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 SECURICASH SRI

Legal entity identifier: 549300F44VV2MMKS9707

Environmental and/or social characteristics

Sustainable investment means 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 taxonomy aligned 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 **3.00%** of sustainable investments
☐ In economic activities that qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☐ 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 SECURICASH SRI (the "UCI") promotes environmental and social factors and factors relating to human rights, good governance and ethics (this area does not apply to securities issued by a sovereign entity) through the implementation of a best-in-class approach within the investment process of the UCI. This approach includes the use of an SRI Rating to assess corporate or sovereign issuers and to construct the portfolio.

We also apply minimum exclusion criteria relating to sustainability.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics that the UCI promotes.

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 used to measure the attainment of environmental and/or social characteristics and are presented at fiscal year-end:

- Actual percentage of the Fund's Portfolio assets (for this purpose, the Portfolio does not include derivatives or instruments that are unrated by nature (e.g. cash and deposits)) invested in quality issuers (issuers with a minimum SRI Rating of 2 on a scale of 0 to 4, where 0 is the worst rating and 4 is the best rating).
- Compliance with an investment universe reduction criterion of 20%

- Confirmation that the principal adverse impacts (PAI) of investment decisions on sustainability factors are taken into account through the application of exclusion criteria.

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?

Sustainable investments contribute to environmental and/or social objectives, for which the Managers refer, among others, to the United Nations Sustainable Development Goals (SDGs) and the EU Taxonomy objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The assessment of the positive contribution to environmental or social objectives is based on a proprietary framework that combines quantitative elements with qualitative data derived from internal research. The methodology begins with a quantitative analysis of an issuer's business activities. The qualitative element of the framework consists in assessing whether the business activities contribute positively to an environmental or social objective.

To calculate the positive contribution at the level of the UCI, the share of each issuer's turnover associated with economic activities contributing to environmental and/or social objectives is taken into account, provided that the issuer complies with the "do no significant harm" (DNSH) principle and good governance practices. An asset-weighted aggregation is then carried out. At present, therefore, our methodology does not consist of considering a company as a whole to be sustainable once a certain threshold has been reached. Furthermore, for certain types of securities that finance specific projects contributing to environmental or social objectives, the overall investment is deemed to contribute to environmental and/or social objectives. An assessment of compliance with the "do no significant harm" (DNSH) principle and the principles of good governance is also carried out for these securities.

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?

In order to ensure that sustainable investments do no significant harm to any other environmental and/or social objectives, the Manager takes into account PAI indicators for which significant thresholds have been defined with the aim of identifying very harmful issuers. Issuers not meeting the significance threshold can be engaged for a limited time period to remediate the adverse impact. However, if the issuer does not meet the defined significant thresholds twice in succession or if the engagement fails, it does not pass the DNSH assessment. Investments in securities of issuers that do not pass the DNSH assessment are not considered sustainable investments.

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 either through the application of exclusion criteria, or through thresholds on a sectoral or absolute basis. Significant thresholds have been defined and refer to qualitative or quantitative criteria.

The lack of data coverage for certain data points equivalent to PAI indicators is used to assess PAI indicators as part of the DNSH assessment, where appropriate, in relation to the following indicators for companies: share of non-renewable energy consumption and production, activities with a negative impact on biodiversity-sensitive areas, emissions to water, lack of procedures and compliance mechanisms to ensure adherence to the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises; with respect to sovereign states: GHG emissions intensity and investee countries subject to social violations. In the case of securities financing specific projects that contribute to environmental or social objectives, equivalent data at project level may be used to ensure that sustainable investments do no significant harm to any other environmental and/or social objectives. The Manager will seek to increase data coverage for PAI indicators with low data coverage by engaging with issuers and data providers. The Manager will regularly evaluate whether the availability of data has increased sufficiently to potentially include the 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?*

  The minimum exclusion criteria for sustainability applied by the Manager screen out companies involved in controversial practices that run counter to international standards. The core normative framework consists of the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Securities issued by companies that seriously breach the frameworks in question will not be included in the investment universe.

