Swisscanto
Asset Management
International S.A.

swisscanto

Pre-contractual disclosure

the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name:
Swisscanto (LU) Equity Fund Sustainable

Legal entity identifier (LEI-Code):
549300DDX1YJO3FS0063

Version:
December 2025

Sustainable investment objective

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

Does this financial product have a sustainable investment objective?

☒ Yes	☐ No
☒ It will make a minimum of **sustainable investments with an environmental objective**: ___30%	☐ It promotes **Environmental/Social (E/S) characteristics** and while it does not have as ist objective a sustainable investment, it will 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**: ___30%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**.

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.

What is the sustainable investment objective of this financial product?

The sustainable investment objective of this financial product is to invest a minimum quota of 80% in issuers, which, based on its proprietary assessment, make a contribution to sustainable objectives (sustainable investment within the meaning of Article 2(17) SFDR) relating to one or more of the United Nations Sustainable Development Goals (hereinafter the "SDGs"). This contribution can be made in terms of products and services, sustainable business practices or sustainable value chains of companies.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

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

The Asset Management uses different data points to measure the attainment of its sustainable investment objectives. It uses data from independent, third-party providers and proprietary qualitative and quantitative research in this process.

Sustainability indicators integrated with the investment process are then used to assess the attainment of the sustainable investment objectives:

1. Sustainable Investments

The Asset Management focuses on the securities of companies, which, based on its assessment, make a contribution to sustainable objectives relating to one or more of the SDGs. This involves a qualitative and quantitative analysis of the products and services offered by companies that pursue sustainable business practices or sustainable value chains. Details on the sustainable investment quota resulting from this analysis can be found in the section on the binding elements of the investment strategy.

Investments that no longer comply with the characteristics described above are removed from the portfolio by an appropriate deadline.

The sub-fund does not use a reference benchmark to meet the described sustainable investment objective.

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

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?

Issuers with a negative net contribution to the SDGs are removed from the investment universe of the financial product. The sub-fund also considers adverse impacts on sustainability factors (principal adverse impacts, hereinafter "PAIs"). The mandatory indicators in Annex I of the commission delegated regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 (hereafter "Annex I to Regulation (EU) 2019/2088") are used for this purpose. Accordingly, issuers categorised by the Asset Management as causing significant harm on the basis of PAIs are excluded from the investment universe and the portfolio by an appropriate deadline.

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

Any breaches of the following standards are considered when analysing investments for inclusion as sustainable investments: the UN Global Compact (UNGC), UN Guiding Principles on Business and Human Rights (UNGP), and the International Labour Organisation (ILO) Conventions. Serious breaches of these standards result in the exclusion from the investment universe and the portfolio by an appropriate deadline.

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

☒ Yes,

The sub-fund considers principal adverse impacts (PAIs) on sustainability indicators. The mandatory indicators in Annex I to Regulation (EU) 2019/2088 are used for this purpose. Accordingly, issuers categorised by the Asset Management as causing significant harm on the basis of a PAI rating are excluded from the investment universe.

The Asset Management uses the data of third-party providers. Where this is not possible, the Asset Management will make reasonable efforts to obtain the data directly or to estimate this data in the best way possible.

The information regarding PAIs required under Article 11(2) of Regulation (EU) 2019/2088 is published in the Annual Report.

☐ No

What investment strategy does this financial product follow?

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

The fund invests at least 85% of its assets in equity securities and value rights of companies. A maximum of 15% of the net assets can be invested in variable and fixed income securities and money market instruments as well as liquidity.

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

1. Sustainable Investments

The Asset Management focuses on sustainable investments through investing in issuers, which, based on its proprietary assessment, make a contribution to sustainable objectives relating to one or more of the SDGs. This contribution can be made in terms of products and services, sustainable business practices or sustainable value chains of companies. The issuers identified in this way are counted in full as sustainable investments. The Asset management distinguishes between investments in SDG leaders, ESG leaders and Theme Adopters, and breaks down their contributions to environmental and social goals.

Asset management ensures that at least 90% of the net assets or issuers included in the portfolio are analysed when implementing the sustainable characteristics.

