

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: AMSelect JPM Global Equity Emerging

Legal entity identifier: 549300ZK53CNGEEI6A29

## 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 25.0% 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

**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.



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

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the internal proprietary ESG methodology and investment framework of the investment manager.

This framework includes a binding and significant ESG integration approach in the investment process of the financial product managed by JP Morgan Asset Management (UK) Limited (JPMAM) and improves its ESG profile compared to its universe of reference for ESG comparison, composed of global emerging market companies.

An exclusion criteria is applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the JPMAM's exclusionary framework and BNP Paribas Asset Management's Responsible Business Conduct (RBC). In addition, the financial product excludes the worst offenders, and promotes the better performers based on a proprietary ESG focused assessment which aims to identify investments in issuers that demonstrate good environmental, social and governance practices.

This financial product, managed by JP Morgan Asset Management (UK) Limited, is considered to be within JPMorgan Asset Management's "Best-in-Class" classification. Under this governance, the investment manager has a binding and significant ESG integration approach as part of the investment process and improves its ESG profile compared to its universe of reference for ESG comparison, composed of global emerging market companies.

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.am.jpmorgan.com/ch/en/asset-management/per/products/jpm-emerging-markets-sustainable-equity-i-acc-eur-lu2051469620#/esg-information](http://www.am.jpmorgan.com/ch/en/asset-management/per/products/jpm-emerging-markets-sustainable-equity-i-acc-eur-lu2051469620#/esg-information).

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***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 the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](http://Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com));
- The percentage of the financial product's portfolio compliant with the JPMAM exclusionary framework (based on norms, standards and sectors exclusions and JPMAM proprietary ESG focused Checklist);
- The percentage of the financial product's investment universe reduction through the investment manager's exclusionary framework defined for the financial product.
- The percentage of the financial product's portfolio covered by an ESG analysis based on the investment manager's internal methodology;
- The average portfolio ESG score of the financial product and the one of its universe of reference, based on the investment manager's internal ESG scoring methodology.
- A combination of the Investment Manager's proprietary ESG scoring methodology and third-party data are used as indicators to measure the attainment of the environmental or social characteristics that the Financial Product promotes. The methodology is based on a company's management of relevant environmental or social issues. To be included in the 67% of assets promoting environmental or social characteristics, a company must score in the top 80% relative to its peers on either its environmental score or social score, and follow good governance practices.

**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?***

The objectives of the Sustainable Investments that the Financial Product partially intends to make may include any individual or combination of the following: (1) Environmental Objectives (i) climate risk mitigation, (ii) transition to a circular economy; (2) Social Objectives (i) inclusive and sustainable communities - increased female executive representation, (ii) inclusive and sustainable communities - increased female representation on boards of directors and (iii) providing a decent working environment and culture.

Contribution to such objectives is determined by either:

- (i) products and services sustainability indicators which may include the percentage of revenue derived from providing products and / or services that contribute to the relevant sustainable objective, such as a company producing solar panels or clean energy technology that meets the Investment Manager's proprietary thresholds contributing to climate risk mitigation; or
- (ii) being an operational peer group leader contributing to the relevant objective. Being a peer group leader is defined as scoring in the top 20% relative to peers based on certain operational sustainability indicators. For example, scoring in the top 20% relative to peers on total waste impact contributes to a transition to a circular economy.

● ***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?***

The Sustainable Investments that the Financial Product partially intends to make are subject to a screening process that seeks to identify and exclude, from qualifying as a Sustainable Investment, those companies which the Investment Manager considers the worst offending companies, based on a threshold determined by the Investment Manager, in relation to certain environmental considerations. Such considerations include climate change, protection of water and marine resources, transition to a circular economy, pollution and protection of biodiversity and ecosystems. The Investment Manager also applies a screen that seeks to identify and exclude those companies that the Investment Manager considers to be in violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights based on data supplied by third party service providers.

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

The indicators for adverse impacts on sustainability factors in Table 1 of Annex 1 and certain indicators, as determined by the Investment Manager, in Tables 2 and 3 of Annex 1 of the EU SFDR Regulatory Technical Standards have been taken into account. The Investment Manager either uses the metrics in the EU SFDR Regulatory Technical Standards, or where this is not possible due to data limitations or other technical issues, it uses a representative proxy. The Investment Manager consolidates the consideration of certain indicators into a "primary" indicator as set out further below and it may use a broader set of indicators than referenced below.

The Investment Manager's approach includes quantitative and qualitative aspects to take the indicators into account. It uses particular indicators for screening, seeking to exclude companies that may cause significant harm. It uses a subset for engagement seeking to influence best practice and it uses certain of them as indicators of positive sustainability performance, by applying a minimum threshold in respect of the indicator to qualify as a Sustainable Investment.

The data needed to take the indicators into account, where available, may be obtained from investee companies themselves and/or supplied by third party service providers (including proxy data). Data inputs that are self-reported by companies or supplied by third-party providers may be based on data sets and assumptions that may be insufficient,

**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.

of poor quality or contain biased information. The Investment Manager cannot guarantee the accuracy or completeness of such data.

