

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, first paragraph, of Regulation (EU) 2020/852

Product name:

Allianz Europe Equity Growth Select

Legal entity identifier: 549300UEVM0IKP1RGZ24

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 lay down 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: ___%**

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 will make a minimum of **sustainable investments with a social 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

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 promotes E/S characteristics, but **will not make any sustainable investments**



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

Allianz Europe Equity Growth Select (the "Sub-Fund") promotes the transition to a low carbon economy of the top 10 carbon emitting issuers as part of the Climate Engagement with Outcome Strategy (CEWO-Strategy).

In addition, sustainable minimum exclusion criteria apply.

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

● 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 fiscal year end:

- The response rate of engagement with the top 10 emitters.
- The change of the carbon footprint of the top 10 emitters compared to the base year.
- If applicable, confirmation that all sovereigns were evaluated by an SRI Rating.
- Confirmation that Principal Adverse Impacts (PAIs) of investment decisions on sustainability factors are considered through the application of exclusion criteria.

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

- 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?

Not applicable

- 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?

Not applicable

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

Not applicable

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

Not applicable

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, anticorruption and antibribery matters.



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

Yes

No

The Management Company has joined the Net Zero Asset Manager Initiative and considers PAI indicators through stewardship including engagement, both are relevant to mitigate potential adverse impact as a company.

Due to the commitment to the Net Zero Asset Manager Initiative, the Management Company aims to reduce greenhouse gas emissions in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emission by 2050 or sooner across all assets under management. As part of this objective the Management Company will set an interim target for the proportion of assets to be managed in line with the attainment of net zero emissions by 2050 or sooner.

The Sub-Fund's Investment Manager addresses PAI indicators regarding greenhouse gas emission, biodiversity, water, waste as well as social and employee matters for corporate issuers, and, where relevant, the freedom house index is applied to investments in sovereigns. PAI indicators are considered within the Investment Manager's investment process through the means of exclusions as described in the "binding elements" section of the Sub-Fund.

The data coverage for the data required for the PAI indicators is heterogenous. The data coverage related to biodiversity, water and waste is low and the related PAI indicators are considered through exclusion of securities issued by companies having a severe violation / breach of 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 on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues. Therefore, the Investment Manager will strive to increase data coverage for PAI indicators with low data coverage. 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.

Additionally, PAI indicators related to GHG emissions are considered as the Investment Manager identifies the top 10 carbon emitters of a portfolio and engages with these as part of the CEWO-Strategy.

The following PAI indicators are considered:

Applicable to corporate issuers

- GHG Emissions

- Carbon footprint
- GHG Intensity of investee companies
- Exposure to companies active in the fossil fuel sector
- Activities negatively affecting biodiversity-sensitive areas
- Emissions to water
- Hazardous waste ratio
- Violation of UN Global compact principles
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles
- Board gender diversity
- Exposure to controversial weapons

Applicable to sovereign and supranational issuers

- Investee countries subject to social violations

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



What investment strategy does this financial product follow?

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

Allianz Europe Equity Growth Select's investment objective is to invest in European Equity Markets with a focus on growth stocks of large market capitalization companies. In addition, the Sub-Fund is managed in accordance with CEWO-Strategy and promotes environmental factors through climate engagement with outcome and proxy voting in the analysis of investments. The Sub-Fund's Investment Manager will engage with the portfolio's top 10 carbon emitting issuers regarding their target settings with respect to a climate transition pathway. Top 10 carbon emitting issuers of the portfolio are ranked based upon the carbon emissions of the issuers in the portfolio for their Scope 1 and Scope 2 emissions data. Scope 1 aims to measure all direct emissions from the activities of a corporate or under their control. Scope 2 aims to measure all indirect emissions from electricity purchased and used by the corporate based upon the Greenhouse Gas Protocol definition.