The EU Taxonomy establishes a "do no significant harm" principle according to which Taxonomy-aligned investments should do no significant harm to the objectives of the EU Taxonomy. It 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.



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

☑ Yes

☐ No

The Management Company has joined the Net Zero Asset Managers initiative and takes PAI indicators into account in its shareholder engagement approach. Both are relevant to mitigating potential negative impacts as a company.

Due to its commitment to the Net Zero Asset Managers initiative, the Management Company aims to reduce greenhouse gas emissions in partnership with asset-owning clients on the basis of decarbonisation objectives, in line with the ambition to achieve net zero emissions by 2050 or earlier for all assets under management. As part of this objective, the Management Company will set an intermediate objective for the share of assets to be managed based on achieving net zero emissions by 2050 or earlier.

The Manager of the UCI considers the PAI indicators relating to greenhouse gas emissions, biodiversity, water and waste, as well as social and employee issues for corporate issuers, and, where appropriate, the Freedom House Index is applied to investments for sovereign issuers. The PAI indicators are taken into account in the Manager's investment process by means of the exclusions described in the "Environmental/Social (E/S) characteristics" section of the UCI.

The data coverage required for the PAI indicators is heterogeneous. Data coverage on biodiversity, water and waste is low, and the associated PAI indicators are taken into account by excluding securities issued by companies that seriously breach international norms and standards such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights due to problematic practices in the areas of human rights, labour law, the environment and anti-corruption. Consequently, the Manager will endeavour to increase the data coverage of PAI indicators with low data coverage. The Manager will regularly evaluate whether the availability of data has increased sufficiently to eventually include the assessment of such data in the investment process.

In addition, the PAI indicators are, among other sustainability factors, applied to calculate the SRI Rating. The SRI Rating is used to construct the portfolio.

The following PAI indicators are taken into account:

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 compliance processes and mechanisms to monitor adherence to the UN Global Compact principles

- Board gender diversity
- Exposure to controversial weapons

Applicable to sovereign and supranational issuers

- Investee countries subject to social violations

Information on PAI indicators will be available in the UCI's annual report.



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 investment objective of ALLIANZ SECURICASH SRI is to outperform the €STR index, net of management fees, over the recommended investment period of one week, in accordance with the Socially Responsible Investment Strategy (SRI Strategy).

As part of the SRI best-in-class approach, the UCI takes into account environmental and social factors and factors relating to human rights, good governance and market behaviour as follows:

- The above-mentioned sustainability factors are analysed by the Manager using the SRI Research methodology in order to assess how sustainable development and long-term issues are taken into account in an issuer's strategy. SRI Research refers to the overall process of identifying potential risks as well as the potential opportunities of investing in the securities of an issuer, linked to the analysis of sustainability factors. SRI Research data combines external research data (which may have certain limitations) and internal analyses.
- Based on the results of the external and/or internal analyses of sustainability factors, an internal rating is calculated each month (SRI Rating) and then assigned to a company or sovereign issuer.

This internal SRI Rating is used to rank and select or weight securities as part of portfolio construction.

The UCI's general investment approach 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 binding elements are as follows:

- Minimum rating coverage: At least 90% of the Fund's portfolio must have an SRI Rating (in this regard, the portfolio does not include derivatives or instruments that are unrated in nature (e.g. cash and deposits)). Although most of the Fund's holdings have an SRI Rating, some investments cannot be assessed using the SRI Research methodology. Examples of instruments that cannot receive an SRI Rating include cash, deposits, target funds and unrated investments.
- 90% of rated instruments maintain a minimum SRI Rating of 2 (on a scale of 0 to 4, where 0 is the worst rating and 4 is the best rating) and 10% meet a rating threshold of between 1.5 and 2.
- Reduction of the investment universe by excluding at least 20% of issuers.
- Application of the following minimum exclusion criteria for sustainability, for investments in direct securities:
- securities issued by companies that severely breach principles and guidelines such as the United Nations Global Compact principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment and corruption issues,
- 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 turnover from weapons, military equipment and services,
- securities issued by companies that derive more than 10% of their turnover from thermal coal extraction,
- securities issued by utility companies that generate more than 20% of their turnover from coal,
- securities issued by companies involved in the production of tobacco, and securities issued by companies which generate more than 5% of their turnover from the distribution of tobacco.