#### Screening

Certain of the indicators are taken into account through the values and norms-based screening to implement exclusions. These exclusions take into account indicators 10 and 14 in relation to UN Global Compact principles and OECD Guidelines for Multinational Enterprises and controversial weapons.

The Investment Manager also applies a purpose built screen. Due to certain technical considerations, such as data coverage in respect of specific indicators, the Investment Manager either applies the specific indicator per Table 1 or a representative proxy, as determined by the Investment Manager to screen investee companies in respect of the relevant matters.

In connection with the purpose built screening and in respect of activities negatively affecting biodiversity sensitive areas and the emissions to water (indicators 7 and 8), due to data limitations, the Investment Manager uses a third party representative proxy. The Investment Manager also takes in to account indicator 9 in relation to hazardous waste in respect of the purpose built screen.

#### Engagement

In addition, the Investment Manager engages on an ongoing basis with selected underlying investee companies. A subset of the indicators will be used, subject to certain technical considerations such as data coverage, as the basis for engaging with selected underlying investee companies in accordance with the approach taken by the Investment Manager on stewardship and engagement. The indicators currently used in respect of such engagement include indicators 3, 5 and 13 in relation to greenhouse gas intensity, share of non-renewable energy and board gender diversity from Table 1. It also uses indicators 2 in Table 2 and 3 in Table 3 in relation to emissions or air pollutants and number of days lost to injuries, accidents, fatalities or illness.

#### Indicators of sustainability

The Investment Manager uses indicators 3 and 13 in relation to GHG Intensity and board gender diversity as indicators of sustainability to assist in qualifying an investment as a Sustainable Investment. One of the pathways requires a company to be considered as an operational peer group leader to qualify as a Sustainable Investment. This requires scoring against the indicator in the top 20% relative to peers.

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

The norms based portfolio exclusions as described above under "What environmental and/or social characteristics are promoted by this financial product?" seek alignment with these guidelines and principles. Third party data is used to identify violators and prohibit relevant investments in these companies.

*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 product considers principal adverse impacts on sustainability factors. The investment manager applies its "Best-in-Class" approach and BNP Paribas Asset Management the RBC policy establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. Therefore, the financial product's sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography of these economic activities.

This financial product, managed by JP Morgan Asset Management, has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to its universe. Based on its exclusion framework, internal extra-financial analysis relying on its proprietary scoring methodology, the investment managers selects issuers demonstrating superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the financial product. The outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified. At least 20% of the investment universe is de facto eliminated. In addition, the average portfolio ESG characteristics of the financial product is better than the one of its universe of reference, based on the investment manager's internal scoring methodology.

Therefore, the Investment Manager considers principal adverse sustainability impacts throughout the investment process: includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process.

Furthermore, the investment manager applies its policy on corporate engagement and stewardship teams regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the RBC Policy, the financial product ESG integration criteria, and Engagement and Voting Policy which include the following provisions:

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- Ensuring all securities included in the portfolio have supportive ESG research.

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer or investment), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

### Sovereign mandatory indicators

16. Investee countries subject to social violations

No



## What investment strategy does this financial product follow?

The financial product seeks to increase the value of its assets through investment growth. The financial product invests mainly in socially responsible companies in emerging markets, taking into account ESG criteria in its selection process. Specifically, the financial product invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business, in emerging countries. The financial product may invest up to 25% of assets in other equities and in other securities, such as bonds and money market instruments, and in cash. The financial product uses a combination of market and fundamental company analysis to select companies that appear to have higher quality businesses and an above-average potential earnings growth.

To achieve the investment objective of the financial product, the investment manager takes into account in its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The investment manager selects issuers demonstrating superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity, and applies certain minimum JP Morgan Asset Management and BNP Paribas Asset Management exclusion criteria. For more details, please refer to JP Morgan website: <https://am.jpmorgan.com/content/dam/jpm-am-aem/emea/regional/en/supplemental/notice-to-shareholders/mifid-ii-disclosure.pdf>

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process. The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. The sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

The Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager.

The Investment Manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with a significantly improved ESG profile compared to its investment universe of reference for ESG comparison.

### ● *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 financial product complies with the BNP Paribas Asset Management exclusion policies by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment.

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#).

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

- The financial product complies with the JPMAM exclusionary framework (based on norms, standards and sectors exclusions and JPMAM proprietary ESG focused Checklist);
- The financial product's investment universe is reduced by at least 20% through JPMAM exclusionary framework;
- The financial product has at least 90% of its assets covered by ESG analysis based on JPMAM methodology;
- The financial product targets to keep an average portfolio ESG score above the universe of investment, based on JPMAM internal scoring methodology. This element includes a threshold of 67% of the value of assets with good E/S and Governance characteristics. JPMAM's ESG scoring methodology is based on a company's management of relevant environmental or social issues such as its toxic emissions, waste management, labour relations and safety issues. In order to be included in the 67% of assets promoting environmental and/or social characteristics, a company must score in the top 80% relative to its peers on either its environmental score or social score and follow good governance practices.
- The financial product invests at least 25% of its assets in Sustainable Investments.

