



EUROPEAN  
COMMISSION

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ANNEXES 1 to 4

## ANNEXES

*to the*

**COMMISSION DELEGATED REGULATION (EU) .../...**

**amending and correcting the regulatory technical standards laid down in Delegated Regulation (EU) 2022/1288 as regards the content and presentation of information in relation to disclosures in precontractual documents and periodic reports for financial products investing in environmentally sustainable economic activities**

Periodic 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

Product name: CT (Lux) SDG Engagement Global Equity

Legal entity identifier: 213800TVDYDJOO2JBG48

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It made **sustainable investments 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

☐ It made **sustainable investments with a social objective:** \_\_\_\_

☒ ☐ No

☒ It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 88.27% of sustainable investments

☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The CT (Lux) SDG Engagement Global Equity Fund allocated to companies in line with its investment policy during the period. The Fund promotes companies that, through active engagement, will achieve targeted milestones aligned to one or more of the seventeen United Nations Sustainable Development Goals ("SDGs").

The overarching philosophy of the Fund is to:

- Avoid companies with environmentally or socially damaging products, or unsustainable

business or governance practices

- Invest in companies that make a positive contribution to society and/or the environment
- Improve management of ESG issues, using the Investment Manager's influence as an investor to encourage best practice through engagement and voting

The Fund aims for a minimum of 67.5% of its investments to be classified as sustainable investments. As at 30/09/2024, it held 88.27% in sustainable investments.

### ● ***How did the sustainability indicators perform?***

The Investment Manager uses the following sustainability indicators to measure the attainment of the environmental and social characteristics promoted by the Fund:

#### 1. The Fund alignment with the SDGs.

As at 30/09/2024, the proportion of the Fund with >50% net revenue positively aligned with SDGs was 88.27%.

#### 2. The number of SDG-linked engagements conducted.

During the reporting period the Fund had 44 investee company SDG-linked engagements, representing 29 companies engaged.

#### 3. The number of SDG-linked engagement milestones achieved.

During the reporting period 22 SDG-linked engagement milestones were achieved. A milestone means that a company made a tangible improvement in their policies and practices in alignment with the Investment Manager's SDG engagement objective

### ● ***...and compared to previous periods?***

Indicator	2024	2023	2022
Proportion of the fund with >50% net revenue positively aligned with SDGs	88.27%	87.37%	87.58%
The number of SDG-linked engagements conducted	44	73	125
The number of SDG-linked engagement milestones achieved	22	33	19

Numer of Companies Engaged	29	35	-
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● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The Fund aims to invest a minimum proportion of 67.5% in sustainable investments. As at 30/09/2024, the Fund had 88.27% of holdings invested in companies with greater than 50% net revenue positively contributing to the SDGs, and considered to be sustainable investments.

These investments contribute to a sustainable objective through their contribution to key sustainability themes which have an environmental or social focus, including: energy transition, health and well-being and resource efficiency.

The Investment Manager uses a proprietary framework to assess the extent to which companies prioritise sustainability:

- **Additionality:** Is the company a leader in its industry, making a real difference to the positive direction of the industry? Here the Investment Manager focuses on and evidences the Fund's exposure through its view of high quality businesses.
- **Intentionality:** How core is sustainability to the company's strategy and overall raison d'être? Here the Investment Manager leverages its extensive engagement capability to assess the company's transparency and communication around strategic goals, which will evidence the management team's and Board's intentions in prioritising these issues/opportunities.
- **Materiality:** How material are sustainability opportunities for the company? In addition to assessing revenue alignment to the SDGs, the Investment Manager makes an assessment of the company's revenue alignment to seven sustainability themes: Environmental Stewardship, Climate Change, Human Rights, Labour Standards, Public Health, Business Ethics and Corporate Governance.

**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 did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The Fund’s investment approach assesses that the sustainable investments held in the portfolio do not significantly harm other sustainable investment objectives in several ways.

