the basis of an internal methodology:

- The economic activities of an issuer are broken down into turnover generated by the various economic activities based on external data. Where the distribution of economic activities received is not sufficiently granular, it is determined by the manager. Economic activities are evaluated internally to determine whether they contribute positively to an environmental or social objective. The share of turnover of each business activity that contributes positively to an environmental or social objective is allocated to the share of sustainable investments, provided that the issuer complies with the "do no significant harm" ("DNSH") principle and the principles of good governance.
- For issuers whose economic activities represent a sustainable investment share of at least 20% and which are in transition or already aligned to a Net Zero pathway, the manager increases the calculated sustainable investment share of the issuer in question by 20 percentage points. Issuers are considered to be transitioning to Net Zero if they (1) reach Net

Zero, (2) are aligned to Net Zero or (3) are in the process of aligning to Net Zero. Issuers (4) committed to Net Zero or (5) not aligned to Net Zero are not considered to be transitioning or aligned to a Net Zero pathway.

- For securities that finance specific projects ("Project Bonds") contributing to environmental or social objectives, the overall investment is deemed to contribute to environmental and/or social objectives. An assessment of compliance with the principle of "do no significant harm" ("DNSH") and good governance practices for issuers (or at project level in certain cases) is also conducted for these securities.
- The share of sustainable investments of each issuer and each Project Bond is weighted on the basis of the percentage of the portfolio invested in the issuer or Project Bonds, respectively. The weighted individual sustainable investment shares of all issuers and Project Bonds are aggregated to calculate the UCI's share of sustainable investments.

[1]https://sdgs.un.org/goals

To ensure that sustainable investments do not cause significant harm to other environmental and/or social objectives, the manager uses indicators related to the principal adverse impacts ("PAI") on sustainability factors.

All mandatory PAI indicators are taken into account as follows:

- Investments in issuers that violate the exclusion criteria for controversial weapons, severely violate a normative framework including the principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, or in sovereign issuers with insufficient Freedom House Index scores, are excluded and do not pass the DNSH assessment. The exclusion criteria are described in the 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?" of the respective pre-contractual document.
- Thresholds are determined for all PAI indicators, with the exception of the "share of non-renewable energy consumption and production", which is indirectly reflected in other PAI indicators.

Specifically, the manager has taken the following measures:

- Definition of significance thresholds to identify significantly harmful issuers. Issuers are evaluated against significance thresholds at least twice a year. Depending on the respective indicator, the thresholds are determined either in relation to the sector, in absolute terms, or on the basis of events or situations in which companies would have an adverse impact on the environment, society or governance (controversies). The manager can engage with issuers that do not meet the defined significance thresholds in order to allow such issuers to remediate their adverse impact. The decision on the investment's success in the DNSH assessment, taking into account engagement, is made by an internal decision-making body composed of various functions, including: Investments, Compliance, Legal. If the issuer does not meet the defined significance thresholds twice in a row, or if engagement fails, then it is deemed not to pass the DNSH assessment. Investments in securities of issuers that do not pass the DNSH assessment are not recognised as sustainable investments.
- Weighting of the PAI indicator according to the confidence level in the quality of the available data that are calculated to obtain an overall DNSH score relevant to the issuer. The overall DNSH score is determined based on the threshold of each PAI and the confidence weighting. A company is considered not to have passed the DNSH assessment if the overall DNSH score is equal to or greater than one. If the issuer does not achieve the overall DNSH score twice in a row or if engagement fails, it does not pass the DNSH assessment. Investments in securities of issuers that do not pass the DNSH assessment are not recognised as sustainable investments.
- In certain circumstances, where retrospective or prospective information is incompatible with the DNSH assessment, the manager may override the DNSH assessment. The decision to overrule is made by an internal decision-making body composed of various functions, including: Investments, Compliance, Legal.

Data coverage for PAI indicators is insufficient. Equivalent data points are used to assess PAI indicators as part of the DNSH assessment, where appropriate, in relation to the following indicators relating to companies: share of non-renewable energy consumption and production, activities with a negative impact on biodiversity-sensitive areas, emissions to water, lack of procedures and compliance mechanisms to ensure adherence to the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises; with respect to sovereign issuers: GHG intensity and countries subject to social violations. In the case of Project Bonds, equivalent data at project level may be used to ensure that sustainable investments do no significant harm to any other environmental and/or social objectives. The manager will seek to increase data coverage for PAI indicators with low coverage by engaging with issuers and data providers. The manager will regularly evaluate whether the availability of data has increased sufficiently to potentially include the assessment of such data in the investment process.

