

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Valid as of 03 February 2025

Product name: Sustainable Equity Strategy (the “Strategy”) **Legal entity identifier:** 549300ZK53CNGEEI6A29

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input checked="" type="checkbox"/> 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 20% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy¹ <input checked="" type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

¹While the Strategy seeks to maintain a minimum of 20% of its portfolio weight in sustainable investments, it does not commit to any specific individual or combination of sustainable investment objectives and therefore there is no committed minimum share of environmental or social investments.

²Sustainable Finance Disclosure Regulation

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

What environmental and/or social characteristics are promoted by this financial product?

The Strategy invests primarily in funds that promote environmental and/or social characteristics (have an Article 8 designation under SFDR²) or have a sustainable investment objective (have an Article 9 designation under SFDR). These underlying funds may promote a variety of environmental and social characteristics that they disclose in line with the requirements under SFDR, as applicable.

Within that, the Strategy also seeks to maintain a minimum proportion of at least 20% of its portfolio weight in sustainable investments, which is measured by the fund-weighted average of the minimum sustainable investment commitments made by the managers of the underlying funds within the Strategy.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The following sustainability indicators will be utilised to measure the attainment of the promoted environmental and social characteristics:

- *The proportion of the Strategy invested in funds with an SFDR Article 8 or 9 designation*
- *The fund-weighted average of the underlying funds' minimum sustainable investment commitments*

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

- *The Strategy seeks to maintain at least 20% of its portfolio weight in sustainable investments, measured as the fund-weighted average of the minimum sustainable investment commitments made by the managers of the underlying funds within the Strategy.*
- *In general, the objectives of the sustainable investments made by underlying funds are expected to positively contribute towards social or environmental outcomes and to minimize or avoid adverse impacts on society or the environment.*
- *We calculate the Strategy's sustainable investments holdings using the minimum sustainable investment commitment values as reported by the underlying fund managers in the European ESG Template (EET), a data source that we access via a third-party data provider. The assessment of the objectives of the sustainable investments, and their individual methodologies, are conducted by the managers of the underlying funds and as such, their approaches may vary and may change over time, for example, in accordance with industry practice.*

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- *Sustainable investments made by underlying funds may contribute to these objectives in various ways, as determined by the underlying fund manager, for example:*
 - *Allocating capital towards companies whose products and services solve for environmental or social challenges*
 - *Favouring companies whose products, services and practices have positive contributions on social or environmental outcomes*
 - *Excluding companies that violate international norms or have significant activities that adversely impact society or the environment*
- *There is no commitment for the Strategy to make sustainable investments outside of the funds where underlying managers have made commitments to do so.*

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.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

- *The Strategy invests in funds, some of which make sustainable investments. Under the SFDR, fund managers making a minimum sustainable investment commitment must complete a “Do No Significant Harm” (“DNSH”) assessment to determine whether these investments are involved in activities deemed to have highly negative environmental and social impacts.*
- *Fund managers must apply the DNSH assessment to the proportion of sustainable investments they intend to make, and they must report how those investments do not cause significant harm to any environmental or social investment objective in their SFDR pre-contractual and periodic disclosures.*
- *We monitor our underlying funds’ sustainable investment commitments based on the data that fund managers’ report via the EET. The methodologies for how the DNSH assessment is conducted are determined by the managers of the underlying funds and as such, their approaches may vary and may change over time, for example, in accordance with industry practice.*
- *In conducting the DNSH assessment, fund managers may use a combination of qualitative and quantitative analyses and may rely on proprietary research and third-party data as inputs. In addition to the indicators for adverse impacts on sustainability factors known as “Principal Adverse Impacts” (“PAI”) as required by SFDR, fund managers may consider a range of other datapoints, such as alignment to certain international guidelines and principles and other ESG risk factors and controversies.*
- *The Strategy has not committed to consider significant harm to environmental or social sustainable investment objectives outside of the investments where managers of the underlying funds have made commitments to do so in the context of their sustainable investment proportion.*

