

***Information to be published and  
maintained on websites as per  
SFDR-level I Art. 10(1) and SFDR-level II  
Art. 23 and Art. 37-49  
for a SFDR-Art. 9 product***

VERSION HISTORY		
DATE	LAST UPDATE	MAIN CHANGES
09/02/2026	03/12/2024; 28/06/2024; 01/01/2023	Amendments related to changes of the NEF Prospectus

## Sustainability-related disclosures

Following the entry into force of the COMMISSION DELEGATED REGULATION (EU) 2022/1288 of the European Parliament and of the Council of 6 April 2022 (the “**SFDR-level II**”) supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council (the “**SFDR-level I**”) with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports, as amended, which forms part of the EU’s package of measures relating to environmental, social and governance issues, NEAM (hereafter referred to as “**NEAM**” or the “**Management Company**”) is committed, inter alia, to publish on its website information in compliance with chapter IV of SFDR-level II.

### Resumen

- **Nombre del subfondo: NEF Ethical Global Trends**  
**Identificador de entidad jurídica (LEI): 549300DNUKGH7RL05J13**
- Sin perjuicio significativo para el objetivo de inversión sostenible: El análisis de no causar un perjuicio significativo («**DNSH**», por sus siglas en inglés) realizado por Niche Asset Management Ltd. (la «**Gestora de Inversiones**») tiene en cuenta el impacto negativo de cada una de las empresas participadas incluidas en la cartera, según un indicador de sostenibilidad adverso. El análisis de los principales incidencias adversas («**PIA**») realizado por la Gestora de Inversiones tiene en cuenta el impacto negativo de toda la cartera, según una serie de factores establecidos en el reglamento SFDR - nivel II. El Subfondo tiene en cuenta y mitiga las incidencias adversas de sus inversiones en la sociedad y el medio ambiente mediante una combinación de procesos internos, como la calificación medioambiental, social y de gobierno corporativo («**ESG**»), estrategias de exclusión, análisis DNSH, Análisis de controversias, Análisis de garantías mínimas, análisis de implicación y de evolución de las Principales Incidencias Adversas («**PIA**»). La Sociedad Gestora realiza una comprobación DNSH a posteriori de forma independiente sobre toda la cartera periódicamente.
- Objetivo de inversión sostenible del producto financiero: El Subfondo aplica un enfoque sostenible a las inversiones, invirtiendo únicamente en emisores de renta variable que puedan, directa o indirectamente, contribuir a la consecución de los Objetivos de Desarrollo Sostenible («**ODS**») definidos por las Naciones Unidas. Todos los emisores de renta variable deben tener una puntuación positiva en los ODS evaluada por la Gestora de Inversiones a través de su propio análisis sostenible, mientras que cada componente de la cartera debe superar la prueba de los ODS realizada por la Gestora de Inversiones.

La Sociedad Gestora supervisará el cumplimiento de la definición de inversión sostenible que se base en la contribución a uno o más ODS o que tenga cierta alineación con los objetivos de la Taxonomía de la UE.