The manager excludes, in accordance with the section "What investment strategy does this financial product follow?", in the respective pre-contractual document, companies severely in violation of any of following reference frameworks: the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Environmental or social characteristics of the financial product

Description of the environmental or social characteristics promoted by the financial product

ALLIANZ VALEURS DURABLES (the "UCI") promotes a broad range of characteristics related to the environment, human rights, governance and/or market behaviour (the last characteristic does not apply for financial instruments issued by a sovereign entity). The UCI does so by:

- As a first step, promoting environmental and social characteristics by excluding direct investments in certain issuers involved in controversial environmental or social economic activities from the investment universe of the UCI by applying exclusion criteria. As part of this process, the manager excludes companies in which the financial product invests that severely violate good governance practices, principles and guidelines, such as the principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.
- In a second step, the manager selects, from the remaining investment universe, corporate issuers that perform better within their sector in terms of sustainability. With respect to sovereign issuers, these are issuers that generally perform better in terms of sustainable development. Issuers are assigned an individual rating by the manager, ranging from 0 (lowest) to 4 (highest). This rating is based on environmental, social, governance and market behaviour factors (market behaviour does not apply to sovereign issuers) and represents an internal evaluation attributed to a corporate or sovereign issuer by the manager.
- Furthermore, the manager takes into account the greenhouse gas (GHG) intensity of investee companies (PAI 3) and board gender diversity (PAI 13) by aiming for a weighted average GHG intensity (scope 1, 2 and 3) below that of the UCI reference benchmark and by aiming for a weighted average percentage of women on boards higher than that of the UCI reference benchmark.
- In addition, the manager evaluates issuers according to several criteria such the 2050 climate neutrality target, emission reduction targets, emission performance against the targets set, publication of emissions, the transition plan and the alignment of capital allocation. Issuers belonging to high-impact sectors are subject to stricter compliance requirements than those belonging to low-impact sectors in the same group. Each issuer is then classified into one of the following transition categories: (1) achieving carbon neutrality, (2) aligned with carbon neutrality, (3) aligning with carbon neutrality, (4) committed to carbon neutrality, and (5) not aligned with carbon neutrality. Investments (excluding cash and derivatives) issued by issuers classified in categories (1), (2) and (3) are considered to have a credible climate transition plan. The share of the portfolio invested in issuers with a credible climate transition plan must reach at least 15% among issuers operating in high impact climate sectors, as defined on the basis of the NACE sectoral classification in accordance with Commission Delegated Regulation (EU) 2022/1288.
- The manager will comply with a minimum percentage of 50.00% of sustainable investments and a minimum percentage of 0.01% of Taxonomy-aligned investments.

A reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics that the UCI promotes.

The details and methods of each step are described in the section "What investment strategy does this financial product follow?". of the respective pre-contractual document.

Investment strategy

Information on the investment strategy used to attain the environmental or social characteristics promoted by the financial product and on the policy followed to assess the good governance practices of the investee companies, particularly with regard to sound management structures, employee relations, remuneration of staff and tax compliance

The UCI's investment objective is to invest in eurozone equity markets, in accordance with the environmental and social characteristics promoted by the UCI. The UCI's general investment strategy is described in the prospectus.

For direct investments, companies are excluded based on verified breaches of established standards corresponding to the four good governance practices: sound management structures, employee relations, remuneration of staff and tax compliance. The exclusion of certain companies is based on information provided by external data providers and, in some cases, on internal research. In certain circumstances, the manager may override the information received. The decision to override is made by an internal decision-making body composed of functions such as Investment, Compliance and Legal.

In addition, the manager encourages and actively engages in dialogue with the companies in which the financial product invests on governance issues, in particular to prepare voting decisions in advance of shareholder meetings (on a regular basis for direct equity investments). Decisions on how voting rights are exercised also take into account broader sustainable development issues. More detailed information on the manager's approach to voting and corporate engagement is set out in the Management Company's Shareholder Engagement Policy.