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

- *The Strategy invests in funds, some of which make sustainable investments. In their SFDR disclosures, fund managers making a minimum sustainable investment commitment must explain how PAI indicators are taken into account as part of the DNSH assessment of their sustainable investments.*
- *We monitor our underlying funds' sustainable investment commitments based on the data that fund managers report via the EET. The methodologies for how PAIs are taken into account as part of the DNSH assessment are determined by the underlying fund managers and thus, their approaches may vary and may change over time, for example, in accordance with industry practice.*
- *Fund managers' assessments of PAIs may involve a combination of qualitative and quantitative analyses, using input from third-party data providers, as well as proprietary research. Fund managers may also set quantitative or qualitative thresholds in relation to each PAI considered, in absolute terms or relative to an issuer's industry, sector or market. These thresholds may provide an initial indication of whether harm is occurring, upon which the investment manager may undertake further analysis, or should PAI thresholds be exceeded, a company may be deemed ineligible for investment.*
- *Within our Strategy, there are no specific thresholds for how a fund must perform on PAI indicators. While underlying fund managers may choose to consider PAIs in their management more broadly, the Strategy does not commit to considering PAIs outside of the investments where managers of the underlying funds have made commitments to do so in the context of their sustainable investment proportion.*

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

- *In cases where the Strategy invests in funds that make sustainable investments, the SFDR disclosures of fund managers making a minimum sustainable investment commitment must explain how those investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.*
- *We monitor our underlying managers' sustainable investment commitments based on the data that fund managers report via the EET. The assessment of how the sustainable investments are aligned with these guidelines and principles is conducted by our underlying fund managers and thus, their methodologies may vary and may change over time, for example, in accordance with industry practice.*
- *There is no commitment to consider how investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights outside of the investments where managers*

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of the underlying funds have made commitments to do so in the context of their sustainable investment proportion.

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.



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



Yes,

- As noted above, some of the funds in which the Strategy invests make sustainable investments. In their SFDR disclosures, fund managers making a minimum sustainable investment commitment must explain how PAI indicators are taken into account as part of the DNSH assessment of their sustainable investments.
- We monitor our underlying funds’ sustainable investment commitments based on the data that fund managers report via the EET. The methodologies for how PAIs are taken into account as part of the DNSH assessment of their sustainable investments are determined by the underlying fund managers and thus, their approaches may vary and may change over time, for example, in accordance with industry practice.
- Within our Strategy, there are no specific thresholds for how an underlying fund must perform on PAI indicators. There is no commitment to consider PAIs in the Strategy outside of the funds where underlying managers have made commitments to do so in the context of their sustainable investments.



No



What investment strategy does this financial product follow?

The financial product seeks to achieve long-term capital appreciation by investing primarily in equity funds with the flexibility to invest globally across sectors and capitalisations, with a

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

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preference for funds that promote environmental, social and governance (“ESG”) factors into their investment process and/or focus on sustainable themes. The investment Strategy is implemented via the maintenance of:

- At least 80% of the Strategy’s portfolio weight in funds with an SFDR Article 8 or 9 designation
At least 20% of the Strategy’s portfolio weight in sustainable investments, which is defined by the fund-weighted average of the minimum sustainable investment commitments made by the managers of the underlying funds.

Environmental, social, and governance factors promoted by such funds may include:

- Environment: Environmental sustainability and innovation including a reduction of carbon emissions and protecting natural capital
- Social: Respect for stakeholders including shareholders, employees, customers, suppliers, and communities
- Governance: Fair, Transparent, and accountable governance, as well as sound risk management.

