Allianz Global Investors

Template – 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, paragraph 1 of Regulation (EU) 2020/852

Product name:

Allianz Wachstum Euroland

Legal entity identifier: 549300F0GR1N43BZW173

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that this 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 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?

●●	☐ Yes	●○	☑ No
☐	It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐	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
	☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy		☐ with an environmental objective 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		☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
			☐ with a social objective
☐	It will make a minimum of **sustainable investments with a social objective:** ___%	☑	It promotes E/S characteristics, but **will not make any sustainable investments**.

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

Allianz Wachstum Euroland (the "Fund") promotes environmental and social characteristics by monitoring greenhouse gas intensity ("GHG Intensity"). The Fund achieves this as follows:

- Step 1: Environmental and social characteristics are promoted by excluding from the Fund's investment universe investments in certain issuers involved in controversial environmental or social business activities through the application of exclusion criteria. As part of this process, the investment manager excludes investee companies from the investment universe if they are found to have committed severe violations of good governance practices, as well as principles and guidelines such as the United Nations Global Compact Principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
- Step 2: The investment manager assesses investments (excluding cash and derivatives) based on the greenhouse gas emissions of investee companies, where such data is available. On this basis, the Investment Manager manages the Fund to ensure that the GHG Intensity of the portfolio is 20.00% below the GHG Intensity of the Fund's benchmark. GHG Intensity is defined as GHG emissions (Scope 1 and 2) per million USD in revenue of the issuer. GHG emissions per million USD in revenue is used as this metric allows for a differentiation between more and less energy-efficient issuers. The investment manager has also determined that GHG Intensity data must be available for a certain percentage of the Fund's portfolio.

A reference benchmark was defined for measuring the attainment of environmental and/or social characteristics promoted by the Fund. The defined benchmark can be found in the section "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?".

The details and methodologies of each step are described in the section "What investment strategy does this financial product follow?"

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

- **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 are used to measure the achievement of the Fund's environmental and/or social characteristics and are reported at the end of the financial year:

  - Confirmation that the exclusion criteria were adhered to throughout the entire financial year of the Fund.
  - The GHG Intensity of the Fund's portfolio as a percentage of the GHG Intensity of the Fund's benchmark. The calculation of the GHG Intensity and the extent to which the GHG Intensity of the Fund's portfolio is lower than that of the Fund's benchmark are specified below in the section "What investment strategy does this financial product follow?".
  - Percentage of the Fund's assets (the percentage is specified in the section "What investment strategy does this financial product follow?") that is covered by data on the GHG Intensity of the respective issuers. The methodology for calculating GHG Intensity is further detailed in the section "What investment strategy does this financial product follow?"

- **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 Investment Manager does not commit to a minimum of sustainable investments.

- **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 Investment Manager does not commit to a minimum of sustainable investments.

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

  The Investment Manager does not commit to a minimum of sustainable investments.

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

  The Investment Manager does not commit to a minimum of sustainable investments.

The EU Taxonomy sets out a "do no 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

☐ No

The investment manager considers Principal Adverse Impacts (PAIs) through measures that directly affect the investment strategy, such as the application of exclusion criteria, as well as indirect measures, such as engagement with corporate issuers and participation in relevant industry initiatives. Considering PAIs does not

imply their complete avoidance, but rather an effort to mitigate them. The overall mitigation objective also depends on the portfolio management within the general investment strategy.

The following PAI indicators are addressed through the direct measures outlined in the table below:

PAI indicator applicable to corporate issuers:	Direct measure (as described in the section: "What investment strategy does this financial product follow?")
– GHG emissions	– Application of exclusion criteria related to coal mining and utility companies generating revenue from coal – The objective is for the GHG Intensity of the Fund's portfolio to be lower than the GHG Intensity of the Fund's benchmark
– Carbon footprint	
– GHG intensity of investee companies	
– Exposure to companies active in the fossil fuel sector	
– Activities negatively affecting biodiversity-sensitive areas	– Application of exclusion criteria related to severe violations of international standards, such as the United Nations Global Compact (UN GC) The following UN Global Compact Principles are relevant to other environmental PAIs: • Principle 7: Businesses should support a precautionary approach to environmental challenges; • Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility • Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies
– Emissions to water	
– Hazardous waste ratio	
– Violation of the principles of the UN Global Compact	– Application of exclusion criteria related to severe violations of international standards, such as the United Nations Global Compact (UN GC)
– Lack of processes and compliance mechanisms to monitor adherence to the UN Global Compact Principles	
– Board gender diversity	– Use of voting rights to promote board gender diversity
– Exposure to controversial weapons	– Application of exclusion criteria regarding controversial weapons
PAI indicator applicable to government and supranational issuers	
– Investee countries subject to social violations	– Application of exclusion criteria for sovereign issuers classified as "Not Free" in the Freedom House Index

Data on PAI indicators is inconsistent. The investment manager will endeavour to increase data coverage for PAI indicators with low data coverage by working with data providers and/or issuers. The investment manager will regularly check whether the availability of data has increased to such an extent that the assessment of such data can be included in the investment process.

PAI indicators are also considered through the following indirect measures:

- The investment manager actively engages in dialogue with investee companies on broader sustainability aspects, including PAI indicators such as gender diversity. This dialogue is also conducted to inform voting decisions ahead of shareholder meetings (regularly for direct investments in equities). When deciding on the exercise of voting rights, the investment manager also considers broader sustainability factors. Further details on the investment manager's approach to voting rights and corporate engagement can be found in the Stewardship Statement of the investment manager.
- The investment manager has joined the Net Zero Asset Managers Initiative[2], an international group of asset managers working in partnership with institutional investors to support the reduction of GHG emissions.

Information on PAI indicators is included in the Fund's annual report.

[2]https://www.netzeroassetmanagers.org/

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as

The Fund's investment objective is to achieve long-term capital growth through exposure primarily to the equity markets of the Member States of the European Currency Union in line with the environmental and social characteristics promoted by the Fund. The Fund's general investment strategy is described in the prospectus.

investment objectives and risk tolerance.

The following applies with regard to the environmental and social characteristics of the investment strategy:

- **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?**

In a first step, the Investment Manager applies the following exclusion criteria, meaning that it does not invest, directly or indirectly, in securities issued by companies:

- have committed serious violations of principles and guidelines such as the United Nations Global Compact (UN GC) Principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
- that develop, produce, use, maintain, offer for sale, distribute, store or transport controversial weapons (e.g. nuclear weapons not covered by the Treaty on the Non-Proliferation of Nuclear Weapons (also known as the "Non-Proliferation Treaty"), anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium and white phosphorus),
- derive more than 10% of their revenue from thermal coal mining.
- operate in the utilities sector and derive more than 20% of their revenue from coal.
- are involved in tobacco production or generate more than 5% of their revenue from the sale of tobacco.

Direct investments in securities issued by sovereign issuers classified as "Not Free" in the Freedom House Index[3] are excluded.

The investment manager applies exclusion criteria to specific issuers based on information from external data providers and, in certain circumstances, internal research. The assessment of issuers against exclusion criteria is conducted at least semi-annually. Under certain circumstances, the investment manager may override the information received. Such decisions are made by an internal decision-making committee composed of representatives from functions such as Investments, Compliance and Legal. Further details on external data providers and the ability to override certain information can be found in the respective product information document on the SFDR website.

Additionally, the investment manager assesses investments (excluding cash and derivatives) based on the GHG Intensity of investee companies, where such data is available. GHG emissions include not only CO_2 emissions but also other emissions such as methane. GHG Intensity is defined as GHG emissions (Scope 1 and 2) per million USD in revenue of the issuer. Scope 1 greenhouse gas emissions include direct emissions from an issuer, while Scope 2 greenhouse gas emissions include indirect emissions from purchased energy. GHG emissions per million USD in revenue is used as this metric allows for a differentiation between more and less energy-efficient issuers. On this basis, the Investment Manager manages the Fund to ensure that the weighted average GHG Intensity of the Fund's portfolio is at least 20% below the weighted average GHG Intensity of the Fund's benchmark on each trading day [4] (i.e. "on each trading day" or "on a continuous basis"). In detail, the following applies:

