

### **Disclaimer**

This document is an extract from the prospectus and should be read in conjunction with it. If the language versions of the sales prospectus and this document differ at any point, the version of the sales prospectus/annual report shall prevail.

The sole binding basis for the acquisition of fund units is the key information sheet, the sales prospectus and the latest annual or semi-annual report of the investment fund.

As of 2 April 2024

## Appendix 11B

### DJE – Concept

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

#### Sustainable

investment means an investment in an economic activity that contributes to an environmental or social objective; if 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

**Product name: DJE – Concept**

**Legal entity identifier: 529900HKMGHLMU337091**

## Environmental and/or social characteristics

**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 0% 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?**

The sub-fund permanently invests at least 85% and up to 100% of its net sub-fund assets in units of the master UCITS.

T The master UCITS promotes the following environmental and/or social characteristics:

- o Consideration of environmental, social and corporate governance exclusion criteria.
- o Consideration of the main adverse effects of investment decisions of the sub-fund on sustainability factors.
- o Minimum quota of 50% of fund assets in securities with an ESG rating MSCI ESG Research LLC of at least BB



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

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The following sustainability indicators are taken into account in order to achieve the environmental and social characteristics promoted by the master UCITS and thus also by the feeder UCITS.

The fund manager pursues a best-in-class approach, taking into account the following exclusions.

At least 50% of the fund assets of the master UCITS must be invested in securities with an ESG rating MSCI ESG Research LLC of at least BB.

Companies that are active in the following controversial business areas and generate revenue through involvement in the following business areas are excluded:

- controversy/outlawed weapons (e.g. landmines, cluster bombs, weapons of mass destruction).
- Red Environmental Controversy Flag: This indicator is about the assessment of controversies (if any) related to a company's impact on the environment. Factors affecting this rating include whether a company is involved in controversies related to land use and biodiversity, toxic releases, energy and climate change, water management, non-hazardous operational waste, environmental impacts of products and services, and management of environmental impacts of the supply chain).
- Red rating for climate-related controversies (Environment Climate Flag: This indicator measures the severity of controversies related to a company's climate change and energy policies and initiatives. Factors that impact this score include, but are not limited to, previous involvement in GHG-related litigation, widespread or egregious impacts due to the company's GHG emissions, opposition to improved practices, and criticism from NGOs and/or other observers).
- Armaments (exclusion if turnover > 5% of total turnover.)
- Coal for power generation (exclusion if turnover > 30% of total turnover from production and/or distribution.)
- Tobacco products (exclusion if turnover > 5% of total turnover from production and/or distribution.)

Secondly, companies that engage in controversial business practices are excluded. These include companies that clearly and without any prospect of positive change violate one or more of the ten principles of the "United Nations Global Compact" (available on the internet at <https://www.unglobalcompact.org/what-is-gc/mission/principles>). These consist of requirements regarding human and labour rights as well as environmental protection and corruption.

In addition, state issuers with an insufficient score (exclusion if "Not free") according to the Freedom House Index (<https://freedomhouse.org/>) and/or the World Bank Governance Indicators (<https://info.worldbank.org/governance/wgi/>) are excluded.

The above exclusions apply only to direct investments.

Excluded from acquisition are target funds that contain investments of more than 0.49% in issuers that

- clearly and without prospect of positive change violate one or more of the ten principles of the United Nations Global Compact
- generate more than 10% of their turnover from defence equipment
- generate more than 30% of their total turnover from the production and/or sale of thermal coal
- generate more than 5% of their total turnover from the production and/or sale of ta-bak
- which violate social regulations (state issuers)

The aforementioned threshold of 0.49% relates to the individual exclusion criterion in each case.

Furthermore, target funds are excluded from acquisition if they contain investments of more than 0% in companies that

- manufacture controversial/outlawed weapons (e.g. landmines, cluster bombs, weapons of mass destruction)

Compliance with the exclusion criteria is ensured by the Company with the help of its internally used systems.

Further information can be found in the sections "ESG Integration", "Consideration of Adverse Sustainability Impacts on Sustainability Factors" and "Consideration of Sustainability Risks" of the Prospectus.

● **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 sub-fund does not aim to achieve a minimum quota in sustainable investments within the meaning of Art. 2 No. 17 of the Disclosure Regulation.

*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 no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

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

Yes

The Manager of the master UCITS will take into account the principal adverse impacts ("PAI's") of investment decisions on sustainability factors as defined in Article 7(1)(a) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector. Sustainability factors are defined in this sense as environmental, social and labour concerns, respect for human rights and the fight against corruption and bribery. This only applies to direct investments.

