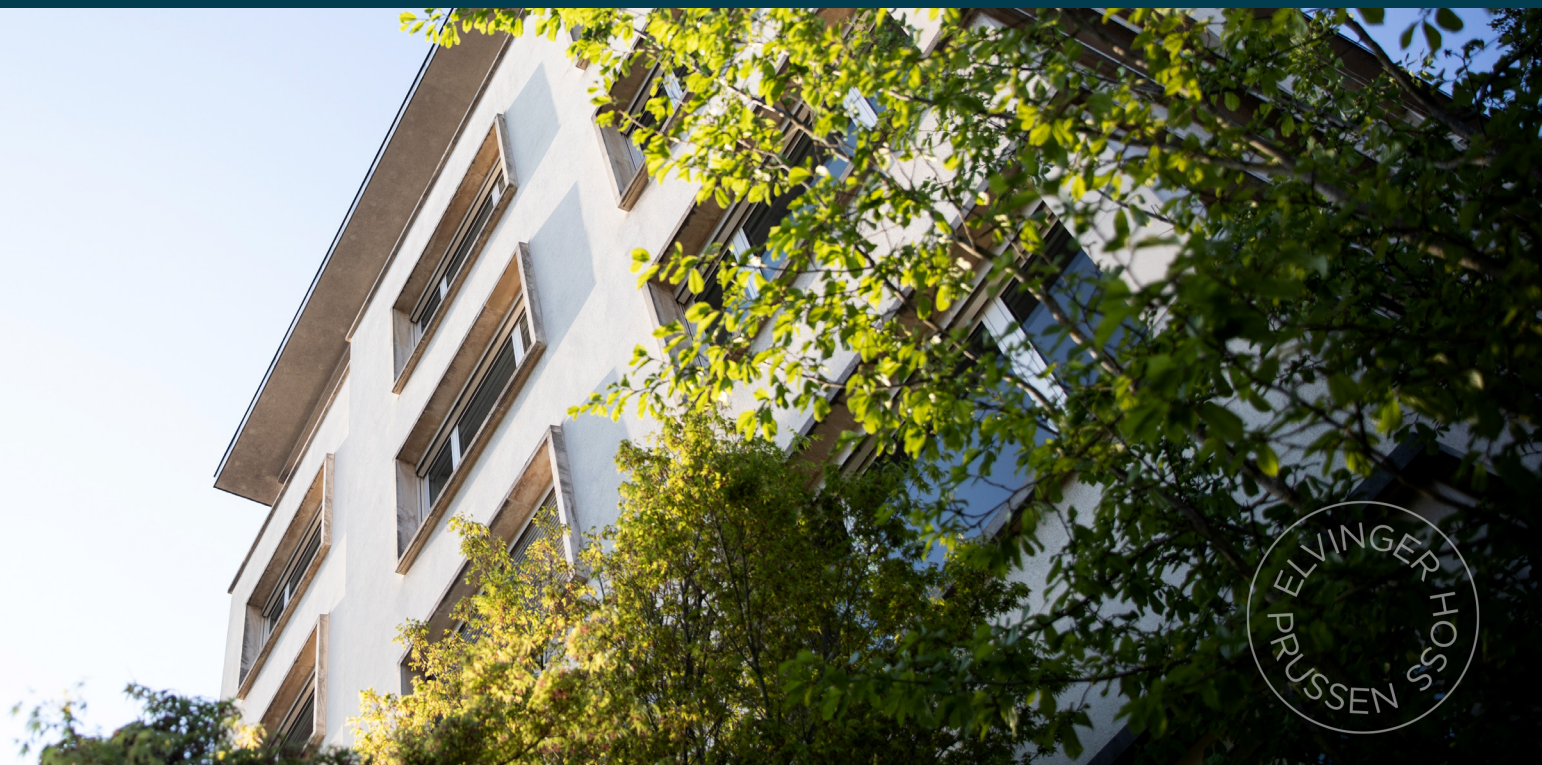


ESMA's Conditions for using ESG terms in Funds' names

April 2024



Definitions of each condition used in the table below

80% Threshold	The minimum proportion of at least 80% of its investments that should be applied by the fund to meet the environmental and/or social characteristics or the sustainable investment objective in accordance with the binding elements of the investment strategy, as disclosed in the SFDR pre-contractual annexes.
Meaningful Sustainable Investments	To invest meaningfully in sustainable investments defined in Article 2(17) SFDR.
PAB Exclusion	<p>The Paris-aligned Benchmark exclusions contained in Article 12(1)(a)-(g) of Commission Delegated Regulation (EU) 2020/1818, which include:</p> <ul style="list-style-type: none">(a) companies involved in any activities related to controversial weapons;(b) companies involved in the cultivation and production of tobacco;(c) companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;(d) companies that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;(e) companies that derive 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;(f) companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;(g) companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO₂ e/kWh. <p>For the purposes of point (a), controversial weapons shall mean controversial weapons as referred to in international treaties and conventions, United Nations principles and, where applicable, national legislation.</p>
CTB Exclusion	<p>The EU Climate Transition Benchmark exclusions contained in Article 12(1)(a)-(c) of Commission Delegated Regulation (EU) 2020/1818, which include:</p> <ul style="list-style-type: none">(a) companies involved in any activities related to controversial weapons;(b) companies involved in the cultivation and production of tobacco;(c) companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises; <p>For the purposes of point (a), controversial weapons shall mean controversial weapons as referred to in international treaties and conventions, United Nations principles and, where applicable, national legislation.</p>
Impact/Transition Condition	Investments under the minimum proportion of investments are made with the intention to generate positive, measurable social or environmental impact alongside a financial return (for funds with "impact-related" terms in their name) or are on a clear and measurable path to social or environmental transition (for funds with "transition-related" terms in their name).

Based on [ESMA's Public Statement dated 14 December 2023](#)

ESG-related fund name term	80% Threshold	Meaningful Sustainable Investments	PAB Exclusions	CTB Exclusions	Impact/Transition Condition
1. "Sustainability-related" terms	X	X	X	X	
2. "Transition-related" terms	X			X	X
3. "Impact-related" terms	X	X	X*	X	X
4. "Social or governance-related" terms	X			X	
5. "Environmentally-related" terms	X		X	X	
Combinations:					
6. "Sustainability-related" terms + "Transition-related" terms	X	X	X	X	X
7. "Environmentally-related" terms, except "sustainability-related" terms + "Transition-related" terms	X			X	X
8. Other combinations	Apply conditions cumulatively				

X : CTB Exclusions being a restricted version of PAB Exclusions, CTB Exclusions automatically apply when PAB Exclusions are applied.

***** : While the Public Statement does not clearly state it, we believe that funds with "impact-related" terms in their names are expected to comply with the PAB exclusions, but this will need to be confirmed by ESMA in the final guidelines.

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