Anaxis AM / Sustainability statements

A) No material adverse effect on sustainable investment objective

Anaxis Asset Management has defined an investment selection method based on sustainability criteria.

The main negative impacts are taken into account at various stages of the management company's responsible investment approach: through sector exclusion policy, identification of sensitive activities (climate and water), the assessment of climate alignment, the assessment of efforts to reduce water-related impacts, the assessment of social and governance aspects, and the identification of possible links with authoritarian regimes. The measurement and monitoring of these indicators are part of the strategy to reduce negative impacts on sustainability factors.

The management company monitors compliance with the United Nations Global Compact and disputes brought under the OECD Multinational Enterprise Guidelines. Cases deemed serious are analysed specifically and submitted to our ethics committee, which decides on the company's eligibility. The portfolio aims for full compliance with international standards.

B) Sustainable investment objectives

This product aims to reduce the overall carbon intensity of investments under management by an average of 7.5% per year until 2030 and to achieve carbon neutrality by 2050.

C) Investment strategy

The sustainable investment objective must be achieved through rigorous selection of target companies using a "best effort" approach. This means that high-emission companies are excluded if they do not implement satisfactory plans to reduce their climate impact and achieve carbon neutrality. Companies with high potential negative impacts on other sustainability factors are subject to a review of their policies and results using appropriate indicators.

The policy for assessing the good governance practices of target companies is as follows: companies are rated on a scale of 1 (low risk) to 4 (very high risk). A rating of 3.5 or higher must result in the exit from the corresponding position. The criteria taken into account in investment decisions are transparency, good organisation, respect for stakeholder interests, fundamental rights and tax policy.

D) Share of sustainable investments

The fund has a sustainable investment objective. Thus, the minimum share of sustainable investments within the meaning of Regulation (EU) 2019/2088 (SFDR) is 100% of assets, excluding cash. However, no minimum applies with regard to the European taxonomy.

E) Monitoring of the sustainable investment objective

To measure the achievement of its sustainable investment objective, the management company calculates the average carbon intensity of the target companies. Intensity is measured in tonnes of CO2 (or equivalent) per million euros of turnover. The emissions taken into account are those of scopes 1 and 2. The compliance of our portfolios with our sustainability criteria is monitored daily by our risk management department.

F) Methodologies

Companies are ranked according to the carbon intensity of their activity. An investment in a greenhouse gas-sensitive sector is eligible if the company's climate rating is equal to or higher than B on a scale from A (best rating) to E (worst rating). This rating corresponds to companies that demonstrate transparency, have procedures in place to assess and manage climate risks and impacts, have defined medium- and long-term objective that can contribute to the Paris Agreement targets, have a credible plan to reduce their carbon intensity, and have begun to implement it. Companies that partially meet these criteria (rated B- and considered to be in the

process of alignment) are also provisionally eligible, provided that a commitment process is put in place to make them fully eligible within one year.

G) Data sources and processing

We use ESG data and assessments from company publications, specialist agencies and NGOs. Our teams work closely together to ensure the reliability, quality and consistency of the data. The sources used are validated by the risk control manager and the sustainable investment manager.

The data is processed using internal systems that combine information from various sources and providers. Proprietary indicators have been developed. Some of these require intensive data collection efforts and are not widely available on the market.

When the information needed to calculate carbon intensity is not available, we use internal estimates based on the company's main sector of activity. As an indication, more than two-thirds of issuers in the portfolio publish emissions figures.

H) Limitations of methodologies and data

- The analysis is based primarily on information provided by companies.
- In some cases, it is necessary to use assumptions or estimates.
- The available data is still insufficient to accurately assess Scope 3 emissions.
- Some assessment criteria are based on forecasts, commitments or corporate strategies.
- Some criteria are based on internal procedures or policies published by companies. It is possible that these procedures and policies are only partially implemented or not implemented at all.
- Some information may not be recent enough to reflect the current situation of the company concerned.
- Even a thorough analysis may not anticipate a future controversy or event.

To make the analysis as relevant as possible, Anaxis Asset Management focuses on the sustainability issues most likely to have a significant impact. These issues are not exhaustive. However, data quality control, consistency checks and robust estimation methods help to mitigate these limitations. We cross-check available sources to enhance data reliability. Finally, the high diversification of portfolios reduces the impact of potential inaccuracies.

I) Internal and external controls

The effective implementation of our ESG due diligence processes is audited by our internal control department and reviewed by an independent external consultant.

J) Engagement policy

As our business focuses on bond management, we do not attend shareholder meetings. Our engagement policy complies with the recommendations of the Net Zero Asset Managers initiative. It aims to align companies with the objectives of the Paris Agreement when they have a high potential climate impact due to the nature of their business. If no significant progress is made within 12 months, our ethics committee reviews the name with a view to excluding it from the list of authorised investments. Our engagement policy also includes collective action through our membership of the IIGCC (*Institutional Investors Group on Climate Change)*.

K) No benchmark

This product is not managed against a benchmark. Its portfolio cannot be considered as implementing Delegated Regulation (EU) 2020/1818 on "EU climate transition indices" and "EU Paris Agreement-aligned indices".