The Fund screens out investments that are contrary to the goals of making positive contributions to the environment and/or society. The criteria is product- and conduct-based, covering topics such as fossil fuels, weapons, and global norms breaches.

Through the Investment Manager's investment research, ESG factors are considered throughout the investment cycle, which serves to mitigate the risks of significant harm.

Companies are also identified which the Investment Manager thinks could benefit from active engagement to address material ESG issues, before they are considered to be significantly harmful.

***How were the indicators for adverse impacts on sustainability factors taken into account?***

Investments which are reported as sustainable investments have been assessed to ensure they do not significantly harm (DNSH) sustainability objectives using an in-house data driven model and investment due diligence.

The Investment Manager identifies harm when assessing a sustainable investment by using quantitative thresholds against a selection of principal adverse impact indicators, including mandatory indicators from Table 1 and certain indicators from Tables 2 and 3 of Annex I of the Regulatory Technical Standards. Issuers which fall below these thresholds are flagged as potentially harmful and a review is then undertaken to determine whether significant harm is being caused by the issuer. Where quantitative data is not available, the Investment Manager endeavours to satisfy that no significant harm has taken place through desk-based qualitative research.

Depending on the type and materiality of the principal adverse impact indicator, the Investment Manager will either engage with the issuer to address the harmful practices by taking appropriate action, or limit exposure to such issuers in the portfolio.

During the review period, the Investment Manager reviewed all portfolio holdings and concluded that there were no significant adverse impacts relating to them.

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

The sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The Fund excluded companies that breached UN Global Compact (UNGC) principles and further considered good conduct when making investments. In addition, the DNSH checks also assessed issuers for explicit harm against the underlying principles of the UNGC and OECD Guidelines

*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 Union 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.*



### **How did this financial product consider principal adverse impacts on sustainability factors?**

The Fund proactively considered the principal adverse impacts (“PAIs”) of its investment decisions that may negatively harm sustainability factors through a combination of exclusions, engaging with investee companies and investment research.

As part of portfolio construction and stock selection, the Fund has in place exclusions that correspond to sustainability factors. The exclusions applied by the Fund relate to fossil fuels, renewable energy, global norms and controversial weapons. The Fund adhered to its exclusion policy during the period under review.

In addition, the Fund considered PAIs as part of its stewardship activities. Details of PAI engagement are outlined later in this report. PAIs were also considered as part of

investment research during the period under review.



### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01/10/2023 to 30/09/2024

Issuer name*	Sector	Average weight	Country
Smurfit WestRock plc	Materials	3.38%	United States
NetApp, Inc.	Information Technology	3.35%	United States
Waste Connections, Inc.	Industrials	3.09%	Canada
PT Bank Mandiri (Persero) Tbk.	Financials	3.03%	Indonesia
Kerry Group plc	Consumer Staples	2.86%	Ireland
Veolia Environnement SA	Utilities	2.82%	France
Halma plc	Information Technology	2.82%	United Kingdom
WEX Inc.	Financials	2.79%	United States
Shimadzu Corporation	Information Technology	2.72%	Japan
Xylem Inc.	Industrials	2.70%	United States
Wolters Kluwer N.V.	Industrials	2.66%	Netherlands
Rotork plc	Industrials	2.66%	United Kingdom
ICON plc	Health Care	2.64%	Ireland
A. O. Smith Corporation	Industrials	2.63%	United States
IDEX Corporation	Industrials	2.55%	United States

\* The top investments held by the Fund during the current reference period have been calculated at representative intervals commencing from 01/01/2024.



### What was the proportion of sustainability-related investments?

Investments aligned with environmental or social characteristics comprised 98.89% of the Fund as at 30/09/2024.

Sustainable investments comprised 88.27% of the Fund as at 30/09/2024.