- Estrategia de inversión: Este Subfondo busca invertir principalmente en valores emitidos por empresas con perfiles medioambientales, sociales y de gobierno corporativo de buena calidad y que contribuyan a la consecución de los ODS definidos por las Naciones Unidas. El objetivo de inversión sostenible se lleva a cabo de forma continuada en el marco del proceso de inversión.
- Proporción de inversiones: El Subfondo invierte al menos el 85 % de su patrimonio neto en inversiones sostenibles con un objetivo social.
- Seguimiento del objetivo de inversión sostenible: La contribución al objetivo de inversión sostenible se supervisa de forma continuada en el marco del proceso de inversión, especialmente a través del análisis de los ODS y la puntuación en los ODS de la Gestora de Inversiones. El cumplimiento de los objetivos sostenibles por parte de las inversiones es supervisado trimestralmente por la Sociedad Gestora a través de un cribado cuantitativo y un proceso de revisión en profundidad que le permiten verificar si los activos subyacentes se invierten de acuerdo con la estrategia de sostenibilidad.
- Métodos: La Gestora de Inversiones cuantifica la consecución de los objetivos sostenibles mediante una evaluación de la puntuación del impacto de los ODS, el buen gobierno corporativo de las participadas, el cumplimiento de las normas internacionales y el respeto de los principios DNSH. La Sociedad Gestora recurre a proveedores externos de datos ESG para supervisar la consecución del objetivo sostenible, el principio DNSH y de buen gobierno corporativo, así como el cumplimiento de las normas internacionales.
- Fuentes y tratamiento de datos: La Gestora de Inversiones utiliza datos procedentes de proveedores de datos externos y de análisis internos de datos públicos de las empresas participadas. La calidad de los datos se garantiza mediante análisis de coherencia temporal y análisis de agregación sectorial. La Sociedad Gestora también se basa en dos proveedores de servicios y en la información pública de las empresas para realizar su seguimiento.
- Limitaciones de los métodos y los datos: La Gestora de Inversiones y la Sociedad Gestora se basan en datos facilitados por terceros proveedores de datos que podrían estar sesgados en función de su metodología. No obstante, tanto la Gestora de Inversiones como la Sociedad Gestora hacen todo lo posible por verificar esos datos, investigando las incongruencias evidentes.
- Diligencia debida: La Gestora de Inversiones lleva a cabo una diligencia debida adecuada en relación con los riesgos de sostenibilidad de sus estrategias de inversión con arreglo a un planteamiento basado en tres etapas. La Sociedad Gestora también procede

a una diligencia debida anual de la Gestora de Inversiones delegada para evaluar el cumplimiento del compromiso asumido en el documento precontractual, el proceso de inversión ESG y los resultados en materia de sostenibilidad del Subfondo.

- Políticas de implicación: La Gestora de Inversiones llevará a cabo acciones de implicación con las empresas participadas siempre que surjan elementos críticos y se asegurará de que los votos se emitan de forma sostenible. La Sociedad Gestora anima a la Gestora de Inversiones a desempeñar un papel activo.
- Logro del objetivo de inversión sostenible: No se dispone de ningún Índice de Referencia de la UE alineado con el Acuerdo de París, tal como se define en el artículo 3, puntos (23a) y (23b), del Reglamento (UE) 2016/1011.

### **No significant harm to the sustainable investment objective**

While the principal adverse impacts (“**PAIs**”) analysis run by Niche Asset Management Ltd. (the “**Investment Manager**”) takes into consideration the negative impact of the whole portfolio, according to a number of factors set by the regulator (named Adverse sustainability indicators), the do not significant harm (“**DNSH**”) analysis takes into consideration the negative impact of a single investee company included in the portfolio, according to the same above-mentioned factors (Adverse sustainability indicators). The focus of the DNSH analysis run by the Investment Manager is not the intensity recorded for each factor, but its dynamics. To resume, it is important that the investee company demonstrates an improving trend, that shows that the company is gradually minimizing the negative impact of its business.

The Investment Manager considers and mitigates adverse impacts of its investments on society and environment through a combination of internal process like environmental, social, governance (“**ESG**”) rating, exclusion strategies, DNSH analysis, Controversies analysis, Minimum Safeguards analysis, engagement and PAI evolution analysis.

Regarding Table 1 Principal Adverse Impacts are taken into account in the different processes as shown in the following table:

Principal adverse impacts	ESG Score	Exclusion strategy	DNSH analysis	Minimum Safeguard	Controversies	Engagement	PAI evolution analysis
1. GHG emissions	Yes		Yes			Yes	Yes
2. Carbon footprint	Yes		Yes			Yes	Yes
3. GHG intensity of investee companies	Yes		Yes			Yes	Yes