Proportion of investments

Information on the proportion of investments in which the UCI has invested

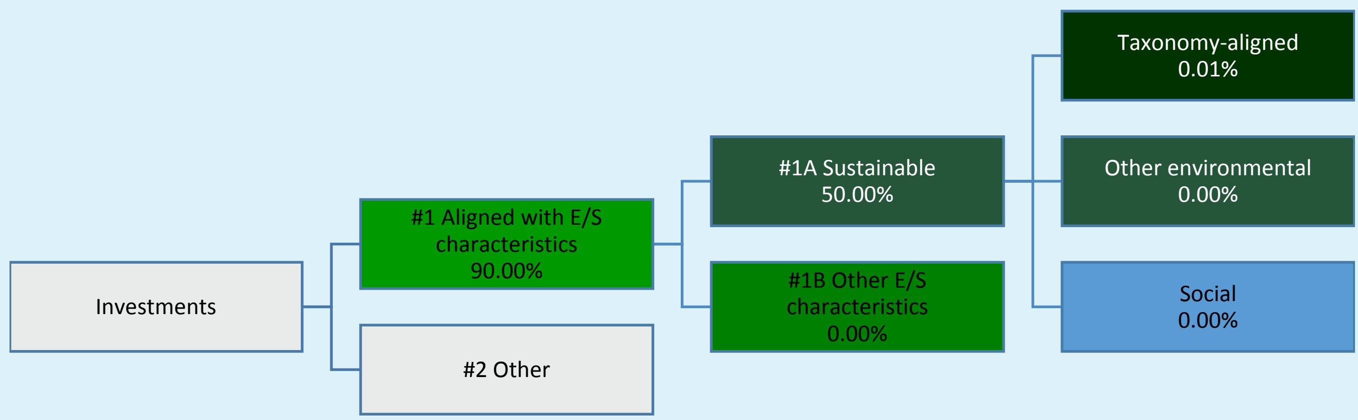
The asset allocation section describes the portfolio assets that the manager undertakes to use to promote environmental or social characteristics:

- The manager undertakes to use the internal rating described in the 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?" of the respective pre-contractual document for at least 90% (#1 Aligned with E/S characteristics) of the UCI's portfolio. The basis for the calculation of the 90% threshold is the net asset value of the UCI, with the exception of instruments that, owing to their nature, have not been given a rating, as described in the section "What investment strategy does this financial product follow?". of the respective pre-contractual document.
- At least 50.00% (#1A Sustainable) of the UCI's net asset value will be invested in sustainable investments.
- At least 0.01% of the UCI's net asset value will be invested in Taxonomy-aligned investments.

The manager does not commit to a minimum share of environmentally sustainable investments that are not Taxonomy-aligned. The manager does not commit to a minimum share of sustainable investments with a social objective. Sustainable investments will be included in the proportion of sustainable investments to which the manager has committed (min. 50.00%), regardless of their contribution to environmental and/or social objectives.

The UCI does not aim to invest in Taxonomy-aligned fossil gas and/or nuclear energy activities. However, due to the investment strategy, investments may be made in companies that are also active in these sectors. Where appropriate, further information will be provided in the annual report.

Derivatives are not used to attain the environmental or social characteristics promoted by the UCI.



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

#2 Other includes the remaining investments of the financial product 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.

Monitoring of environmental or social characteristics

Information on how the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by the financial product are monitored throughout the life cycle of the financial product and on the associated internal or external control mechanisms

The following sustainability indicators are used to measure the attainment of environmental and/or social characteristics and are presented at fiscal year-end:

- Confirmation that the investment universe has been reduced by excluding at least 30% of the total number of potential issuers from the issuers eligible for investment in accordance with the general investment strategy of the UCI as described in the prospectus.
- Confirmation that the exclusion criteria were met throughout the UCI's fiscal year.
- The percentage of the portfolio with an internal sustainability rating of 2 or higher is compared to the percentage of the reference benchmark. The rating process is described in the section "What investment strategy does this financial product follow?" of the respective pre-contractual document. The basis for the calculation is the UCI's net asset value, with the

Allianz Global Investors

exception of instruments that, owing to their nature, have not been assigned a rating, such as cash and deposits. Derivatives are generally not rated. However, derivatives (other than credit default swaps) that are underwritten by a single corporate issuer, are generally rated. The size of the unrated portion of the portfolio varies according to the overall investment strategy of the UCI described in the prospectus.

