

Product name:

Allianz Thematica

Legal entity identifier: 5493004ZRV2CSS15YF05

Environmental and/or social characteristics

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 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 30.00% of sustainable investments	☐	with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐	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
☐	in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐	It promotes E/S characteristics, but will not make any sustainable investments		
☐	It will make a minimum of sustainable investments with a social objective ____%				



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

Allianz Thematica (the "Sub-Fund") promotes a broad range of environmental and social characteristics. The Sub-Fund does so by:

- As a first step promoting environmental and social characteristics, by, excluding direct investments in certain issuers which are involved in controversial environmental or social business activities from the investment universe of the Sub-Fund by applying exclusion criteria. Within this process the Investment Manager excludes investee companies that severely violate good governance practices and 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 for Business and Human Rights.
- In a second step, the Investment Manager will adhere to a minimum percentage of 30.00% of Sustainable Investments. Sustainable Investments include a broad range of environmental and social topics, for which the Investment Manager uses as reference frameworks, among others, the UN Sustainable Development Goals (SDGs), as well as the EU Taxonomy objectives. The proprietary methodology to assess the environmental and social contribution is described in the section "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?" and contains an assessment of the positive contribution to environmental and social contributions as well as an assessment to avoid significant harm to any environmental or social objective.
- Further, the Investment Manager commits to invest minimum 65% of Sub-Fund's net asset value into issuers which, as assessed by the Investment Manager, are not considered to significantly harm any environmental or social objective according to the Sustainable Investment methodology.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

Details and methods of each step are described within 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?**

To measure the attainment of the environmental and/or social characteristics the following sustainability indicators are used and reported on, at the end of the financial year:

- Confirmation that the exclusion criteria have been adhered to throughout the Sub-Fund's financial year.
- Percentage of Sustainable Investments at the end of the financial year.
- Percentage of assets invested in issuers which have been assessed according to the Sustainable Investments methodology. The calculation of the Sustainable Investments methodology is described below in the sections "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?" and "What investment strategy does this financial product follow?".
- Percentage of investments that pass the assessment to not significantly harm environmental or social objectives.

● **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 objectives of the Sustainable Investments that the financial product partially intends to make include a broad range of environmental and social topics, for which the Investment Manager uses as reference, among others, the UN Sustainable Development Goals (SDGs)[1], as well as the EU Taxonomy objectives 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 as well as Protection and Restoration of Biodiversity and Ecosystems.

The Investment Manager measures how the Sustainable Investments contribute to the objectives based on a proprietary methodology as follows:

- Business activities of an issuer are broken down into revenues generated by the various business activities based on external data. In cases where the split of business activities received is not granular enough, it is determined by the Investment Manager. The business activities are internally assessed as to whether they contribute positively to an environmental or a social objective. The revenue share of each business activity that contributes positively to an environmental or social objective is allocated to the Sustainable Investment share, provided the issuer passes the Do No Significant Harm ("DNSH") assessment and is satisfying the Good Governance principles.
- For issuers whose business activities amount to a Sustainable Investment share of at least 20% and who are transitioning or are already aligned with a Net Zero pathway, the Investment Manager increases the calculated Sustainable Investment share allocated to the issuer in question by 20 percentage points. The issuers are considered transitioning to Net Zero if they are (1) achieving Net Zero, (2) aligned to Net Zero or (3) 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 with a Net Zero pathway.
- For securities, which finance specific projects ("Project Bonds") contributing to environmental or social objectives, the overall investment is considered to contribute to environmental and/or social objectives, but also for these a DNSH as well as a Good Governance check for issuers (or in some cases at project level) is performed.
- The Sustainable Investment share of each issuer and each Project Bond is weighted based on the percentage of the portfolio invested in such issuer or Project Bonds, respectively. The individual weighted Sustainable Investment shares of all issuers and Project Bonds are aggregated in order to compute the Sustainable Investment share of the Sub-Fund.