1.1. Investments in SDG leaders

Securities from issuers that make a significant contribution to the SDGs with their products and services (known as 'SDG leaders') qualify as sustainable investments in accordance with Article 2(17) and for the sustainable investment universe.
A significant contribution means net at least 40% of turnover from a sustainable solution with a positive contribution, or 20% of turnover from a sustainable solution with a strongly positive contribution. This results in an SDG score of ≥ 60. In exceptional cases, an issuer may qualify as an SDG leader if it produces a key component of a sustainable solution, even if the 40% or 20% threshold is not met.
The resulting SDG scores are measured on a scale of 0 to 100, with 0 being the lowest and 100 the best. SDG leaders are companies with a score ≥ 60. With each subsequent data update, a company remains an SDG leader if its SDG score is at least 55.

1.2. Investments in ESG leaders

Furthermore, securities are assessed on a best-in-class basis relating to a sustainable economic approach using environmental, social and governance (ESG) criteria. Securities that are assessed as above-average (referred to as ESG leaders) and which have optimized their processes in accordance with SDG 8 (decent work and economic growth) are also included in the investment universe and qualify as sustainable investments in accordance with Article 2(17).
Proprietary ESG scores calculated by the Asset Management for companies are used as the basis for identifying ESG leaders. These are based on the data of independent third-party providers and calculated using proprietary criteria, algorithms and weightings. The Asset Management considers the relevance of ESG criteria with regards to sustainability risks and opportunities. The ESG scores calculated cover a scale of 0 to 100, whereby 0 is the lowest value, 50 the average, and 100 the best.

ESG leaders are companies with an ESG score ≥ 50 and governments with an ESG score ≥ 66.67. In exceptional cases, ESG leaders may be defined on the basis of fundamental research even if their ESG score is under 50. At every subsequent data update, companies that were an ESG Leader remain an ESG Leader, so long as their score is at least 45.

1.3. Investments in Theme Adopters

Companies that have optimized their value chain with regard to the circular economy and digital economy are also counted as sustainable investments in accordance with Article 2(17). Such companies are included as so-called Circular Economy or Digital Economy Adopters based on a fundamental analysis. Accordingly, from criteria such as Recycling rates, waste reduction, takeback initiatives, eco-design policies, disclosure of recycling content in products/packaging, a Circular Economy Adopters Score is determined. Companies with an above-average score qualify as Circular Economy Adopters. From criteria such as the area of operations and policy, the level of investment to promote the company's digital transformation of the company, the integration of a digital strategy into the company's entire business model, the degree of process automation in customer and employee activities, a Digital Economy Adopters Score is determined. Companies with an above-average score qualify as Digital Economy Adopters.

2. ESG integration

As part of the investment process, the Asset Management follows an approach which integrates environmental, social and governance (ESG) aspects. This means that environmental and/or social characteristics are automatically considered in addition to traditional financial analysis when selecting investments, in order to guarantee a positive contribution (opportunities) to ESG criteria and where applicable investment returns. There are therefore limited investments in ESG laggards. ESG laggards are companies within a specific sector or industry branch with particularly poor ESG scores versus their peers based on proprietary ESG scores. If an engagement on ESG issues is carried out with an ESG Laggard, this company is not counted as an ESG Laggard as long as the engagement is active. The duration of the engagement can typically extend over a period of 4 years. The ESG score is reviewed at least once a year for new circumstances and findings and adjusted if necessary.

The weighting of all positions in ESG laggards in the sub-fund is the same or lower than the weighting of all positions in ESG laggards in the sub-fund’s benchmark.

3. Reduction of CO_2e intensity

The Asset Management's investment activity targets a continuous reduction in the CO_2e intensity of investments. CO_2e intensity for companies is defined as CO_2e emissions in relation to turnover (tonnes of CO_2e per USD million of turnover), and for government bonds as CO_2e emissions in relation to economic value added (tonnes of CO_2e per USD million of gross domestic product). Greenhouse gases with a global warming effect are included in accordance with the international Greenhouse Gas Protocol (GHG Protocol) (measured in CO_2 equivalents – CO_2e). Data of independent third parties is used to calculate CO_2e intensity. The Asset Management uses this data to calculate the relevant CO_2e intensity, taking account of data availability and quality, any methodology discrepancies and special cases.