- The manager assesses the investments (excluding cash, derivatives and securities of sovereign issuers) based on the greenhouse gas emissions of the relevant companies, to the extent that this information is available. On this basis, the manager managers the UCI such that the weighted average GHG intensity (scope 1, 2 and 3) of the portfolio is below that of the UCI's reference benchmark.
- The manager assesses the investments (excluding cash, derivatives and securities of sovereign issuers) based on the number of women on the boards of the companies in which the UCI invests, to the extent that this information is available. On this basis, the manager manages the UCI such that the weighted average percentage of women on the boards of the companies on which the UCI invests is higher than that of the UCI's reference benchmark.
- The share of issuers with a credible climate transition plan: percentage of the weight of the portfolio invested in issuers operating in high impact climate sectors, as defined on the basis of the NACE sectoral classification in accordance with Commission Delegated Regulation (EU) 2022/1288, and allocated to categories (1) to (3) of the NZAs.
- Percentage of sustainable investments at the end of the fiscal year.
- Percentage of Taxonomy-aligned investments at the end of the fiscal year.

The sustainability indicators are derived from the binding elements established for the UCI. All binding elements are monitored through internal compliance systems. In the event of non-compliance, these are reported to the parties concerned and resolved based on internal procedures.

The above sustainability indicators are presented as part of regulatory reporting.

Methods

Description of the methodologies used to assess the way in which the social or environmental characteristics promoted by the financial product are complied with

The following methodologies are applied to enable regulatory reporting on the sustainability indicators of the UCI:

- The exclusion criteria are applied to a specific issuer on the basis of information provided by external data providers and, in certain circumstances, by internal research. The assessment of issuers in view of the exclusion criteria is carried out at least twice a year. In certain circumstances, the manager may overrule the information received. The decision to overrule is made by an internal decision-making body composed of various functions, in particular Investment, Compliance and the Legal Department.
- The rating process includes the following steps:
- The manager regularly receives quantitative and qualitative information on sustainability factor indicators for specific issuers from external data providers.
- The manager supplements the information on sustainability factors through internal quantitative and qualitative analysis, for example when the information provided by the external data providers is not available, is incomplete, obsolete or does not correspond to the manager's assessment.
- For each sustainability factor, the manager calculates a rating for each issuer based on a set of indicators. As part of this process, the manager determines a specific weighting for sustainability factors based on the significance of the sector. On the basis of these sustainability factors, the manager determines an overall rating for each issuer reflecting its sustainability profile.
- In addition, the rating is set to zero if the manager activates an alert relating to human rights, on the basis of a methodology that relies on external data providers and internal research. For corporate issuers, activation of the indicator is triggered in the event of non-respect by the issuers for human rights in the conduct of its business, in particular a lack of (i) integration of the principles of the Universal Declaration of Human Rights, (ii) compliance with the main conventions of the International Labour Organization and/or (iii) signature of the United Nations Global Compact. This forward-looking tool makes it possible to both monitor human rights controversies (human rights abuses and violations) and manage them (coherence between prevention mechanisms such as policies, commitments, complaint systems or mechanisms and exposure to risk). For sovereign states, the manager assesses the political rights granted to citizens (electoral process, political pluralism and participation, functioning of government), civil liberties (freedom of expression, belief, association and organisation, rule of law and personal autonomy and individual rights) and freedom of the press. For this purpose, the manager also relies on the work of Freedom House, which incorporates the principles set out in the 1948 Universal Declaration of Human Rights.
- For some issuers, the manager carries out additional qualitative research. On the basis of this research, the manager may decide to adjust the internal rating and human rights flag upwards or downwards.

Data sources and processing

Information on the data sources used to attain each of the environmental or social characteristics promoted by the financial product, the measures taken to ensure the quality of the data, as well as the way in which the data is processed and the proportion of estimated data

The following data sources are used for the UCI's regulatory reports: Moody's ESG, Moningstar Sustainalytics, ISS ESG, MSCI ESG.