4. Exposure to companies active in the fossil fuel sector		Yes	Yes			Yes	Yes
5. Share of non renewable energy consumption and production	Yes		Yes			Yes	Yes
6. Energy consumption intensity per high impact climate sector	Yes		Yes			Yes	Yes
7. Activities negatively affecting biodiversity sensitive areas	Yes		Yes		Yes	Yes	Yes
8. Emissions to water + (Emissions to Water / revenues)*	Yes		Yes			Yes	Yes
9. Hazardous waste ratio + (hazardous waste / revenues)*	Yes		Yes			Yes	Yes
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises			Yes	Yes	Yes	Yes	Yes
11. Lack of processes and compliance mechanisms to monitor			Yes	Yes	Yes	Yes	Yes

compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises							
12. Unadjusted gender pay gap			Yes		Yes	Yes	Yes
13. Board gender diversity			Yes			Yes	Yes
14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)		Yes	Yes			Yes	Yes

\*The delegated Investment Manager will also consider those two PAIs as a % of revenues, not just on absolute value (tons).

Those processes are used to verify to what extent the company works to minimise the negative impact of its business.

The sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights ("**UNGPs**"), including the principles and rights set forth in the eight fundamental conventions identified in the International Labor Organization's ("**ILO**") Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights, based on third-party providers, and/or controversies analysis and/or investee company's management feedback. Should there be signals for potential violation across any company held in the portfolio, the investment manager will engage with the company and then, if the violation is confirmed, a liquidation procedure for the investment will be enacted.

In addition, to confirm that the Sub-Fund's sustainable investments do not significantly harm any environmental or social sustainable investment objective, a DNSH test is run ex-post independently by the Management Company on the Sub-Fund's periodically. The DNSH test is based on several pillars among which:

- Norm-based screen: to identify issuer based on the issuer's link with any breaches of international standards notably the OECD Guidelines for Multinational Enterprises, and the

United Nations Guiding Principles ("UNGP") on Business and Human Rights are used in decisions on sustainable investments;

- Activity-based screen: the screening out of issuers based on their participation in activities with significant negative impacts on society or the environment;
- Sustainability indicators: to ensure that minimum environmental, social and governance characteristics are attained; and
- PAI evolution: quantitative data (where available) on PAI indicators is used to evaluate whether an issuer is involved in activities that cause significant harm to any environmental or social objective.

### *Sustainable investment objective*

The Sub-Fund seeks to invest mainly in stocks issued by companies with good quality of ESG profiles and contribute to the achievement of the Sustainable Development Goals ("SDGs") as defined by the United Nations understanding that SDG compliance is a prerequisite for the investment. The Sub-Fund has a sustainable approach to the investments by mainly investing in companies that can, directly or indirectly, help the achievement of the SDGs, as stated by the UN.

All equity issuers must have an SDG score assessed by the Investment Manager through its own sustainable analysis while each component of the portfolio has to pass the SDGs test performed by the Investment Manager.

Finally, this Sub-Fund has not designated a reference benchmark for the purpose of attaining the sustainable investment objective.

### *Investment strategy*

The Sub-Fund seeks to invest mainly in stocks issued by companies with good quality of Environmental, Social and Governance profiles that contribute to the achievement of the Sustainable Development Goals as defined by the United Nations as described in the following sections.

The Investment Manager analyses the practices used by the companies in the domains of environmental, social and governance on a continuous basis as part of the stock selection process, as one of the instruments to minimize the negative impact of the investments.

The first step in the investment strategy is the application of exclusion criteria. An exclusion list<sup>(1)</sup> will be made of companies that are to be excluded as follows:

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<sup>1</sup> The Sub-Fund's « Exclusion List » is in accordance with the Climate Transition Benchmark (CTB) as per letter a) to c) of article 12 of Commission Delegated Regulation (EU) 2020/1818.

- Companies involved in any activities related to controversial weapons;
- Companies with important revenue generated from services/products which are oriented toward armaments or warfare;
- Companies involved in the cultivation and production of tobacco;
- Companies in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- Companies whose main business activity is carried out in any of the following business areas:
  - o Gambling
  - o Pornographic material
  - o Coal
  - o Unconventional Oil and Gas
  - o Integrated Oil and Gas
  - o Oil and Gas Exploration and Production
  - o Oil and Gas Drilling
  - o Oil-related Services and Equipment

The Investment Manager will follow the exclusion list as per the above elements.