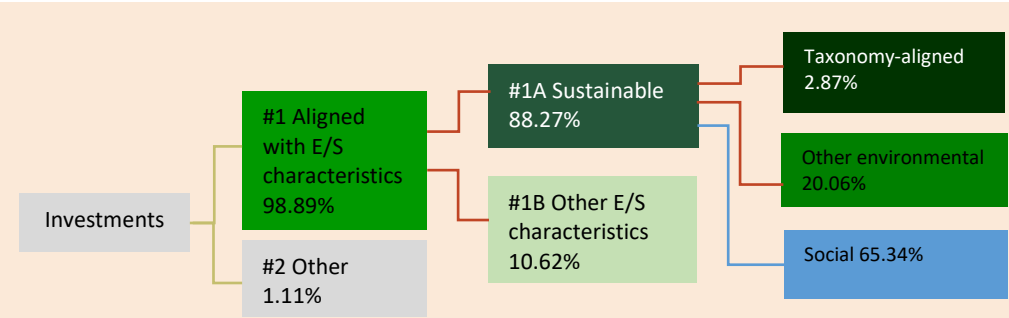
**Asset allocation** describes the share of investments in specific assets.

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.

### What was the asset allocation?



**#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.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Note: an investment may contribute to one of more environmental or social objectives. Investments have been split based on a quantitative review of revenue exposure. Due to rounding, reported figures may not sum to 100%.

### In which economic sectors were the investments made?

Sector	% of Net Assets
Consumer Discretionary	7.78%
Household Durables	2.02%
Specialty Retail	4.05%
Textiles Apparel & Luxury Goods	1.71%
Consumer Staples	8.36%
Consumer Staples Distribution & Retail	1.75%
Food Products	4.43%
Household Products	2.18%
Financials	15.13%
Banks	7.49%
Capital Markets	1.74%
Consumer Finance	2.76%
Financial Services	3.14%
Health Care	17.03%
Health Care Equipment & Supplies	9.74%
Health Care Providers & Services	2.25%
Life Sciences Tools & Services	5.03%
Industrials	25.51%
Building Products	3.02%
Commercial Services & Supplies	3.03%



Construction & Engineering	1.60%
Electrical Equipment	2.00%
Ground Transportation	1.98%
Machinery	11.09%
Professional Services	2.79%
Information Technology	16.60%
Electronic Equipment Instruments & Components	10.44%
Semiconductors & Semiconductor Equipment	1.46%
Software	2.03%
Technology Hardware Storage & Peripherals	2.67%
Materials	3.99%
Containers & Packaging	3.99%
Real Estate	1.71%
Industrial Reits	1.71%
Utilities	2.65%
Multi-Utilities	2.65%

\* Due to rounding, the percentages for subsectors may not total to the sector percentage



### **To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not commit to holding a minimum proportion in sustainable investments with an environmental objective aligned with the EU Taxonomy Regulation. It does, however, have a discretion to invest in these type of securities as part of delivering its investment objective.

2.87% of the investments made by the Fund are in economic activities that qualify as environmentally sustainable under the EU Taxonomy Regulation. This taxonomy alignment figure is based on reliable data that has been made available by third-party data providers and is measured by the proportion of turnover associated with economic activities that qualify as environmentally sustainable. Third-party data providers may use actual data reported by companies on taxonomy alignment or estimated data when calculating taxonomy alignment. The methodology upon which any estimates are based are proprietary to the third-party data provider. An economic activity qualifies as environmentally sustainable under the EU Taxonomy Regulation where it substantially contributes to one of six environmental objectives.

The proportion of the Fund's investments that contributed towards these environmental objectives is broken down as follows:

Climate change mitigation	This figure will be presented when data quality improves
Climate change adaptation	This figure will be presented when data quality improves

Sustainable use and protection of water and marine resources	This figure will be presented when data quality improves
Transition to a circular economy	This figure will be presented when data quality improves
Pollution prevention and control	This figure will be presented when data quality improves
Protection and restoration of biodiversity and ecosystems	This figure will be presented when data quality improves

The mentioned percentage figures have been subject to an assurance review by a third party auditor.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

☐

Yes:

☐

In fossil gas

☐

In nuclear energy

☒

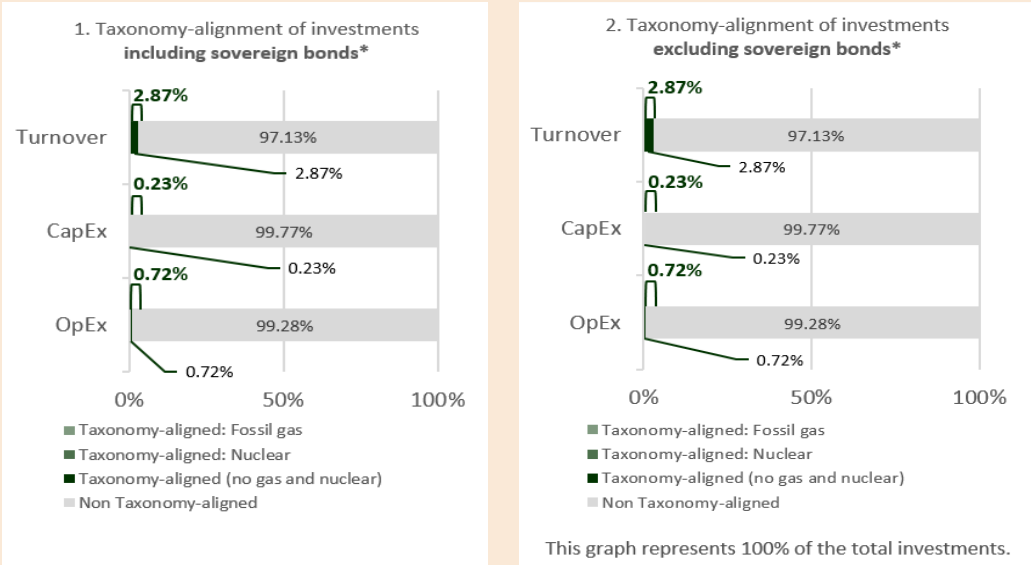
No

<sup>1</sup> 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

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.

The graphs below show in green the percentage of investments that were 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 was the share of investments made in transitional and enabling activities?

0.00% of the investments made by the Fund are in transitional activities as defined by the EU Taxonomy Regulation.

0.22% of the investments made by the Fund are in enabling activities as defined by the EU Taxonomy Regulation.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

	2024	2023	2022
EU Taxonomy Alignment	2.87%	3.77%	0%



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

20.06% of the sustainable investments had an environmental objective not aligned with the EU Taxonomy.



### What was the share of socially sustainable investments?

65.34% of the sustainable investments had a social objective.



### What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards.?

Holdings classified as “other” include: (i) ancillary liquid assets (i.e. bank deposit at sight) which are held for the purposes of liquidity management; (ii) bank deposits, money market instruments or money market funds held for treasury purposes; and (iii) derivatives for hedging purposes.

These investments are not used to meet the environmental and/or social characteristics of the Fund, and are held for liquidity and hedging purposes. Minimum environmental or social safeguards are ensured for these instruments by incorporating ESG considerations into the counterparty risk assessment.



### What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the year there were 44 ESG specific engagements with companies held in the portfolio. These covered 29 companies in 10 countries across a range of themes.

Engagements are structured in line with the Investment Manager’s engagement themes, which align with the PAIs. Below is a breakdown of the engagements undertaken and the PAI categories that they address. It is noted that an engagement may correlate with a number of PAI indicators.

Engagements theme	Alignment with PAIs	Proportion of engagements
Climate Change	GHG Emissions and Energy Performance	31.63%
Environmental Stewardship	Biodiversity, Water, Waste	13.27%
Business Conduct	Social and Employee Matters	3.06%
Human Rights		8.16%
Labour Standards		23.47%
Public Health		1.02%
Corporate Governance		19.39%



## How did this financial product perform compared to the reference benchmark?

The Fund does not have a designated reference benchmark that is used to measure whether it attains the environmental and/or social characteristics that it promotes.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.

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