The listed main adverse sustainability impacts correspond to those listed in Table 1 of Annex I to Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council as regards regulatory technical standards specifying the details of the content and presentation of information related to the principle of avoidance of significant harm, the content, methods and presentation of information related to sustainability indicators and adverse sustainability impacts, and the content and presentation of information related to the promotion of environmental or social features and sustainable investment objectives in pre-contractual documents, websites and periodic reports:

- GHG emissions
- Carbon footprint
- GHG emissions intensity of the companies in which investments are made
- Exposure to fossil fuel companies
- Share of energy consumption and generation from non-renewable energy sources
- Intensity of energy consumption by climate-intensive sectors
- Activities that adversely affect areas with biodiversity in need of protection
- Emissions to water
- Percentage of hazardous and radioactive waste
- Violations of the UNGC Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- Lack of processes and compliance mechanisms to monitor compliance with the UNGC Principles and the OECD Guidelines for Multinational Enterprises
- Unadjusted gender pay gap
- Gender diversity in governance and oversight bodies
- Engagement in controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)
- GHG emission intensity
- Countries invested in that violate social regulations
- Investments in companies without initiatives to reduce CO2 emissions
- Lack of due diligence

Consideration is given in this regard through exclusion criteria and/or engagement and/or voting.

To this end, the sub-fund manager systematically integrates the main adverse effects of investment decisions on sustainability factors in its investment analysis, decision-making processes and practice of actively exercising shareholders' rights.

The ability to systematically consider the main adverse sustainability impacts depends largely on the quality of data available. This can differ per asset class. In addition, data for an individual issuer may not be available to a sufficient extent. Furthermore, these data may be based on estimates. Further information on the process can be found on the Management Company's website ([www.dje.lu](http://www.dje.lu)).

The statement on the main adverse effects of investment decisions on sustainability factors is updated annually by 30 June and can be found on the Management Company's website ([www.dje.lu](http://www.dje.lu)) and/or accessed via the Fund's annual report.

Further information can be found in the section "Consideration of Adverse Sustainability Impacts on Sustainability Factors" of the Prospectus.

No

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

**What investment strategy does this financial product follow?**

The sub-fund permanently invests at least 85% of its net sub-fund assets in units of the master UCITS.

The sub-fund-specific investment policy is described for the sub-fund in the relevant appendix to the sales prospectus.

● **What are the mandatory elements of the investment strategy used to select investments to meet the advertised environmental or social objectives?**

The binding elements of the investment strategy relate to the investment strategy of the master UCITS and comply with the defined exclusion criteria in the environmental, social and corporate governance areas.

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

The investment strategy pursued does not justify a binding minimum reduction in the volume of investments.

**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?**

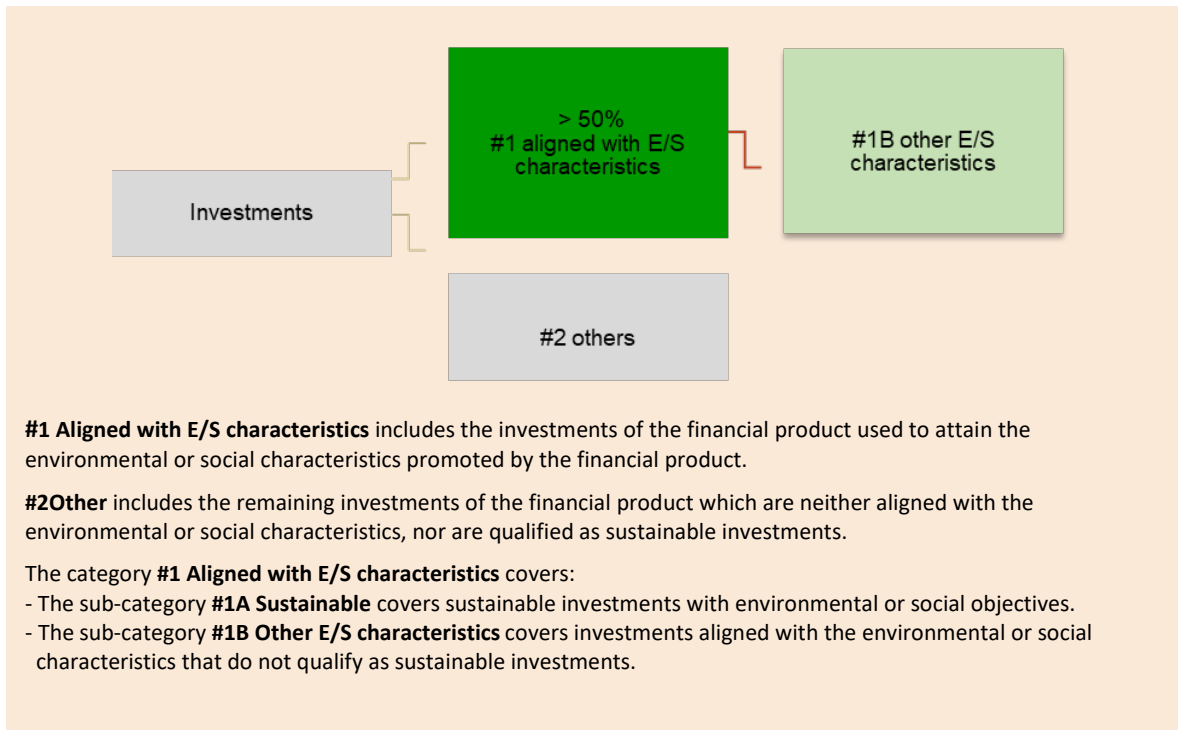
The master UCITS excludes companies that engage in controversial business practices. These include companies that clearly and without any prospect of positive change violate one or more of the ten principles of the "United Nations Global Compact" (available on the internet at <https://www.unglobalcompact.org/what-is-gc/mission/principles>). These consist of requirements regarding human and labour rights as well as environmental protection and corruption. Accordingly, companies that are categorised as "Fail" with regard to compliance with the UN Global Compact are excluded. "Fail" indicates that the company is involved in one or more ESG controversies where there are credible allegations that the company or its management has violated global standards.