The Asset Management defines a guideline for the average CO_2e intensity of the sub-fund's assets on an annual basis. The Asset Management defines the respective guideline each year on the basis of the target value for the global reduction of CO_2e emissions (at least 7.5% annually), which is based on the Paris Climate Agreement of 12 December 2015. The guideline for the average CO_2e intensity of the sub-fund's assets is calculated by discounting the CO_2e intensity of the assets included in the reference benchmark as at the end of 2019 annually by the target value (7.5%) and global economic growth. The Asset Management uses a rolling arithmetic average of nominal economic growth over the last three years to calculate economic growth.

4. Exclusion criteria

The Asset Management uses exclusion criteria to identify an increased risk of harm to environmental and social values, or business activities that are considered high risk. These exclusion criteria are also used to establish an investment universe focused more specifically on investments that are aligned with these values.

The following activities correspond to the exclusions from Article 12(1) a) – g) of Delegated Regulation (EU) 2020/1818 in relation to EU Paris-aligned benchmarks (so-called "PAB exclusions"). The Asset Management has also determined other additional activities which result in the exclusion of companies from the investment universe:

- The production of weapons and munitions, including the following banned weapons:
  - Cluster bombs and munitions
  - Anti-personnel and landmines
  - Biological and chemical weapons
  - Nuclear weapons systems
  - Nuclear weapons material
  - Enriched uranium
  - Blinding laser weapons
  - Incendiary weapons
- Manufacture of war technology
- Behaviour-based exclusions including those included in the list of the SVVK-ASIR (Swiss association for the promotion of responsible capital investment)
- Breaches of the UN Global Compact.
- Exploitative child labour
- Production of pornography
- Coal mining (ex metal production)
- Operation of nuclear plants
- Uranium extraction
- Production of nuclear reactors
- Genetic engineering: human medicine
- Production of tobacco products and cigarettes
- Alcohol production (> 5% turnover)
- Gambling (> 5% of turnover)
- Factory farming
- Coal reserves
- Operation of fossil fuel power plants (>5% of turnover)
- Natural gas extraction
- Oil extraction
- Conventional car manufacturers that do not have a comprehensive strategy for the transition to the use of alternative more environmentally friendly motors
- Aircraft production

- Airlines
- Cruise ship operators
- Genetic engineering (release of GMOs)
- Unsustainable fishing and fish farming
- Unsustainable forestry management
- Non certified palm oil (<50% RSPO)

5. Investment Universe

Asset management reduces the initial investment universe by at least 20% as a result of the sustainability process applied (application of the binding elements of the sustainable profile). The composition of this universe is based exclusively on the fund's investment strategy and the assets that are eligible for selection. In the event of a change in the initial investment universe due to a change in the composition of the benchmark, there may be temporary deviations from the stated reduction percentage. These deviations will be corrected within a reasonable period of time and in the interests of the unit holders.

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

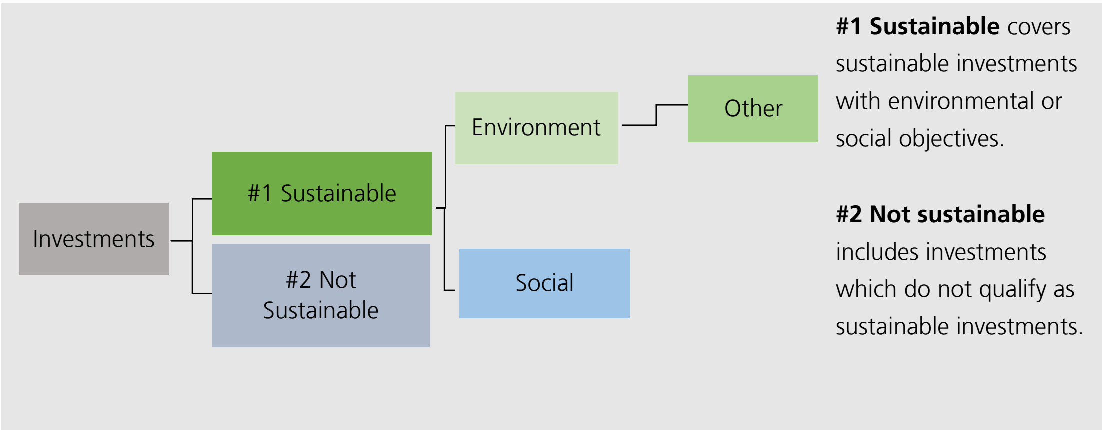
What is the policy to assess good governance practices of the investee companies?