The Strategy aims to incorporate ESG analysis into the investment process in the following areas:

- Economic Analysis: The SES portfolio management team evaluates the effects of economic cycle and financial conditions on the Strategy and its investments
- Market Analysis: The portfolio management team’s perspectives on earnings, valuations, secular trends, and market sentiment including ongoing analysis of trends in ESG-related investment and valuation disparities, are incorporated into the Strategy
- Portfolio Construction: The SES portfolio management team flexibly adjusts the Strategy’s asset allocation to reflect their views, leveraging financial and ESG data. ESG metrics are utilised to assess e.g., controversial activities associated with investments or carbon intensity of investments. Comparisons are made relative to traditional indices and views on ESG metrics may be considered alongside traditional considerations such as sector, size, region, volatility, etc.
- Vehicle Selection: The Strategy seeks to invest in funds that have the people, philosophy, and process in place to deliver financially, while promoting factors consistent with the aforementioned principles.

- ***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?***

The following guidelines are the binding elements of the investment strategy used to select the investments to attain the objectives of this financial product:

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- *The Strategy seeks to maintain at least 80% of its portfolio weight in funds with an SFDR Article 8 or 9 designation*
- *The Strategy seeks to maintain at least 20% of its portfolio weight in sustainable investments, which is defined by the fund-weighted average of the minimum sustainable investment commitments made by our underlying managers.*

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable

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

The Strategy seeks to have at least 80% of portfolio weight in funds with an Article 8 or 9 designation, and whose underlying investments resultantly follow good governance practices, as required by SFDR. Our manager selection process includes consideration of third-party provider classifications complemented by our own due diligence on the funds' own SFDR designation and disclosures.

What is the asset allocation planned for this financial product?

The Strategy seeks to maintain a minimum of 80% of the portfolio in investments that are aligned with the promoted environmental and social characteristics, and at least 20% of its portfolio weight in sustainable investments, which is defined by the fund-weighted average of the minimum sustainable investment commitments made by our underlying managers.



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

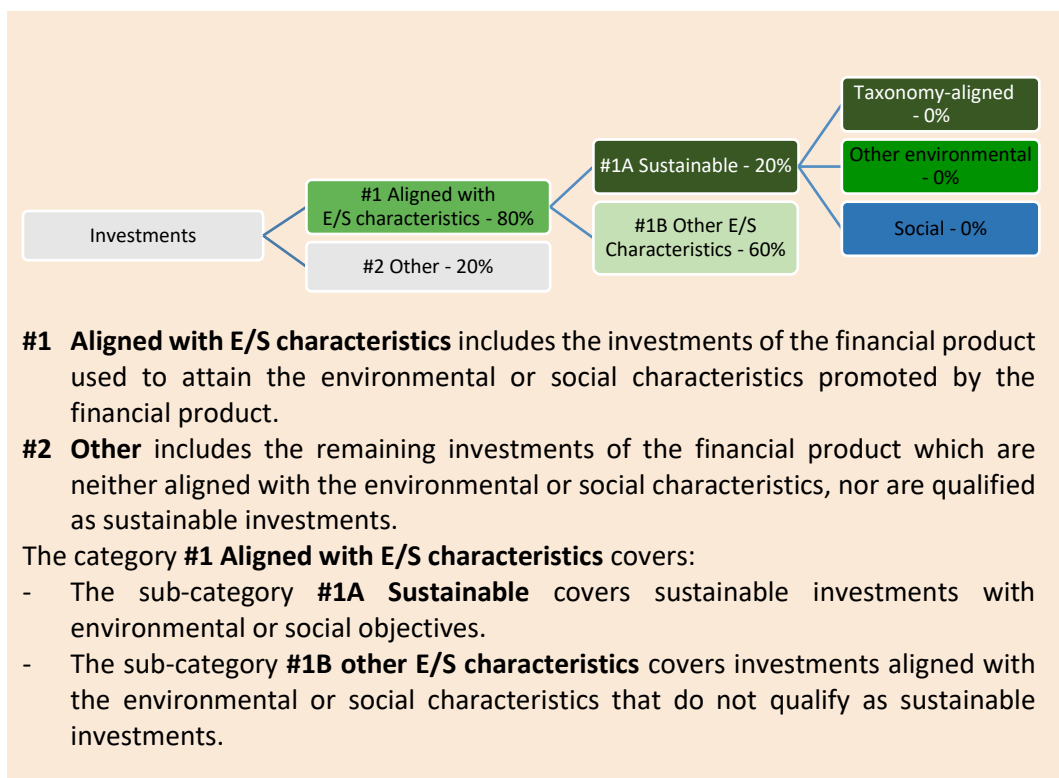
Asset allocation describes the share of investments in specific assets.