If an issuer falls into any of the above mentioned categories after investment, the Investment Manager should sell the relevant security within a reasonable timeframe. However, they may continue to be held, if consent has been obtained from the Management Company..

The second step consists in assessing the ESG profile of the company through both:

- a quantitative analysis, based on a variety of ESG issues provided by Refinitiv. This is based on a “best in class” methodology that allows to hold companies in sector with high carbon footprint that are nonetheless needed to the communities, provided that those companies stand out for in terms of ESG practices. This methodology is well combined with the already mentioned exclusion policy in order to exclude sectors that the fund deems negative and not absolutely necessary.
- a qualitative analysis made by the Investment Manager to verify the reliability of the data of the provider. When the Investment Manager finds material mistakes or incongruencies, it reperforms the ESG analysis according to its proprietary model, conceptually consistent with Refinitiv, and proposes it to the Management Company for approval.

All issuers must have an ESG rating from Refinitiv above a minimum threshold (single C plus –, i.e., companies in the upper part of the second quartile of the Refinitiv classification, that include firms with satisfactory relative ESG performance) and the average ESG portfolio rating should be above a minimum threshold (65).

The Investment Manager will not invest in ESG unrated securities. In case ESG rating is not available from Refinitiv, ESG rating based on the Investment Manager's own internal rating or other sources can be used only with the prior explicit authorization of the Management Company and only if properly disclosed. The Investment Manager can also invest in companies that are below such a minimum rating (single C plus Refinitiv), provided that the company is judged pivotal in the achievements of one or more SDGs and that the low ESG rating from Refinitiv can be contradicted by the Investment Manager own research and ESG rating.

All investments are subject to good governance policy (sound management structures, employee relations, remuneration of staff and tax compliance) while taking into account the size, the risks and the resources of the company. Additionally, to ensure the respect of good governance, the Sub-Fund will only invest in publicly traded company as a minimum safeguard, as several policies and audits are taken place before a company goes public. Issuer minimum Governance pillar score should not be below 25 according to Refinitiv or equivalent as per the Investment Manager internal score.

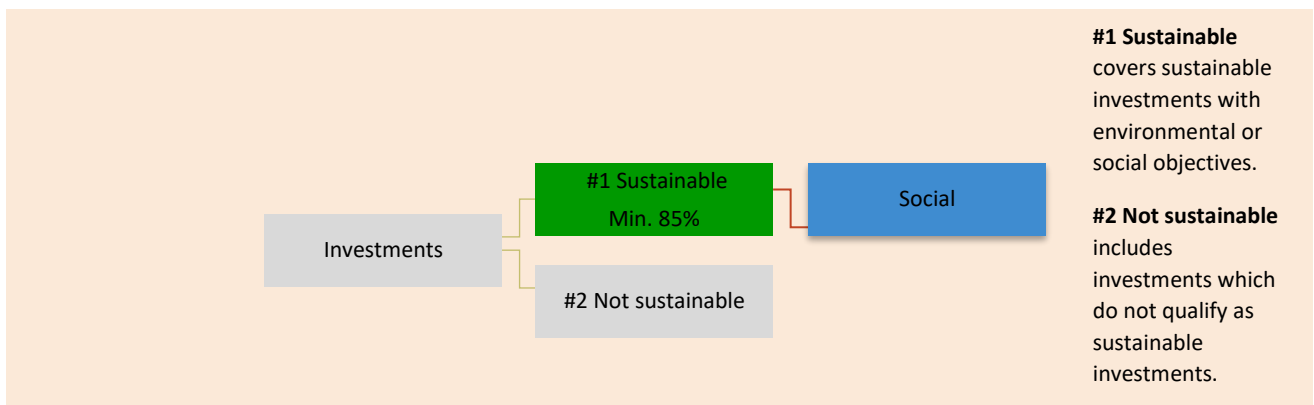
The Sub-Fund may invest up to 10% in other UCITS or UCIs. Those funds are included solely when all the following conditions are met:

- They are at least classified as article 8 funds according to Regulation (EU) 2019/2088 ("**SFDR-level I**") and have a 100% commitment to invest in sustainable investments (excluding cash and hedging derivatives);
- They consider principal adverse impacts of its investment decisions on sustainability factors.