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

- **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?**

To assess that Sustainable Investments do not significantly harm any other environmental and/or social objective, the Investment Manager is using the indicators regarding principal adverse impacts ("PAI") on sustainability factors.

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?*

All mandatory PAI indicators are taken into account as follows:

- Investments in issuers violating the exclusion criteria for controversial weapons, severely violating 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 for Business and Human Rights or sovereign issuer with an insufficient freedom house index score 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?".
- Thresholds are determined for all PAI indicators except for the "share of non-renewable energy consumption and production" which is indirectly reflected in other PAI indicators.

In detail, the Investment Manager has taken the following steps:

- Defined significance thresholds to identify significantly harmful issuers. Issuers are measured against the significance thresholds at least bi-annually. Depending on the respective indicator, the thresholds are determined either relative to the sector, absolute or based on events or situations in which companies allegedly have a negative environmental, social or governance impact (controversies). The Investment Manager can engage with issuers not meeting the significance thresholds in order to allow the issuer to remediate the adverse impact.
- Weighing the PAI indicator according to the level of confidence in the quality of data available which are computed to an overall DNSH score relevant for the issuer. The overall DNSH score is determined based on the threshold for each PAI and the confidence weight. A company is considered to not pass the DNSH assessment if the overall DNSH score is one or more. If the issuer does not meet the overall DNSH score twice subsequently or in case of a failed engagement, it does not pass the DNSH assessment. Investments in securities of issuers which do not pass the DNSH assessment are not counted as Sustainable Investments.
- In certain circumstances where backward-looking or forward-looking information is inconsistent with the DNSH assessment, the Investment Manager may override the DNSH assessment. The override decision is made by an internal decision-making body which is composed of functions including Investments, Compliance and Legal.

There is a lack of data coverage for PAI indicators. Equivalent data points are used to assess PAI indicators when applying the DNSH assessment, when relevant, for the following indicators for corporates: share of non-renewable energy consumption and production, activities negatively affecting biodiversity-sensitive areas, emissions to water, lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises; for sovereigns: GHG Intensity and investee countries subject to social violations. In the case of Project Bonds equivalent data at project level might be used to ensure that Sustainable Investments do not significantly harm any other environmental and/or social objective. The Investment Manager will strive to increase data coverage for PAI indicators with low data coverage by engaging with issuers and data providers. The Investment Manager will regularly evaluate whether the availability of data has increased sufficiently to potentially include assessment of such data in the investment process.

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

The Investment Manager's exclusions as described in the section "What investment strategy does this financial product follow?" exclude companies severely violating one of the following frameworks: Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights.

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 not 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 PAIs through measures directly impacting the investment strategy such as applying exclusion criteria and indirect measures such as engagement with corporate issuers and joining relevant industry initiatives. Considering PAIs does not mean avoiding PAIs but aiming to mitigate such PAIs. The overall mitigation aim is also dependent on the management of the portfolio according to the general investment strategy.

The following PAI indicators are considered through the direct measures set out 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 relating to coal extraction and utility companies generating revenues from coal – Individual minimum exposure to issuers which pass the DNSH assessment
– 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 relating to severe violation of international norms such as the UN Global Compact (UN GC). The following principles of the UN GC are related to the 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 – Individual minimum exposure to issuers which pass the DNSH assessment
– Emissions to water	
– Hazardous waste ratio	
– Violation of UN Global compact principles	– Application of exclusion criteria relating to severe violation of international norms such as the UN Global Compact (UN GC) – Individual minimum exposure to issuers which pass the DNSH assessment
– Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles	
– Board gender diversity	– Use of voting rights to promote board gender diversity – Individual minimum exposure to issuers which pass the DNSH assessment
– Exposure to controversial weapons	– Application of exclusion criteria relating to controversial weapons
PAI indicator applicable to sovereign and supranational issuers	
– Investee countries subject to social violation	– Application of exclusion criteria related to sovereign issuers identified as “not free” from the Freedom House Index

The data coverage for the data required for the PAI indicators is heterogenous. The Investment Manager will strive to increase data coverage for PAI indicators with low data coverage through engagement with data providers and/or issuers. The Investment Manager will regularly evaluate whether the availability of data has increased sufficiently to potentially include assessment of such data in the investment process.