Good corporate governance is not assessed for investments in sovereigns.

● **What is the asset allocation planned for this financial product?**

The sub-fund permanently invests between 85% and 100% of its net sub-fund assets in units of the master UCITS.

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



The exclusion criteria described in the aforementioned section are applied to all direct investments.

At least 50% of the fund assets of the master UCITS must be invested in securities for which an ESG rating MSCI ESG Research LLC of at least BB is available

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

The acquisition of derivatives is excluded for the sub-fund.



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

The Sub-Fund does not aim at a minimum level of sustainable investments that are compliant with the EU taxonomy (environmentally sustainable investments).

**Does the financial product invest in EU tax compliant fossil gas and/or nuclear energy<sup>83</sup> activities?**

Yes:

in fossil gas     in nuclear energy

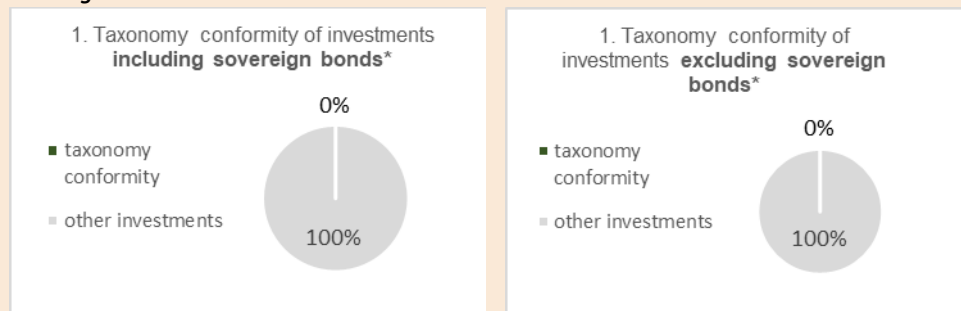
No

With regard to EU taxonomy compliance, the criteria for **fossil gas** include limiting emissions and switching to renewable energy or low-carbon fuels by the end of 2035. The criteria for **nuclear energy** include comprehensive safety and waste management regulations.

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 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.**



\* 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?**

No minimum proportion of investment in transitional and enabling activities within the meaning of the EU taxonomy is set for the Sub-Fund.

<sup>83</sup>Fossil gas and/or nuclear energy activities are only EU taxonomy compliant if they contribute to mitigating climate change („climate change mitigation“) and do not significantly affect any EU taxonomy objective - see explanation in the left margin. The full criteria for EU taxonomy compliant economic activities in the area of fossil gas and nuclear energy are set out in Commission Delegated Regulation (EU) 2022/1214.



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



The sub-fund does not aim to achieve a minimum quota in sustainable investments within the meaning of Art. 2 No. 17 of the Disclosure Regulation.



### What is the minimum share of socially sustainable investments?

The sub-fund does not aim to achieve a minimum quota in sustainable investments within the meaning of Art. 2 No. 17 of the Disclosure Regulation.



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

The Sub-Fund may invest in bank deposits that are not considered to be aligned with the promoted characteristics (#2 Other Investments).

The bank deposits may be further utilised by the portfolio management for diversification and liquidity purposes.

No minimum environmental or social safeguards apply to “#2 Other Investments”.

### 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 benchmark has been determined for the Sub-Fund to determine whether this financial product is aligned with the advertised environmental and/or social characteristics.



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

### Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.dje.de/en-de/transparency-dje-concept>

<https://www.dje.de/en-de/investment-funds/productdetail/LU0124662932#downloads>

<https://www.dje.de/en-de/investment-funds/productdetail/LU0858224032#downloads>

<https://www.dje.de/en-de/investment-funds/productdetail/LU1714355283#downloads>