Governance characteristics are assessed based on the issuer's system of rules, practices, and processes by which it is directed and controlled. Sovereign issuers included in the Sub-Fund's assets will not be engaged with but issued securities to be acquired by a Sub-Fund will be required to have an SRI Rating. Some investments cannot be engaged with or rated according to the SRI Rating methodology. Examples of instruments not attaining to the SRI Rating include, but are not limited to, cash, deposits, and non-rated investments.

The Sub-Fund's general investment approach (Sub-Fund's applicable General Asset Class Principles in combination with its individual investment restrictions) is described in the prospectus.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The investment strategy adheres to the following binding elements to attain the environmental and/ or social characteristics promoted:

- Annual identification of the Top 10 Carbon emitters of the Sub-Fund and engagement.
- If applicable, sovereign issuers included in Sub-Fund assets will not be engaged with but issued securities to be acquired by a Sub-Fund are required to have an SRI Rating.
- Application of the following sustainable minimum exclusion criteria for direct investments:
 - securities issued by companies having a severe violation / breach of 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 on the grounds of problematic practices around human rights, labour rights, environment, and corruption,
 - securities issued by companies involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons),
 - securities issued by companies that derive more than 10% of their revenues from weapons, military equipment, and services,

- securities issued by companies that derive more than 10% of their revenue from thermal coal extraction
- securities issued by utility companies that generate more than 20% of their revenues from coal,
- securities issued by companies involved in the production of tobacco, and securities issued by companies involved in the distribution of tobacco with more than 5% of their revenues.

Direct investments in sovereign issuers with an insufficient freedom house index score are excluded.

The sustainable minimum exclusion criteria are based on information from an external data provider and coded in pre- and post-trade compliance. The review is performed at least half yearly.

● **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 by a certain minimum rate.

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

Good governance principles are considered by screening out companies based on their involvement in controversies around international norms corresponding to the four good governance practices: sound management structures, employee relations, remuneration of staff and tax compliance. Companies having a severe violation in either of those areas will not be investible. For certain cases, flagged issuers shall be on a watch list. These companies will appear on this watch list when the Investment Manager believes that engagement may lead to improvements or when the company is assessed to take remedial actions. Companies on the watch list remain investible unless the Investment Manager believes that the engagement or the remedial actions of the company does not lead to the desired remedy of the severe controversy.

In addition, the Sub-Fund's Investment Manager is committed to actively encourage open dialogues with investee companies on corporate governance, proxy voting and broader sustainability issues in advance of shareholder meetings (regularly for direct investments in shares). The Sub-Fund's Investment Manager's approach to proxy voting and company engagement is set out in the Management Company's Stewardship Statement.

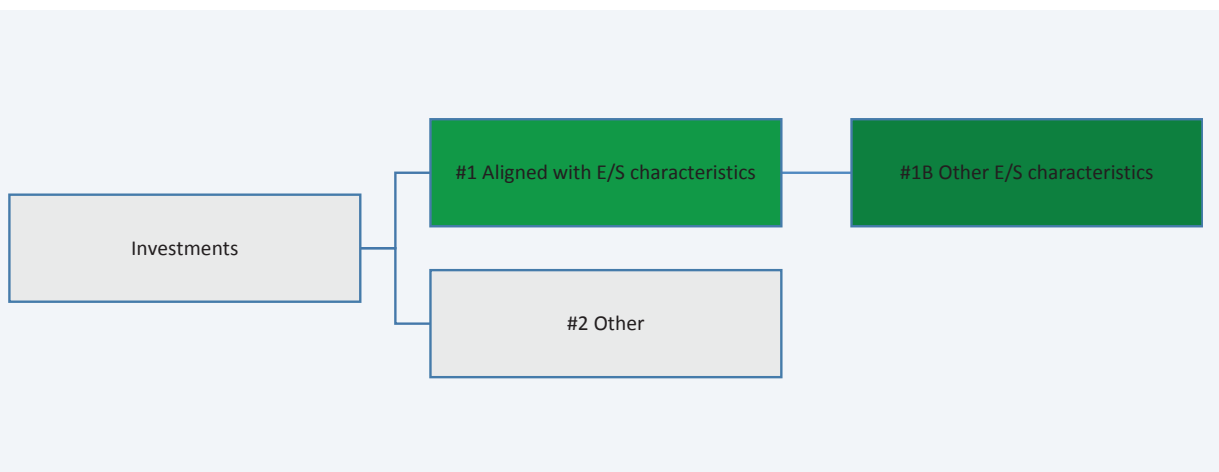
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Except cash, derivatives and external and non-sustainable AllianzGI target funds 100% of the Sub-Funds' assets are used to meet the environmental or social characteristics promoted by this Sub-Fund as they are subject to the sustainable minimum exclusion criteria (max. 10% of the Sub-Funds' assets may be invested in external and AllianzGI target funds). A low portion of the Sub-Fund might contain assets which do not promote environmental or social characteristics. Example of such instruments are derivatives, cash and deposits, some Target Funds and investment with temporarily divergent or absent environmental, social, or good governance qualifications.