The Allianz Global Investors (AllianzGI) Sustainability and Impact Investing team selects third-party data providers as part of a Request for Proposals (RfP) process that is applied across AllianzGI. Data sourcing, methodology (qualitative and/or quantitative), raw data points, issuer coverage, resources in place, expertise, research granularity, approach, IT support, client support and consistency/quality of data flows are assessed and tested at the time of the tendering process. Data is provided directly by suppliers into the internal cloud-based data lake in line with AllianzGI's data strategy. AllianzGI uses technologies such as Application Programming Interface (API) and Secure File Transfer Protocol (SFTP) where these are not provided by suppliers, allowing close monitoring and smooth, constant updating of data points. Controls are applied to data flows and their evolution over time (coverage, expected values etc.) in order to detect potential problems upstream in the data supply chain.

Limitations to methods and data

Information on limitations relating to methodologies and data sources and on how these limitations do not affect the way in which the environmental or social characteristics promoted by the financial product are complied with

Several general limitations apply. The UCI applies an investment strategy that favours environmental and/or social characteristics and may use one or more third-party research data providers and/or internal analyses. In the assessment of an issuer's eligibility on the basis of research, there is a reliance on information and data from third-party research data providers and internal analyses, which may be subjective, incomplete, inaccurate or unavailable. There is therefore a risk of assessing a security or issuer incorrectly or subjectively. There is also a risk that the Manager of the UCI may not correctly apply the relevant criteria resulting from the research or that the UCI, following a sustainable investment strategy, may be indirectly exposed to issuers that do not meet the relevant criteria of the sustainable investment strategy.

The coverage thresholds of the ratings are established such as to mitigate the effect of these limitations on the promotion of environmental and/or social characteristics.

The data coverage required for the PAI indicators is heterogeneous. The manager will seek to increase data coverage for PAI indicators with low coverage by working together with data providers and/or issuers. The manager will regularly evaluate whether the availability of data has increased sufficiently to allow the inclusion of the assessment of such data in the investment process.

Due diligence

Information on the due diligence carried out on the underlying assets of the financial product, including the internal and external controls applied to that due diligence

The management company adopts a risk-based approach to determine where instrument- or transaction-specific pre-investment checks need to be performed, taking into account the complexity and risk profile of the investment concerned, the significance of the size of the transaction in relation to the Fund's net asset value and the direction (buy/sell) of the transaction.

In order to guarantee that the UCI respects its environmental and social characteristics, binding elements are used as assessment criteria.

Initially, the manager applies the following exclusion criteria, i.e. does not invest directly in securities issued by companies:

- severely in violation of principles and guidelines such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
- developing, producing, using, maintaining, offering for sale, distributing, stockpiling or transporting controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus and nuclear weapons outside the non-proliferation treaty),
- deriving more than 1% of their turnover from the exploration, mining, extraction, distribution or refining of thermal coal, or deriving more than 5% of their turnover from the supply of products or services specifically designed for these activities, such as transport or storage, and which are involved in the development of new projects for the exploration, extraction or transport of thermal coal,
- active in the public services sector and generating more than 20% of their turnover from coal,
- deriving more than 10% of their turnover from the exploration, extraction, distribution or refining of oil fuels,

- deriving more than 50% of their turnover from the exploration, extraction, manufacturing or distribution of gaseous fuels,
- developing new projects for the exploration, extraction and refining of liquid and gaseous fossil fuels, both conventional and non-conventional,
- deriving more than 5% of their turnover from their total production of liquid and gaseous fossil fuels from activities related to non-conventional liquid and gaseous fossil fuels, such as exploration, extraction and refining. Unconventional liquid and gaseous fossil fuels are identified according to the definition of the Scientific and Expert Committee of the Sustainable Finance Observatory, namely oil shale and shale oil, shale gas and shale oil, oil sands, heavy crude oil, methane hydrates, ultra-deep drilling and Arctic drilling,
- deriving 50% or more of their turnover from the production of electricity with a GHG intensity greater than 100 g CO_2e/kWh,
- whose main activity is electricity generation, and for which the carbon intensity of electricity generation is not compatible with the objectives of the Paris Agreement. The fund may be based on the thresholds below or on any other scenario consistent with the objectives of the Paris Agreement:

Year/g CO_2eq/kWh

2023/366

2024/326

2025/291

2026/260

2027/232

2028/207

- being involved in tobacco production or deriving more than 5% of their turnover from the distribution of tobacco or tobacco products,
- whose registered office is located in a country or territory included in the latest available version of the EU list of non-cooperative jurisdictions for tax purposes[1],
- whose registered office is located in a country or territory on the Financial Action Task Force's (FATF) black or grey list[2],

The UCI also refrains from investing directly in the securities of sovereign issuers:

- rated as "Not Free" on the Freedom House index[3],
- on the latest available version of the EU list of non-cooperative jurisdictions for tax purposes
- on the black or grey list of the Financial Action Task Force (FATF),
- with a score strictly below 40/100 on the latest version of the Corruption Perceptions Index published by Transparency International[4].

The manager applies the exclusion criteria to a specific issuer on the basis of information provided by external data providers and, in certain circumstances, internal research. The assessment of issuers against the exclusion criteria is carried out at least once every six months. In certain circumstances, the manager may override the information received. The decision to override is made by an internal decision-making body composed of functions such as Investment, Compliance and Legal. Further information on external data providers and the override process is available on the relevant SFDR Product Disclosure website.

As a second step, the manager selects, from the remaining investment universe, the best performing corporate issuers in their sector based on a score for environmental, social, governance and corporate behaviour factors ("sustainability factors"). With respect to sovereign issuers, these are issuers that generally perform better in terms of sustainable development. Issuers are assigned an individual rating by the manager, ranging from 0 (lowest) to 4 (highest). The rating represents an internal valuation assigned to a company or sovereign issuer by the manager. Ratings are reviewed at least twice a year.

At least 90% of the UCI's portfolio has been assigned an internal rating on a scale from 0 to 4. The basis for the calculation of the 90% threshold is the net asset value of the UCI, with the exception of instruments that, owing to their nature, have not been assigned a rating, such as cash and deposits. Derivatives are generally not rated. However, derivatives (other than credit default swaps), that are underwritten by a single corporate issuer, are generally rated. The size of the unrated portion of the portfolio varies according to the overall investment strategy of the UCI described in the prospectus.

The rating process includes the following steps:

- The manager regularly receives quantitative and qualitative information on sustainability factor indicators for specific issuers from external data providers.

- The manager supplements the information on sustainability factors through internal quantitative and qualitative analysis when the information from external data providers is not available, is incomplete, obsolete or does not correspond to the manager's assessment.
- For each sustainability factor, the manager calculates a rating for each issuer based on a set of indicators. As part of this process, the manager determines a specific weighting for sustainability factors based on the importance of the sector. On the basis of these sustainability factors, the manager determines an overall rating for each issuer reflecting its sustainability profile.
- In addition, the rating is set to zero if the manager triggers human rights reporting according to a methodology that relies on external data providers and internal research. For corporate issuers, reporting is triggered in the event of non-respect for human rights in the conduct of the issuer's business, including a lack of (i) integration of the principles of the Universal Declaration of Human Rights, (ii) compliance with the major conventions of the International Labour Organization and/or (iii) signature of the United Nations Global Compact. This forward-looking tool monitors both human rights controversies (human rights abuses and violations) and their management (coherence between prevention mechanisms such as policies, commitments, grievance systems or mechanisms and exposure to risk). For sovereign issuers, the manager assesses the political rights conferred on citizens (electoral process, political pluralism and participation, functioning of government), civil liberties (freedom of expression and belief, associative and organisational rights, rule of law and personal autonomy and individual rights) and freedom of the press. For this purpose, the manager also uses the work of Freedom House, which incorporates the principles set out in the 1948 Universal Declaration of Human Rights.
- For some issuers, the manager carries out additional qualitative research. On the basis of this research, the manager may decide to proceed with an upward or downward adjustment of the internal rating and human rights reporting.

With regard to rated issuers, the manager will invest in issuers with an internal rating of 2 or more.