The principal adverse impact indicators are also considered through the following indirect measures:

- The Investment Manager actively encourages and conducts dialogues with investee companies on broader sustainability issues which include PAI indicators such as Gender Diversity, also to prepare voting decisions in advance of shareholder meetings (regularly for direct investments in shares). In deciding how to exercise voting rights, the Investment Manager also considers broader sustainability issues. Further details on the

Investment Manager's approach to the exercise of voting rights and company engagement is set out in the Investment Manager's Stewardship Statement.

- The Investment Manager has joined the Net Zero Asset Manager Initiative[2]. This is an international group of asset managers committed to reduce GHG emissions in partnership with institutional investors.

The information on the PAI indicators will be available in the end-year report of the Sub-Fund.

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



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 Sub-Fund's investment objective is to generate long-term capital growth by investing in global Equity Markets with a focus on theme and stock selection in accordance with the environmental and social characteristics promoted by the Sub-Fund. The Sub-Fund's general investment strategy is described in the prospectus.

With respect to environmental and social characteristics of the Investment Strategy, the following applies:

- **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?**

As a first step, the Investment Manager applies the following exclusion criteria, i.e., does not directly invest in securities issued by companies:

- severely violating 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 for Business and Human Rights,
- developing, producing, using, maintaining, offering for sale, distributing, storing, or transporting controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons outside of the non-proliferation treaty),
- deriving more than 10% of their revenue from thermal coal extraction,
- active within the utility sector and generating more than 20% of their revenues from coal,
- involved in the production of tobacco, or deriving more than 5% of their revenues from the distribution of tobacco.

Direct investments in securities issued by sovereign issuers qualified with a score as "not free" by the freedom house index[3] are excluded.

The Investment Manager applies the exclusion criteria to a specific issuer based on information provided by external data providers and in certain circumstances internal research. The assessment of issuers against the exclusion criteria is performed at least half yearly. In certain circumstances, the Investment Manager may override the information received. The override decision is made by an internal decision-making body which is composed of functions including Investments, Compliance and Legal. Further information on external data providers and the override process are available on the respective SFDR Website Product Disclosure.

In addition, the Investment Manager assesses investments (excluding cash and derivatives) according to the Sustainable Investments methodology as far as such data is available. Sustainable Investments include a broad range of environmental and social topics, for which the Investment Manager uses as reference frameworks, among others, the UN Sustainable Development Goals (SDGs), as well as the EU Taxonomy objectives. The proprietary methodology to assess the environmental and social contribution is described in the section "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?" and contains an assessment of the positive contribution to environmental and social contributions as well as an assessment to avoid significant harm to any environmental or social objective. For at least 80% of assets held in the Sub-Fund's portfolio such an assessment needs to be performed. The basis for the calculation of the 80% threshold is the Sub-Fund's net asset value except instruments for which Sustainable Investments data is not available such as cash and derivatives.

Further, the Investment Manager commits to a minimum proportion of 30% of Sub-Fund's net asset value in Sustainable Investments.

Lastly, the Investment Manager commits to invest minimum 65% of Sub-Fund's net asset value into issuers which, as assessed by the Investment Manager, are not considered to significantly harm any environmental or social objective according to the Sustainable Investment methodology. Issuers are not considered to significantly harm any environmental or social objective if they pass the assessment to not significantly harm any environmental or social objective. Details and methods of determining significant harm of any environmental or social objective are described within the section "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?".

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

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

The Sub-Fund does not commit to reduce the scope of the investments considered prior to the application of the Investment Strategy by a certain minimum rate.

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

Companies are excluded based on verified failure to respect established norms corresponding to four good governance practices: sound management structures, employee relations, remuneration of staff and tax compliance. The excluded companies are based on information provided by external data providers and in certain circumstances internal research. In certain circumstances, the Investment Manager may override the information received. The override decision is made by an internal decision-making body which is composed of functions including Investments, Compliance and Legal.