Good governance is considered when analysing investments by verifying compliance with the following global standards: the UN Global Compact (UNGC), UN Guiding Principles on Business and Human Rights (UNGP), and the International Labour Organisation (ILO) Conventions. Any breach of these standards results in the exclusion of the issuer from the financial product's universe of investee companies.

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

Asset allocation describes the share of investments in specific assets.

The Asset Management invests at least 80% of the net assets of the sub-fund in sustainable investments in accordance with Article 2(17) SFDR (#1 Sustainable). Thereof, a minimum of 30% in Environment and a minimum of 30% in Social. The sum of the sub-fund's investments, which are aimed at an environmental and social objective, is always at least 80%. The Asset Management reserves the right to invest in other assets up to a maximum of 20% of the sub-fund's net assets (#2 Not Sustainable).



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

Derivatives are not used to achieve the sustainable investment objective.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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.

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

0% of the portfolio. The fund does not pursue sustainable investments aligned with the EU taxonomy.

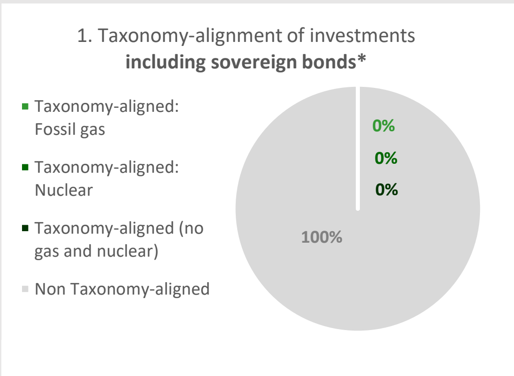
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy[1]?

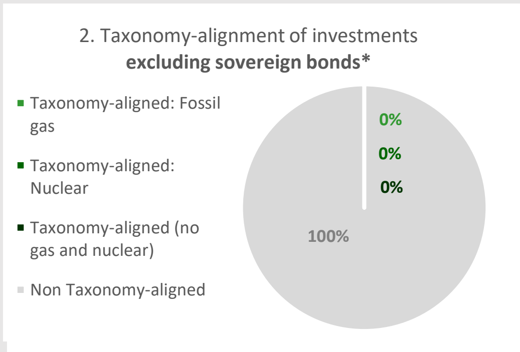
☐ Yes

☐ 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.





This graph represents 100% of the total investments.

** 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?

0% of the portfolio.

[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 activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

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

The minimum proportion of sustainable investments with an environmental objective is 30% of the portfolio.

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

The minimum proportion of sustainable investments with a social objective is 30% of the portfolio.

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

Investments classified as "not sustainable" are all assets included in net assets after the deduction of sustainable investments. This share amounts to a maximum of 20%. These assets can be allocated to the following groups:
Liquid assets or derivatives (with the exception of derivatives based of individual companies) do not fall under sustainable investments. The ability to make such investments is particularly necessary for efficient portfolio management.
These assets do not impair the achievement of the sub-fund's sustainable investment objectives as they only account for a limited proportion of its assets.

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

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

  An index is not used as a reference benchmark to meet the sustainable investment objectives.

Where can I find more product specific information online?

Further information on the product-related sustainability policy of the sub-fund can be found on the following website:
https://products.swisscanto.com/products/product/LU0161535835.