- The investment manager obtains issuer GHG Intensity data from an external data provider. GHG Intensity data per million USD in revenue is not available for cash, derivatives, sovereign issuers and issuers not covered by the data provider. Such data must be available for at least 75% of the Fund's assets. The basis for calculating the 75% threshold is the Fund's net asset value (NAV). GHG Intensity data is not available for certain assets (e.g. bank balances, cash and deposits) due to their nature. Derivatives are also not rated. GHG Intensity is also calculated for internal target funds. The proportion of the portfolio for which GHG Intensity data is unavailable varies depending on the general investment strategy of the Fund, as described in the prospectus.
- Only issuers and instruments for which the investment manager has GHG Intensity data are included in the GHG Intensity calculation of the Fund's GHG Intensity. The GHG Intensity of each issuer is weighted according to the issuer's proportion in the Fund. The portfolio weights of issuers with available GHG Intensity data are mathematically adjusted so that the sum of their weights in the Fund equals 100%. The proportion of the portfolio for which GHG Intensity data is unavailable varies depending on the general investment strategy of the Fund, as described in the prospectus.
- The Investment Manager selects issuers from the remaining investment universe (i.e. after applying exclusion criteria) and weights them so that the Fund's GHG Intensity remains consistently at least 20% below the GHG Intensity of the Fund's benchmark, as described in the section "What investment strategy does this financial product follow?".

[3] The relevant country's classification can be found in the Freedom House Index (https://freedomhouse.org/countries/freedom-world/scores) in the "Total Score and Status" column within the "Global Freedom Scores" section.

[4] The term "trading day" describes the days on which the banks and relevant markets in all countries/regions relevant to the Fund are open all day. The sales prospectus specifies which countries/regions and markets are relevant to the Fund, taking into account the investment strategy and objectives set out in the "Special Investment Terms and Conditions".

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

The Fund does not commit to reducing the scope of investments considered before the application of the investment strategy by a specific minimum percentage.

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

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

Companies are excluded if they are proven to have violated established standards that align with the four principles of good governance: robust management structures, employee relationships, employee remuneration and compliance with tax regulations. The data on excluded companies is based on information provided by external data providers and, in certain cases, internal research. Under certain circumstances, the investment manager may override the information received. Such decisions are made by an internal decision-making committee composed of representatives from functions such as Investments, Compliance and Legal.

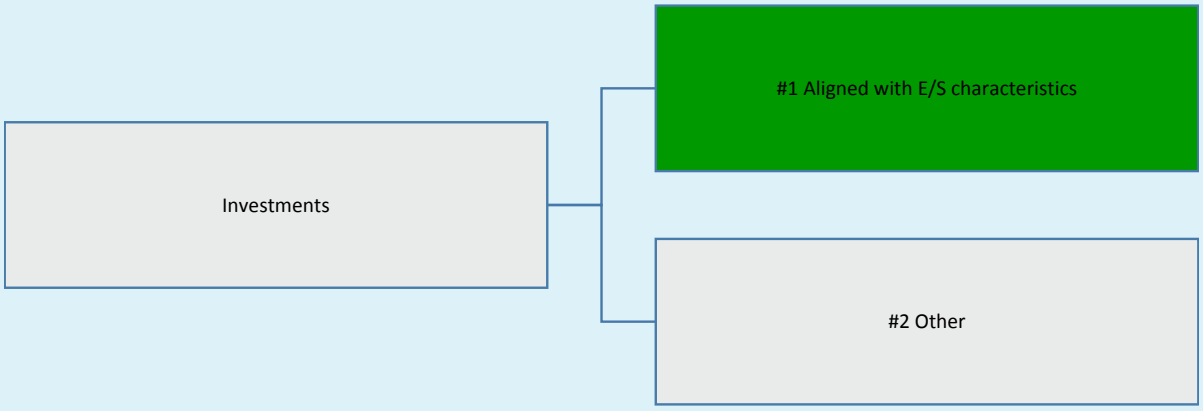
In addition, the Investment Manager actively promotes dialogue with the potential investee companies about matters relating to governance. This is done, among other reasons, in order to prepare voting decisions in advance of shareholders' meetings (regularly in the case of direct investments in equities). When making voting decisions, the investment manager also considers broader sustainability aspects. Further information about the Investment Manager's approach to the exercise of voting rights and engagement with companies is set out in the Management Company's stewardship statement.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The asset allocation section describes which portfolio assets the investment manager is required to use to promote environmental or social characteristics:

- The investment manager commits to selecting issuers with available GHG Intensity data for at least 75% of the Fund's assets (#1 Aligned with E/S characteristics). The Investment Manager manages the Fund to ensure that the GHG Intensity of the portfolio remains consistently at least 20.00% below the GHG Intensity of the Fund's benchmark.



#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.

- How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to promote the environmental or social characteristics of the Fund.

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

The Investment Manager does not commit to a minimum proportion of sustainable investments that are aligned with the EU Taxonomy.

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
- **operating expenditure** (OpEx) reflecting green operational activities of investee companies

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy [1]?

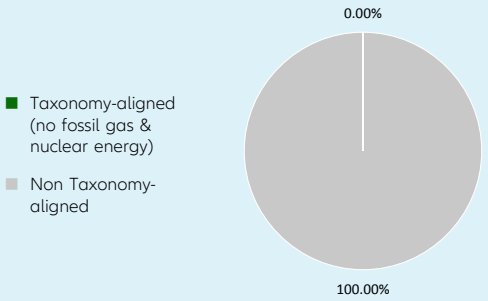
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

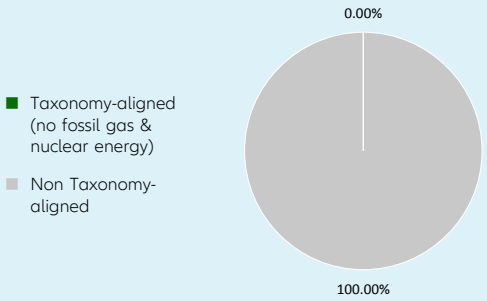
☑ No

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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments.

It should be noted that as this Fund does not have a minimum quota for Taxonomy-aligned investments, this graph does not generate any additional added value compared to the graph on the left.

** For the purpose of these graphs, "sovereign bonds" include all sovereign exposures.*

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

The investment manager does not undertake to split the minimum Taxonomy orientation into transition and enabling activities and its own performance.

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.

[1] 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.

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

The investment manager does not commit to a minimum proportion of environmentally sustainable investments that are not aligned with the EU Taxonomy.

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

What is the minimum share of socially sustainable investments?

The investment manager does not commit to a minimum of socially sustainable investments.

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

The instruments categorized under "#2 Other" are permissible assets as defined in the Fund prospectus. These include cash and cash equivalents, target funds, permitted asset classes and derivatives that do not specifically promote environmental or social characteristics. The Fund may use derivatives, which always fall under the category "#2 Other Investments", for hedging, liquidity management, efficient portfolio management and investment purposes. These investments do not have any environmental or social minimum safeguards.

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?

Yes, the Investment Manager has established the S&P Eurozone Large Mid Cap Growth Total Return Net index (the "benchmark") as the benchmark for the Fund. This benchmark is a market index. The Fund promotes environmental and social characteristics by monitoring the GHG Intensity to ensure that it remains consistently 20% below the GHG Intensity of the benchmark, as described in the section "What investment strategy does this financial product follow?".

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

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

  The benchmark is a market index that is not continuously aligned with the individual environmental or social characteristics promoted by the financial product. The benchmark is used to compare the GHG Intensity of the Fund with the market as reflected by the Fund's benchmark.

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

  The benchmark is a market index and does not take into account the same environmental or social characteristics as promoted by the Fund when designing the index.

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

  The Fund's benchmark is a market index.

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

  For further information on the methodology of the Fund's benchmark, see https://www.spglobal.com/spdji/en/indices/equity/sp-eurozone-largemidcap/#overview



Where can I find more product specific information online?

Further product-specific information can be found on the website: https://regulatory.allianzgi.com/de-de/sfdr/funds/mutual-funds