#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.

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

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

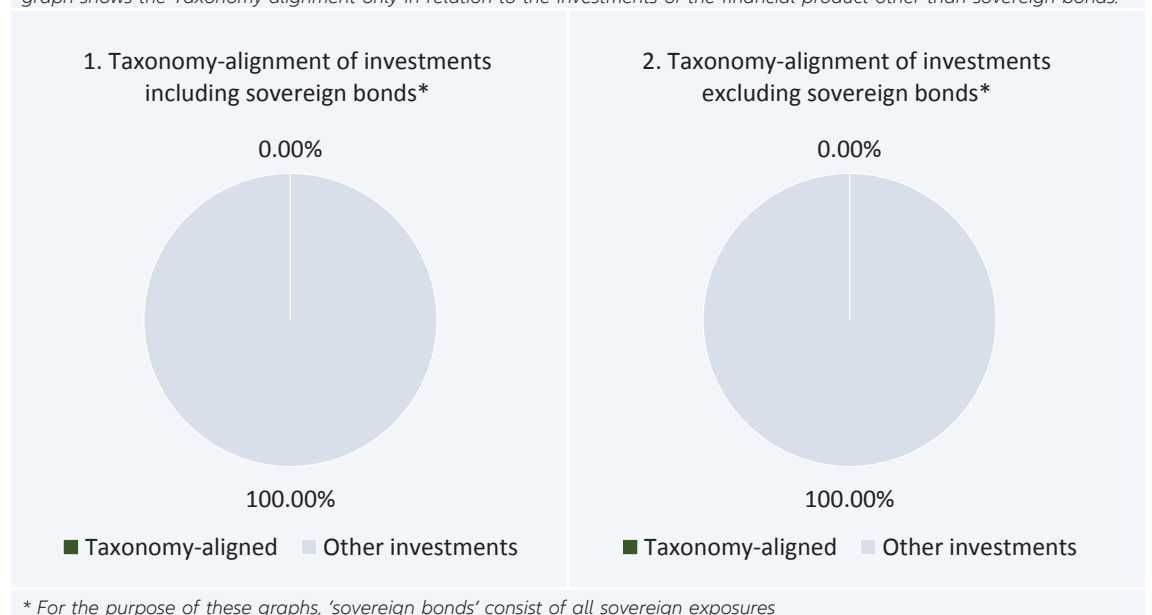
Not applicable



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

The Sub-Fund's Investment Manager does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy.

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.*



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

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

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.

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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund's Investment Manager does not commit to a minimum share of investments with an environmental objective 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 Sub-Fund's Investment Manager does not commit to a minimum share of socially sustainable investments.



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

Under “#2 Other” investments into cash, Target Funds, or derivatives can be included. Derivatives might be used for efficient portfolio management (including risk hedging) and/or investment purposes, and Target Funds to benefit from a specific strategy. 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 reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

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

- How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?
Not applicable
- How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?
Not applicable
- How does the designated index differ from a relevant broad market index?
Not applicable
- Where can the methodology used for the calculation of the designated index be found?
Not applicable



Where can I find more product specific information online?

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