The third step consists in measuring the positive contribution the investment has to the UN SDGs, as further described in the below section "*Methodologies*".

### *Proportion of investments*

This Sub-Fund invests at least 85% of its net assets in investments with a direct exposure in investee entities that are sustainable (#1 Sustainable) with a social objective.



### Monitoring of the sustainable investment objective

The contribution to the sustainable investment objective is carried out by the Sub-Fund on a continuous basis as part of the investment process (i.e. in line with the exclusion policy, it is continuously enacted through portfolio monitoring) notably through the SDG analysis and SDG score.

The sustainable investments are monitored through a different set of compliance mechanisms. The SDG compliance is a prerequisite for the at least 85% of the portfolio.

In particular the Management Company, on a quarterly basis, runs a first quantitative screening and a detailed review process on the assets held by the Sub-Fund to determine the percentage of the sustainable investments. More details about the screening performed by the Management Company can be found in section "Methodologies".

Once the first quantitative screening is run, the Management Company asks the Investment Manager to provide evidence regarding the investments that did not pass the quantitative screening either for lack of data or because have not met some of the quantitative criterias checked. Based on the evidence sent by the Investment Manager and compared to the data stemming from third-party data providers, the Management Company issues an opinion on the sustainability of the concerned investment.

### Methodologies

The following indicators are used by the Investment Manager to assess the attainment of the sustainable investment objective:

- The percentage of investee companies with a positive SDG score, based on the Investment Manager proprietary methodology. The SDG analysis is based on a

proprietary process to verify whether and to what extent the companies are instrumental to the achievement of the sustainable goals as defined by the UN. The analysis is carried out for each individual company and consists of three different stages:

- business exposure: the percentage of revenues that are directly related to SDGs;
- repercussion: the analysis of the positioning of the company in the SDGs related business and by the analysis of its SDGs functionality. The positioning analysis is related to how much the company is needed for this SDG related business to continue smoothly (the market share in the area of activity is very important). The SDG functionality represents the "intensity" of the SDG exposure, its importance for the SDGs achievements.
- growth attitude: whether and how much the company is investing in the SDG business, making it grow.

Then, those three different scores are entered into a matrix to define whether the company can be considered SDG related and at what extent.

- The percentage of investee companies which the Investment Manager engaged upon their functionality to Sustainable Development Goals and the minimization of their negative impact during the year; and
- The percentage of holdings that are in violation of the, ILO standards, or, UNGPs.

Furthermore, the Sub-Fund shall exclude all of the following companies from its eligible universe:

- Companies involved in any activities related to controversial weapons;
- Companies with important revenue generated from services/products which are oriented toward armaments or warfare;
- Companies involved in the cultivation and production of tobacco;
- Companies in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

The Management Company on a quarterly basis runs ex-post independently checks and considers that, in order to be classified as sustainable investment, an investment should either:

1. Be aligned with the EU Taxonomy objectives. A company can be qualified as sustainable investment in case it has more than 20% of its revenues aligned with the EU Taxonomy, or
2. Contribute positively to one or more United Nations Sustainable Development goals (UN SDG) targets. Despite UN SDG targets both environmental and social matters, the ultimate target revolve around human society development in a sustainable way, therefore is meant to contribute to a social objective, or

3. Be a Green Bonds, Social Bonds, Sustainable Bonds, or bonds linked to Sustainable / ESG / SDGs projects which is meant to contribute to a social or environmental objective depending on the nature of the bond. Such bonds should follow guidelines concerning the use of proceeds such as ICMA or CBI or other recognized independent party.

