

**Pre-contractual disclosure for financial products referred to in Article 9(1), (2) and (3) of Regulation (EU) 2019/2088 and Article 5 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, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators**

measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts**

are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters,

**Product name:** CONFLUENCE AM - SIO Product Example 1

**Legal entity identifier:** CSSP901

## Sustainable investment objective

**Does this financial product have a sustainable investment objective?**

☒ ☒ **X** Yes

☐ ☐ **No**

☒ It will make a minimum of **sustainable investments with an environmental objective: 10%**

☐ 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

☒ It will make a minimum of **sustainable investments with a social objective: 10%**

☐ It **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 \_\_\_% 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 promotes E/S characteristics, but **will not make any sustainable investments**

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

The sustainable investment objective of this financial product is...

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

Sustainability indicators used to measure the attainment of the sustainable investment objective of this financial product are...

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

Sustainable investments do not cause significant harm to any environmental or social sustainable investment objective because...

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

Indicators for adverse impacts on sustainability factors are taken into account in different

respect for human rights, anti-corruption and anti-bribery matters.

ways.

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

The norms-based responsible investing criteria of the Management Company, which is applicable to all investments including sustainable investments, is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.



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

☒ Yes, by...

☐ No



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

**What investment strategy does this financial product follow?**

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

Binding elements of the investment strategy used to select the investments to attain the sustainable investment objective are...

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

Assessment of good governance practices in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance, is integrated in the investment process via ESG Integration and additionally as-sessed through controversy analysis, as stated in the CSS RI Policy. The Management Company does not allow investments that have received category 5 (1 = lowest; 5 = highest) controversy(ies) in regards to the relevant areas listed above. The Controversy & Engagement Council of the Management Company further assess controversies and violations of the Management Company's norms-based criteria and after additional analysis, only invests in companies where a formal engagement process can be implemented. Good governance of investee companies is also assessed systematically as part of the ESG Integration process, whereby environmental, social and governance factors are taken into account. This assessment is conducted using ESG Lens.

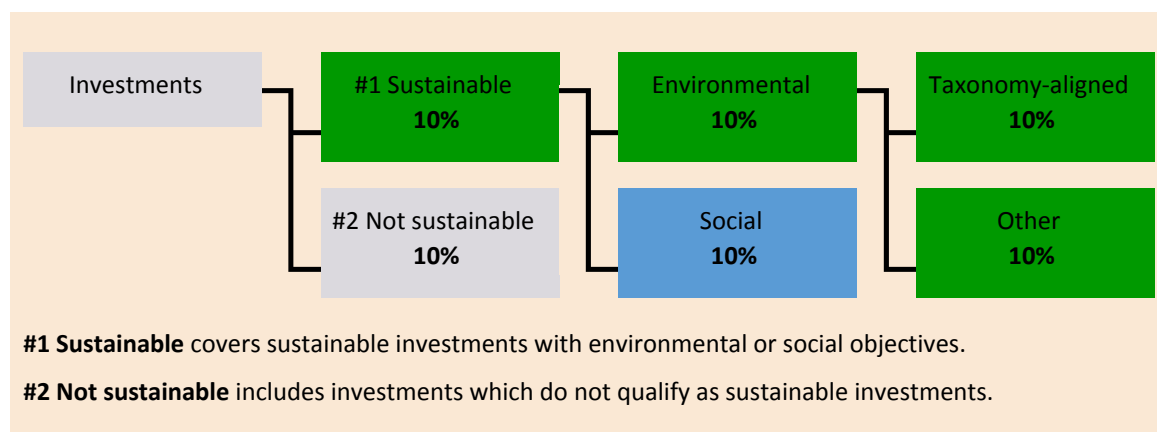
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



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

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

The asset allocation and the minimum share of sustainable investments are...



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.

**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.

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

The use of derivatives attain the sustainable investment objective by...

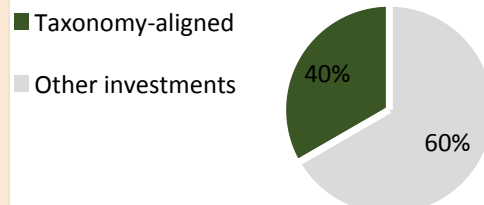


## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

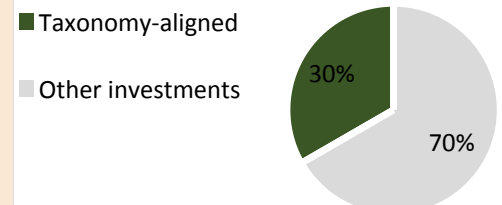
The minimum extent sustainable investments with an environmental objective aligned with the EU Taxonomy is...

*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 Taxonomyalignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



2. Taxonomy-alignment of investments excluding sovereign bonds\*



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

## ● What is the minimum share of investments in transitional and enabling activities?

The minimum share is...



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



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

The minimum share is...



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

The minimum share is...



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

Taxonomy.

Investments included under “#2 Not sustainable” are... Their purpose is... Minimum environmental or social safeguards are...



#### Reference

#### benchmarks are

indexes to measure whether the financial product attains the sustainable investment objective.

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

A specific index as a reference benchmark to meet the sustainable investment objective is...

#### ● ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

The reference benchmark takes into account sustainability factors in a way that is continuously aligned with the sustainable investment objective by...

#### ● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

The Sub-Fund systematically applies a materiality framework and norms-based responsible investment criteria of the Management Company, as described in the CSS Responsible Investment Policy. The proprietary materiality framework optimises how corporate ESG factors are identified and assessed across sectors. This approach unlocks potential value by identifying the associated risks and opportunities. The norms-based responsible investment criteria, as stipulated in the CSS Responsible Investment Policy, restricts investment in companies involved in controversial activities and both companies and countries involved in controversial behaviour. Controversial activities include but are not limited to, the development, production, maintenance or trade of controversial weapons, the production of tobacco products, thermal coal mining and/or oil sands production. In the event that there are strong indications that an issuer may have failed to meet any of the minimum requirements, whether this constitutes a violation is determined by the Management Company.. The information on potential violations can come from the Management Company's external ESG research or engagement providers, input from our own investment staff, or from other parties, such as NGOs or media sources. A fundamental view of the Management Company is its approach of inclusion over exclusion and thus an engagement led divestment approach is applied. In the case of any violations listed in the norms-based responsible investment criteria, assessment is first made so to whether it is possible to engage with the issuer in question to address the violation. If it is decided that engagement is feasible, a formal engagement process must be started in order for the company to remain eligible for investment. If, after what is typically a three-year period, engagement is deemed to be unsuccessful, it may be decided to include it in the Exclusion List. Implementation of the investment strategy also requires for each investment, all three E, S and G components must be demonstrably and consistently integrated where applicable throughout the investment process. This systematic and continuous approach is always based on three steps: 1. Identify, 2. Assess and 3. Integration. The first step towards ESG integration is to identify material ESG issues at company, sector and country level, via an ESG materiality framework. Secondly, each company's performance on material ESG issues is assessed via an ESG Rating. Examination of how well these translate into the business strategy and what opportunities they offer are conducted and potential controversies and their impacts are discussed and analysed. The final process of integration involves incorporating the ESG analysis into investment decision making, which takes into account not just the fundamental, but also the environmental, social and governance factors of the issuer.

#### ● ***How does the designated index differ from a relevant broad market index?***

The designated index differs from a relevant broad market index by...



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

**More product-specific information can be found on the website: [www.cssregtech.com](http://www.cssregtech.com)**