

## Anaxis AM / Sustainability statements

### A) *No sustainable investment objective*

This Financial Product promotes environmental or social characteristics, but does not have a sustainable investment objective. This product is classified as an Article 8 product under the SFDR. However, the minimum proportion of sustainable investments within the meaning of Article 2(17) of the SFDR is 60% of net assets.

### B) *Environmental and social characteristics*

The portfolio incorporates ESG criteria into its investment process in order to promote environmental and social characteristics. On the environmental front, the strategy is based on the exclusion of certain sectors with a negative impact (fossil fuels, armaments, tobacco, non-therapeutic GMOs, pesticides and plastic packaging), as well as on the assessment of issuers' commitment to the climate transition and the preservation of water resources and aquatic ecosystems. On the social front, the approach aims to ensure respect for human rights and international standards, notably those of the UN Global Compact and the OECD Guidelines, whilst excluding companies with social or governance practices deemed inappropriate.

### C) *Investment strategy*

A rigorous selection of target companies is carried out using a 'best effort' approach. This means that high-emitting 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 performance using appropriate indicators.

The policy for assessing good corporate governance practices in 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 stakeholders' interests, fundamental rights and tax policy.

### D) *Proportion of sustainable investments*

Although this product has not set an individual target, Anaxis Asset Management's sustainable investment policy on climate transition applies to at least 60% of its investment portfolio. This means that for this portion of the portfolio, issuers with a significant potential impact on the climate must be aligned with, or in the process of aligning with, a decarbonisation pathway deemed satisfactory.

### E) *Screening for environmental or social criteria*

Like all funds managed by Anaxis Asset Management, this portfolio undergoes *pre-trade* screening to ensure compliance with the normative and sector-specific exclusion rules set out in our ESG policy (first-level screening). The effective implementation of our ESG due diligence processes is audited by our internal control department and reviewed by an independent external consultant.

### F) *Methodologies*

Companies are classified according to the carbon intensity of their operations. An investment in a sector considered sensitive in terms of greenhouse gas emissions is eligible if the company's climate rating is B or higher on a scale from A (best rating) to E (worst rating). This rating applies to companies that demonstrate transparency, have procedures in place to assess and manage climate risks and impacts, have defined medium- and long-term targets that can contribute to the Paris Agreement's objectives, 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 sourced from company disclosures, 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 Head of Risk Control and the Head of Sustainable Investment.

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.

Where the information required to calculate carbon intensity is not available, we use internal estimates based on the company's primary sector of activity. As a guide, more than two-thirds of issuers in the portfolio publish emissions figures.

### **H) Limitations of methodologies and data**

- The analysis relies primarily on information provided by companies.
- In some cases, it is necessary to use assumptions or estimates.
- The available data is still insufficient to properly 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 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, the data quality control process, consistency checks and the robustness of estimation methods help to mitigate these limitations. We cross-check available sources to enhance data reliability. Finally, the high level of portfolio diversification reduces the impact of potential inaccuracies.

### **I) Engagement policy**

As our business focuses on fixed-income management, we do not attend general meetings of shareholders. Our engagement policy is in line with the recommendations of the Net Zero Asset Managers initiative. It aims to align companies with the objectives of the Paris Agreement where they have a high potential climate impact due to the nature of their business. In the absence of significant progress within 12 months, our ethics committee reviews the company with a view to removing 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*).

### **J) No benchmark**

This product is not benchmarked against an index. Its portfolio cannot be regarded as complying with Delegated Regulation (EU) 2020/1818 on 'EU climate transition indices' and 'EU Paris Agreement-aligned indices'.