In addition, the manager selects and weights the issuers in the remaining investment universe so that the weighted average GHG intensity (Scopes 1, 2 and 3) of the UCI is lower than that of the UCI's reference benchmark and the percentage of women on the boards of the companies in which the UCI invests is higher than that of the UCI's reference benchmark.

GHGs include not only CO_2 emissions, but also other emissions such as methane. GHG intensity is defined as GHG emissions (Scopes 1, 2 and 3) per million euros of the issuer's turnover. Scope 1 GHG emissions include an issuer's direct emissions, while Scope 2 includes indirect emissions from purchased energy and Scope 3 includes emissions linked to the issuer's supply chain or emissions caused by the use of its products by its customers. GHG emissions per million euros of turnover are used, as this measure makes it possible to differentiate the energy efficiency of issuers.

- The manager receives data on the GHG intensity of issuers from an external data provider. Data on GHG intensity per million euros of turnover is not available for cash, derivatives, sovereign issuers and issuers not covered by the data provider. GHG intensity is also calculated for internal target UCIs.
- Only issuers and instruments for which the manager receives GHG intensity data are used to calculate the GHG intensity of the UCI. The GHG intensity of each issuer is weighted according to its weight in the UCI. The weights of the issuers in the portfolio for which GHG intensity data is available are mathematically adjusted so that their sum in the UCI amounts to 100%. The share of the portfolio for which no GHG intensity data is available varies according to the UCI's general investment strategy as described in the prospectus.
- The GHG intensity of the reference benchmark is calculated accordingly, i.e. only those issuers/instruments for which the manager receives GHG intensity data are taken into account and the GHG intensity of each issuer is weighted.

The minimum coverage of GHG intensity data is at least 80% of the UCI's portfolio. In this respect, the portfolio does not include derivatives or instruments that are not rated due to their nature (e.g. cash, deposits and securities of sovereign issuers). The GHG intensity of the portfolio (excluding cash, cash equivalents and derivatives) must be below the GHG intensity level of the UCI's reference benchmark.

To determine the percentage of women on the boards of the UCI and the reference benchmark, the following steps are applied:

- The manager receives data on the percentage of women on the boards of the issuer from an external data provider. Data on the percentage of women on boards is not available for cash, derivatives, sovereign issuers and issuers not covered by the data provider. The percentage of women on boards is also calculated for internal target UCIs.
- Only issuers and instruments for which the management company receives data on the percentage of women on boards are used to calculate the percentage of women on the boards of the UCI. The percentage of women on the boards of each issuer is weighted according to its weight in the UCI. The weights of the issuers in the portfolio for which data on the percentage of women on boards is available are mathematically adjusted so that their sum in the UCI amounts to 100%. The share of the portfolio for which no data is available on the percentage of women on boards varies according to the UCI's general investment strategy as described in the prospectus.

- The percentage of women on the boards of the reference benchmark is calculated accordingly, i.e. only those issuers/ instruments for which the manager receives data on the percentage of women on boards are taken into account and the percentage of women on the boards of each issuer is weighted.

The minimum coverage of data on the percentage of women on boards is at least 55% of the UCI's portfolio. In this respect, the portfolio does not include derivatives or instruments that are not rated due to their nature (e.g. cash, deposits and securities of sovereign issuers). The percentage of women on the boards of the portfolio (excluding cash, cash equivalents and derivatives) must be higher than the percentage of women on the boards of the UCI's reference benchmarks.

In addition, the manager has developed a methodology, based on both external data providers and internal research, to assess the commitments, objectives and capacity of issuers to transition to achieve carbon neutrality. The manager evaluates issuers according to several criteria based on the data available at issuer level from external providers, such as the 2050 climate neutrality target, emission reduction targets, emission performance against the targets set, publication of emissions, the transition plan and the alignment of capital allocation. Issuers belonging to high-impact sectors are subject to stricter compliance requirements than those belonging to low-impact sectors in the same group. Each issuer is then classified into one of the following transition categories: (1) achieving carbon neutrality, (2) aligned with carbon neutrality, (3) aligning with carbon neutrality, (4) committed to carbon neutrality, and (5) not aligned with carbon neutrality. The manager will periodically review the methodology, including the framework and criteria, as the issuer data sets evolve. For issuers conducting their activities high impact climate sectors, as defined on the basis of the NACE sectoral classification in accordance with Commission Delegated Regulation (EU) 2022/1288, the manager ensures that at least 15% of the weight of the portfolio invested in these issuers is allocated to issuers with a credible climate transition plan aligned with the objectives of the Paris Agreement by 1 January 2026. Investments (excluding cash and derivatives) issued by issuers classified in categories (1), (2) and (3) are considered to have a credible climate transition plan.