Direct investments in sovereign issuers with insufficient Freedom House Index scores are excluded.

The minimum exclusion criteria for sustainability are based on information obtained from an external data provider and according to pre- and post-trade compliance rules. The review is carried out at least once every six months.

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

The UCI undertakes to reduce the investment universe by at least 20%.

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?

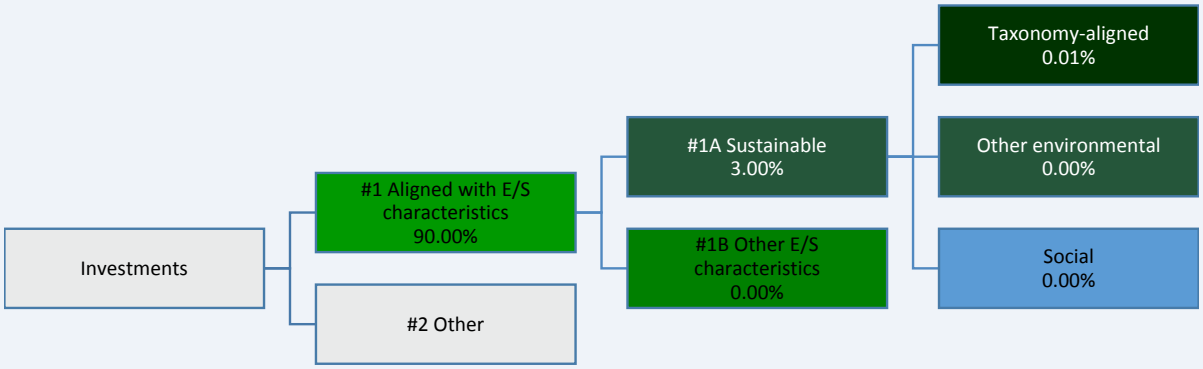
The principles of good governance are taken into account by screening out companies involved in controversial practices in accordance with international standards corresponding to the four good governance practices: sound management structures, employee relations, remuneration of staff and tax compliance. Companies in serious breach of their obligations in any of these areas will be considered non-investable. In certain cases, issuers that have been flagged up will appear on a watch list. These companies will appear on the watch list when the Manager believes that engagement may lead to improvement or when it is ascertained that the company has taken corrective action. Companies appearing on the watch list are considered investable, unless the Manager considers that the engagement or the company's corrective actions are failing to remedy the controversial practices deemed serious.

In addition, the Manager of the UCI is committed to actively encouraging dialogue with the companies in which it invests on corporate governance, proxy voting issues and the wider issue of sustainability in advance of shareholder meetings (on a regular basis for direct equity investments). The UCI Manager's approach to proxy voting and corporate engagement is set out in the Management Company's Shareholder Engagement Policy.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

At least 90% of the UCI's assets (excluding cash and unrated derivatives) are used to meet the environmental or social characteristics promoted by the UCI. A small portion of the UCI may contain assets that do not promote environmental or social characteristics. These instruments include derivatives, cash and deposits, certain target funds and investments with temporarily divergent or absent environmental, social or good governance qualifications. At least 3% of the net assets of the UCI will be invested in sustainable investments. The minimum percentage of Taxonomy-aligned investments is 0.01%. The Manager does not commit to a minimum share of environmentally sustainable investments that are not Taxonomy-aligned. The Manager does not commit to a minimum share of socially sustainable investments. Although the UCI cannot define a minimum share of sustainable investments with a specific environmental or social objective, these sustainable investments may be freely allocated to these two objectives within the minimum share of sustainable investments communicated at UCI level (min. 3% of net assets).



#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?