Regarding point 2, the positive contribution is determined usually by using ISS SDG impact rating. However other equivalent SDG impact analysis could be used. ISS SDG impact rating ranges from -10 to +10. To contribute positively the ISS SDG impact rating should be at least 2.

The ISS SDG impact rating is based on 3 pillars:

- Product and services identify contribution or obstruction to SDGs, based on revenues. The score is ranging from -10 to +10 based on the percentage of revenues contributing or obstructing with the goal, +10 imply a 100% contribution.
- Operations management: evaluate impact along the value chain, based on corporate ESG practices and impact. The score is ranging from -10 to +10.
- Controversies: identify alleged or verified failure to respect norms that obstruct SDG. The score ranges from 0 (no controversies) to -8 (large negative controversies).

Once these 3 ratings are compiled for each goal, both operation management and controversies are added together and compared to the product and services score. Then the following logic is applied: Highest positive score if only positive scores, Lowest negative score if only negative scores, sum of the positive and the negative score in case of mixed scores.

To assess the good governance of a company, the issuer should be listed on a major stock exchange, as it requires several audits and assessments before it can go public. In addition, the issuer should also have a minimum Governance ESG rating of 25 or higher. In case no rating is available for the issuer, or the rating is below the minimum score the issuer does not pass the first quantitative screen, there is a chance that it could pass the second screen. In order to do so, the Investment Manager should provide evidences that the company has a good governance to the Management Company. The elements provided will be reviewed by a risk analyst that will give a recommendation to the Management Committee which could approve it or not.

- The DNSH principal is based on 5 main pillars:
  1. ESG minimum rating should equal or higher than 41.67 from Refinitiv or D+ from ISS to pass the first screen. In the event that the issuer is not covered, or the score is lower than expected the Investment Manager should provide the Management Company with evidences that the company has an equivalent high ESG rating to pass the second screen. The elements provided will be reviewed by a risk analyst that will give a recommendation, which the Management Committee could approve or not.

2. NBR Overall Flag: this flag from ISS assigns an overall Red, Amber, or Green flag to an issuer based on the issuer's link with any breaches of international standards. A security with a "Red" flag does not pass the first screen, some evidences are requested to the Investment Manager to have his opinion. The documents sent by the Investment Manager are then reviewed by a risk analyst that will summarize the elements given plus some additional research and will give his recommendation about the sustainability of the security, which the Management Committee may, later on, approve it or not.
3. Controversial Weapons Involvement (APM, CM, Bio, Chem): this flag from ISS provides a T/F indication of whether the issuer has verified involvement in anti-personnel mines, cluster munitions, chemical weapons or biological weapons. If the flag highlights "True" the security have to be sold by the investment manager as this is forbidden.
4. Fossil Fuel - Involvement (PAI): this factor provides a T/F indication of whether the issuer is involved in the fossil fuel sector according to ISS. In such case, the security is then passed through a second quantitative check and at least one of the below conditions should be valid in order to pass the first screen:
  1. Are the Climate total emissions Intensity (GHG) (Total CO2 emissions/ Total revenues) of the investee company better than its peers' industry average? In such case the screen is passed.
  2. Did the company have set GHG reduction targets, which are ambitious enough? In such case the screen is passed.
  3. Did the PAI indicators, notably related the GHG emissions, improved over time. In such case the screen is passed.

In the case an issuer is not covered or does not pass the above conditions, then evidence and explanations, including evidence on the PAIs improvement, are requested to the Investment Manager. Based on evidence sent by the Investment Manager and data coming from the Management Company service providers and/or public information, NEAM risk team will give his opinion about the sustainability of the security to the Management Committee that may approve it or not.