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

The financial product commits to a 20% minimum rate of reduction of the scope of investments prior to the application of its investment strategy.

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

This financial product is considered to be within JPMAM "Best-in-Class" classification. All investments (excluding cash and derivatives) are screened by the investment manager to exclude known violators of good governance practices.

In addition, the investment manager ESG analysis goes beyond core considerations (sound management structures, employee relations, remuneration of staff and tax compliance) to look at a more qualitative assessment of how the insights from the ESG model are reflected in the culture and operations of investee companies. In some cases, the ESG analysts will conduct due diligence meetings to better understand the company's approach to corporate governance.

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

At least 67% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 25%.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

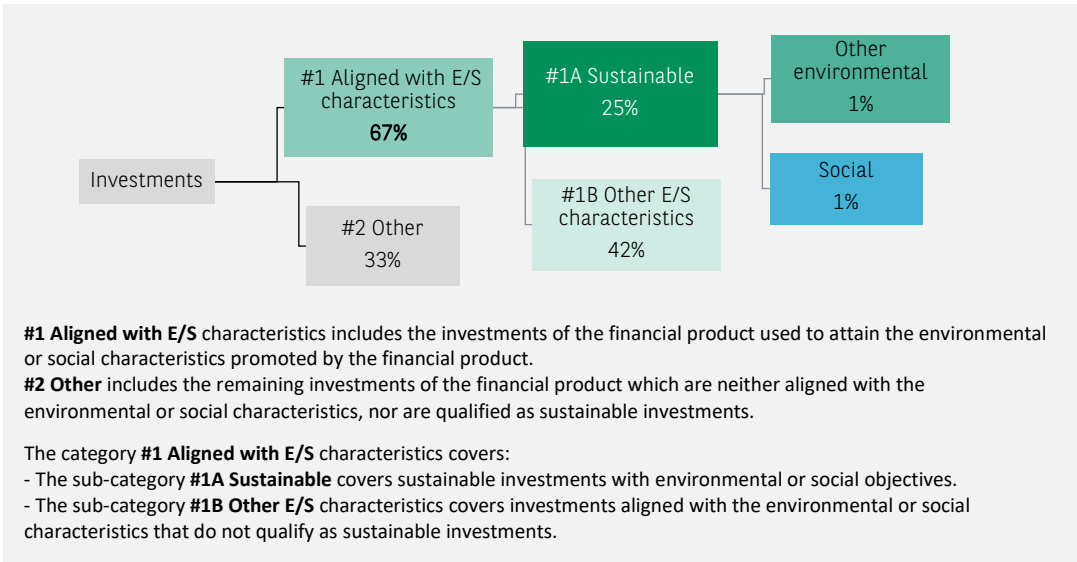
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



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

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.



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

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



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

Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

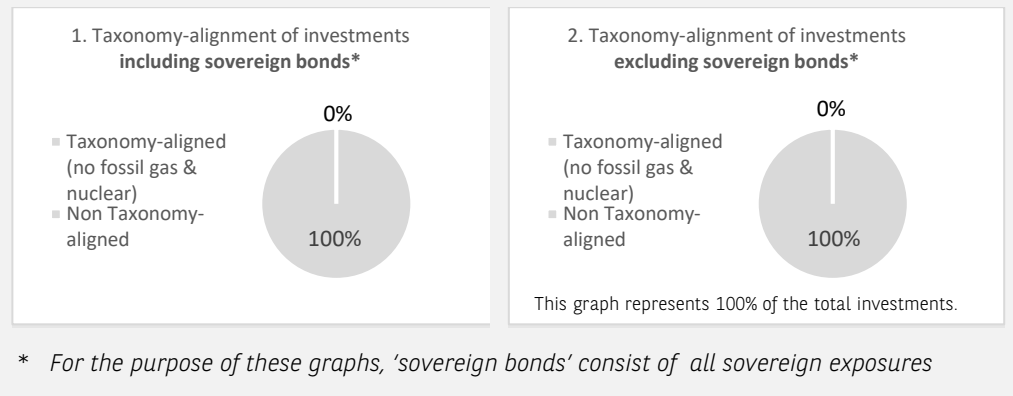
● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

- 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 an 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.



**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.

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 investments in transitional and enabling activities?**

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of the financial product is 1%



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

The minimum share of socially sustainable investments within the financial product is 1%.



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

The remaining proportion of the investments is mainly used for liquidity, efficient portfolio management, and/or hedging purposes. These investments, if any, are made in compliance with the investment manager internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



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 or social characteristics promoted by the financial product.

- *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

**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: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

## DISCLAIMER

Every ad hoc pre-contractual document, shall be read in conjunction with the prospectus in force. In case of discrepancy between an ad hoc pre-contractual document and a pre-contractual document included in the version of the prospectus in force, the version in the prospectus shall prevail.