Taxonomy-aligned investments include equities and/or debt instruments in environmentally sustainable economic activities that comply with the EU Taxonomy. The minimum percentage of Taxonomy-aligned investments is 0.01%. Taxonomy-aligned data is obtained from an external data provider. The Manager has assessed the quality of this data. The data will not be subject to an assurance provided by auditors or a third-party review. The data is not based on any sovereign bond data. To date, no recognised methodology is available to determine the proportion of Taxonomy-aligned activities in the context of sovereign bond investments.

Taxonomy-aligned activities in this publication are based on share of turnover. The figures in the pre-contractual information use turnover as the default financial indicator, in line with regulatory requirements and taking into account the fact that complete, verifiable or up-to-date data on capital expenditure (CapEx) and/or operational expenditure (OpEx) as a financial indicator is even harder to obtain.

Only in rare cases is the Taxonomy-aligned data the data published by companies in accordance with the EU Taxonomy Regulation. The data provider calculates Taxonomy alignment data from other publicly available equivalent data sources.

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.

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

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

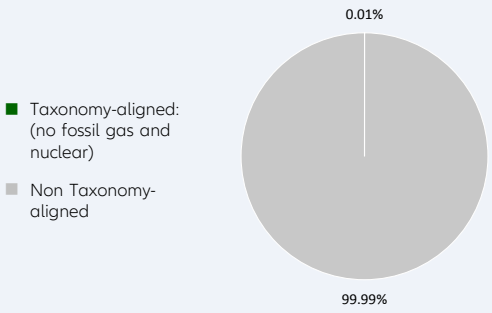
☑ No

The UCI does not aim to invest in Taxonomy-aligned fossil gas and/or nuclear energy activities. However, due to the investment strategy, investments may be made in companies that are also active in these sectors. Where appropriate, further information will be provided in the annual report.

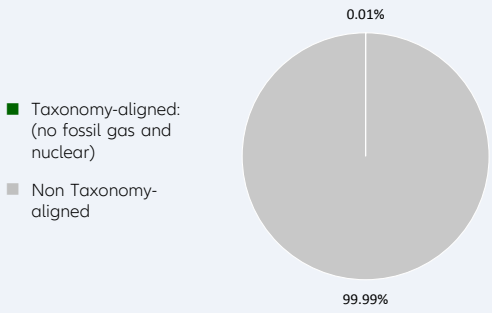
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas 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*



** 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 Manager does not commit to dividing the minimum Taxonomy alignment between enabling and transitional activities and own performances.

What is the minimum share of sustainable 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.

Taxonomy-aligned investments are considered a sub-category of sustainable investments. If an investment is not Taxonomy-aligned because the activity is not yet covered by the EU Taxonomy, or if the positive contribution is not significant enough to comply with the Taxonomy's technical screening criteria, the investment can still be considered a sustainable investment provided that it meets all the criteria. The Manager does not commit to a minimum share of environmentally sustainable investments that are not Taxonomy-aligned. The overall share of sustainable investments may also include investments with an environmental objective in economic activities that are not considered environmentally sustainable under the EU Taxonomy, and although the UCI may not commit to a minimum share of environmentally or socially sustainable investments, such investments may be freely allocated as part of the overall sustainable investment commitment published by the UCI (at least 3% of net assets).

What is the minimum share of socially sustainable investments?

The Manager defines sustainable investments on the basis of internal research based, among other things, on the United Nations Sustainable Development Goals (SDGs) and the objectives of the EU Taxonomy. The Manager does not commit to a minimum share of socially sustainable investments, as the SDGs include environmental and social objectives. The overall share of sustainable investments may also include investments with a social objective, and although the UCI may not commit to a minimum share of environmentally or socially sustainable investments, such investments may be freely

allocated as part of the overall sustainable investment commitment published by the UCI (at least 3% of net assets).



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 are included. Derivatives may be used for efficient portfolio management (including risk hedging) and/or investment purposes. Target funds may be used to gain exposure to a specific strategy. No environmental or social safeguards apply to these 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 reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics that the UCI promotes.

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