Further, the Investment Manager actively encourages and conducts dialogues with investee companies on governance issues, also to prepare voting decisions in advance of shareholder meetings (regularly for direct investments in shares). Decisions on how to exercise voting rights also consider broader sustainability issues. Further details on the Investment Manager's approach to the exercise of voting rights and company engagement is set out in the Management Company's Stewardship Statement.

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



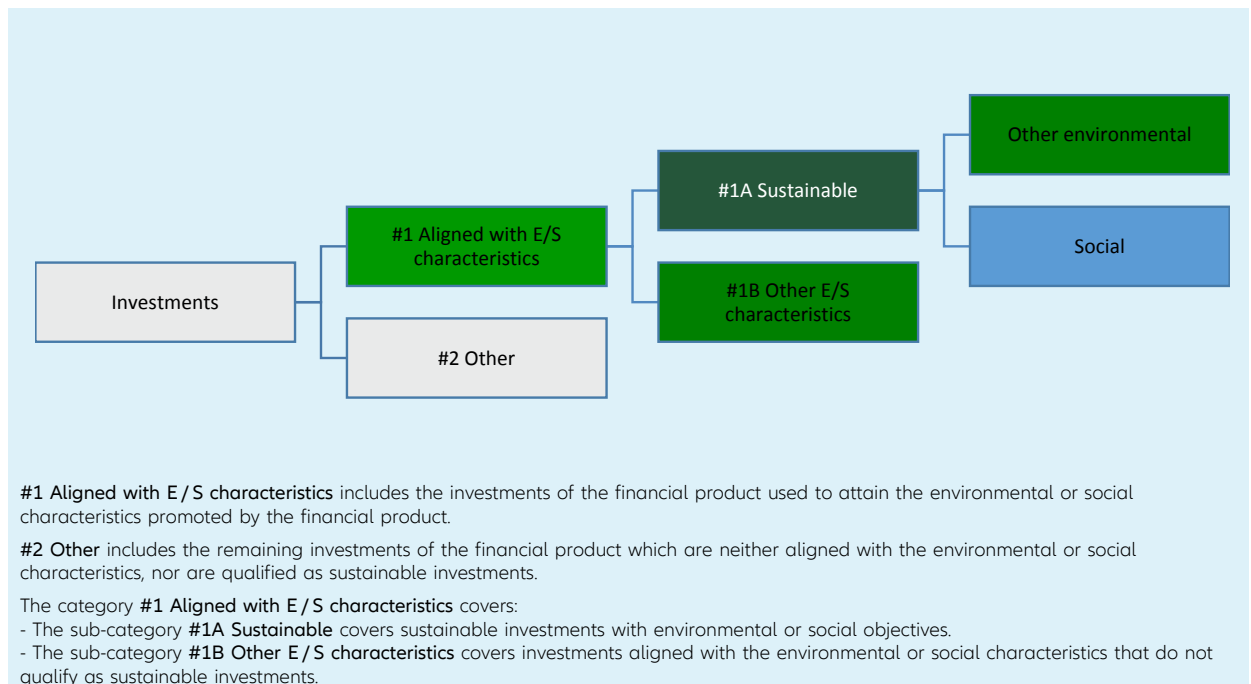
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The asset allocation section describes which assets of the portfolio the Investment Manager commits to use to promote environmental or social characteristics:

- The Investment Manager commits to invest at least 65% (#1 Aligned with E/S characteristics) in issuers which as assessed by the Investment Manager are not considered to significantly harm any environmental or social objective according to the Sustainable Investment methodology. Issuers are not considered to significantly harm any environmental or social objective if they pass the assessment to not significantly harm any environmental or social objective. Details of the assessment on whether issuers significantly harm any environmental or social objectives are described in the section "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?"
- Min. 30.00% (#1A Sustainable) of Sub-Fund's net asset value will be invested in Sustainable Investments.