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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 environmental or social characteristics promoted by the financial product?**

Not applicable



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

Not applicable

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy^{3,4}?**

Yes:

³ 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 objective - 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.

⁴ Whilst the Strategy has not made any minimum commitments around EU Taxonomy alignment or in Taxonomy-aligned fossil gas and/or nuclear energy related activities, it may have exposure to fossil gas and/or nuclear energy related activities via other investments.

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

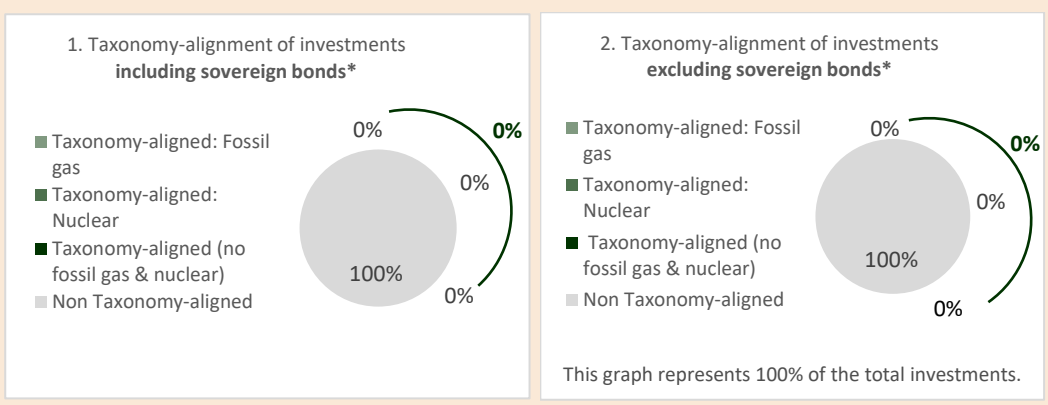
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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.

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

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?**

Not applicable



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

The Strategy seeks to maintain at least 20% of its portfolio weight in sustainable investments, which is measured by the fund-weighted average of the minimum sustainable investment commitments made by the underlying managers of underlying funds. It does not commit to any specific individual or combination of sustainable investment objectives and therefore there is no committed minimum share. While the Strategy does not explicitly target a minimum proportion of investment in environmental objectives, it may invest in funds with an environmental objective.



What is the minimum share of socially sustainable investments?

The Strategy seeks to maintain at least 20% of its portfolio weight in sustainable investments, which is measured by the fund-weighted average of the minimum sustainable investment commitments made by the managers of underlying funds. It

does not commit to any specific individual or combination of sustainable investment objectives and therefore there is no committed minimum share. While the Strategy does not explicitly target a minimum proportion of investment in social objectives, it may invest in funds with an social objective.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Strategy may, under normal market conditions, and for portfolio management reasons (including risk management purposes), hold a maximum of 20% of its total portfolio weight in instruments which are not classified as Article 8 or 9 under SFDR. This includes cash and other instruments for efficient portfolio management purposes, as well as other investments for which the team lacks data to assess if they qualify as sustainable investments or if they promote environmental or social characteristics.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable

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

Not applicable

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

Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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Where can I find more product specific information online?

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

Please refer to the 'SFDR Product Disclosure' section of our website:

<https://privatebank.jpmorgan.com/eur/en/disclosures/sustainability-related-disclosures>

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