The manager must apply the first and second steps in order to reduce the investment universe of the UCI by excluding at least 30% of the total number of potential issuers from the issuers that may be eligible for investment in accordance with the general investment strategy of the UCI as described in the prospectus.

In addition, the manager commits to a minimum proportion of 50.00% of the UCI's net asset value in sustainable investments. It also undertakes that a minimum proportion of 0.01% of the UCI's net asset value will be aligned with the EU Taxonomy.

[1] https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/

[2] https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html

[3] The country in question is listed in the Freedom House Index (https://freedomhouse.org/countries/freedom-world/scores) in the "Total Score and Status" column of the "Global Freedom Scores" section.

[4] https://www.transparency.org/en/cpi/

Engagement policies

Information on engagement policies implemented where engagement is part of the environmental or social investment strategy, including procedures for managing sustainability controversies involving investee companies

A description of AllianzGI's engagement policies and activities is available via the following link: https://www.allianzgi.com/en/our-firm/esg/active-stewardship.

The management company conducts engagement activities on its entire range of products. Engagement activities are determined at issuer level. There is therefore no guarantee that the engagements made cover the issuers held by each fund. The management company's engagement strategy is based on two pillars: (1) a risk-based approach and (2) a thematic approach.

The thematic approach links engagements to AllianzGI's three strategic sustainable development themes (climate change, planetary boundaries and inclusive capitalism), as well as to governance themes within specific markets or more broadly. Our thematic engagements focus on topics that are of particular interest to our clients or that are subject to increased regulatory requirements.

The risk-based approach remains the foundation of AllianzGI's engagement strategy and focuses on any important sustainability or governance issues we identify. Many of these engagement meetings are dedicated to preparing for our voting decision at general meetings, where our global corporate governance guidelines guide our engagements. Targeting is closely related to the size of our exposure, whether by market or by fund, or to the total value of the investment. The focus of our engagements is determined by considerations such as significant votes against the company's management at previous general meetings and any sustainability issues that we identify as being below market practices. Engagements can also be triggered by controversies linked to sustainability or to governance.

Allianz Global Investors

Designated reference benchmark

Information on how the index, designated as a benchmark for meeting the environmental and social characteristics promoted by the financial product, is aligned with the environmental and social characteristics, including the input data, the methods used to select this data, rebalancing methodologies and how the index is calculated.

The manager has designated the "MSCI EMU Total Return Net" index as the UCI's reference benchmark. This reference benchmark is a market index. The UCI will promote environmental and social characteristics by managing the weighted average of the UCI's GHG intensity (Scopes 1, 2 and 3) so that it is lower than that of the reference benchmark, and by managing the weighted average of the percentage of women on the boards of the UCI so that it is higher than that of the reference benchmark, as described in the section "What investment strategy does this financial product follow?" of the respective pre-contractual document

The UCI's reference benchmark is a market index.

The reference benchmark is a market index and does not incorporate the same environmental or social characteristics into the construction of the index as those promoted by the UCI.

Details of the reference benchmark methodology are available at https://www.msci.com/index-methodology

Name of the file: Sustainability-related disclosure Version 6 as at 01.01.2026

Change history:

01.01.2023: Disclosure in accordance with the technical regulatory standards supplementing Regulation (EU) 2019/2088

30.05.2023: Integration of Nuclear and Fossil Gas declarations, adjustment of sustainable engagement percentage

01.01.2025: Comply with the requirements of the SRI V3 label and the PaB exclusion criteria

15.05.2025: Clarify coverage of data on GHG intensity and the number of women on company boards; Increase in sustainable investment

19.09.2025: Rewriting the template pre-contractual disclosure for financial products; updating the exclusion criteria

01.01.2026: Complying with the new SRI label requirements that came into force on 1 January 2026