The Investment Manager does not commit to a minimum share of environmentally Sustainable Investments that are aligned with the EU Taxonomy nor a minimum share of environmentally Sustainable Investments that are not aligned with the EU Taxonomy. The Investment Manager does not commit to a minimum share of socially Sustainable Investments. Sustainable Investments will be included in the Sustainable Investment proportion the Investment Manager has committed to (min. 30.00%) irrespective of their contribution to environmental and/or social objectives.



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

Derivatives are not used to attain the environmental or social characteristics promoted by the Sub-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 share of Sustainable Investments with an environmental objective aligned with the EU Taxonomy. The overall Sustainable Investment share may also include investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The Investment Manager does not pursue any investments in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy. Nevertheless, the Investment Manager may invest in corporates which are also active in these activities. Further information will be provided as part of the annual reporting, if relevant.

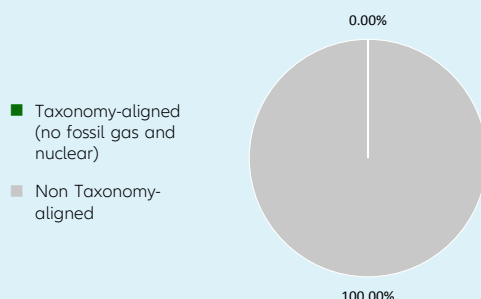
Taxonomy-aligned activities are expressed as a share of:

- **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.

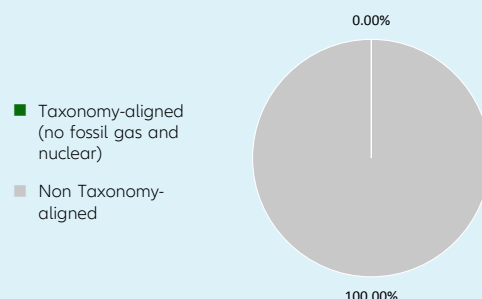
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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 is noted that – due to the fact that this Sub-Fund does not provide for a minimum quota of taxonomy-aligned investments – this graph does not generate any additional added value compared to the left-hand graph.

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

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.

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

The Investment Manager does not commit to a split of minimum taxonomy alignment into transitional, enabling activities and own performance.



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 share of environmentally Sustainable Investments that are not aligned with the EU Taxonomy. Taxonomy-aligned investments are considered a sub-category of Sustainable Investments. If an investment is not Taxonomy-aligned since the activity is not yet covered under the EU Taxonomy or the positive contribution is not substantial enough to comply with the Taxonomy technical screening criteria, the investment can still be considered an environmentally Sustainable Investment provided it complies with all criteria. The overall Sustainable Investment share (min. 30.00%) may also include investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under 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 share of socially Sustainable Investments. Sustainable Investments may also include investments with a social objective. Any socially Sustainable Investments will be included in the Sustainable Investment proportion the Investment Manager has committed to (min. 30.00%) irrespective of their contribution to environmental and/or social objectives.



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

The type of instruments included under “#2 Other” are eligible assets according to the prospectus. They include cash, cash equivalents as well as Target Funds, eligible asset classes and derivatives which do not specifically promote environmental or social characteristics. The Sub-Fund may make use of derivatives, which always fall under category “#2 Other” for hedging liquidity management and efficient portfolio management as well as investment purposes. For those investments no environmental or social safeguards are applied.



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?

No, the Investment Manager has not assigned a reference benchmark to determine alignment with the environmental and/or social characteristics that the Sub-Fund promotes.

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

A reference benchmark is not used to determine alignment with the environmental or social characteristics promoted by the financial product.

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

A reference benchmark is not used to determine alignment with the environmental or social characteristics promoted by the financial product.

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

A reference benchmark is not used to determine alignment with the environmental or social characteristics promoted by the financial product.

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

A reference benchmark is not used to determine alignment with the environmental or social characteristics promoted by the financial product.



Where can I find more product specific information online?

More product-specific information can be found on the website: <https://regulatory.allianzgi.com/SFDR>

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