A list of all the investments that do not qualify as sustainable according to the first quantitative screen will be sent to the Investment Manager asking to provide evidence regarding the criteria not met by the security. Based on evidence sent by delegated Investment Manager and data coming from the Management Company service providers and/or public information NEAM risk team will give his opinion about the sustainability of the security. This opinion will need to be confirmed or not during the Management Committee. Evidence of PAIs improvement will be collected for securities not passing the first screen in regard to any of the DNSH criteria.

## *Data sources and processing*

### **Investment manager level**

#### **(a) the data sources used to attain sustainable investment objective of the financial product**

The Investment Manager uses the following data sources:

- the SDG analysis is based on public data processed by the Investment Manager;

- the exclusion process uses multiple information sources, including: Refinitiv, the Freedom in the World report (Freedom House), The Financial Action Task Force (FATF), the EU Sanction List, UK Sanction List, internal analysis, industry report, financial statements analysis;
- the valuation of sustainability risk is based on Refinitiv data and on internal analysis (internal analysis data are derived from firm sustainability reporting, if available, or from other sources like company management, company website, third parties' sources);
- the engagement process is conducted through many channels and duly formalized (emails, calls, videocalls, meetings, standardized or personalized forms on sustainability).

**(b) the measures taken to ensure data quality**

The sustainability team of the Investment Manager reviews the quality of the data obtained by the Refinitiv in the course of its analysis. This is made through outliers data analysis (data that are significantly lower or higher than the average are double-checked), through time consistency analysis (the Investment Manager takes into consideration the period to which the data are referred to be sure that there is consistency in the comparison) and through industry aggregation analysis (Refinitiv creates cluster of companies in order to assign a score based on ranking within this cluster; the Investment Manager verifies that the cluster is comparable and homogeneous).

**(c) how data are processed**

In the case of Refinitiv, the data processing is automatic in order to reduce the risks of incorrect transcription. In the case of internal analysis, which is mostly based on the analysis of firm's reporting by the dedicated sustainability team, the data are processed manually, subject to final cross-review by the team members.

**(d) the proportion of data that are estimated**

The Investment Manager has a preference for reported data. The Investment Manager will rely on estimated data on ancillary basis, in extreme cases like those relative to lack of an update from the company or in case it found data that are clearly blurred and no opportunity of direct contact with the company is possible.

**Management Company level**

**(a) the data sources used to attain sustainable investment objective of the financial product**

The Management Company, in its role of monitoring the sustainable investment objective, uses the following data sources:

- the SDG analysis provided by ISS Datadesk. In case the issuer is not covered by ISS Datadesk or if the Investment Manager does not agree with ISS data, the Investment Manager should provide NEAM with a detailed SDG analysis;

- the exclusion process uses: Refinitiv and ISS Datadesk;

- the valuation of sustainability risk is mainly based on Refinitiv data and ISS Datadesk data. Whenever the issuer's sustainability risk cannot be measured by neither Refinitiv nor ISS Datadesk, the Investment Manager is requested to submit his internal ESG score and analysis which is further analysed by NEAM and compare with other ESG ratings providers and others public information.

**(b) the measures taken to ensure data quality**

The quality of the data is ensured by the comparison of different data service providers available at Management Company level (Refinitiv and ISS) as well as through the comparison with delegated Investment Manager's evidence and public information.

**(c) how data are processed**

In the case of Refinitiv and ISS the data processing is automatic. In the case data are processed manually, the Management Committee of the Management Company is reviewing the analysis performed by the risk team to ensure a final cross-review.

**(d) the proportion of data that are estimated**

In some cases, companies are limited in what information they can disclose and estimates need to be made. For this reason, data providers regularly estimate data points, with continuous improvements being made to the coverage and methodology. The Investment manager and the management company itself makes no estimates of sustainability indicators. The need for estimates will decrease continuously, in part due to the expansion of sustainability-related reporting obligations for companies, for example in relation to the criteria for the EU Taxonomy.

***Limitation to methodologies and data***

The Investment Manager and the Management Company rely predominantly on third-party ESG data providers for equity issuers. They have no direct control on the data collected. However, the Investment Manager makes best effort to verify those data, investigating apparent incongruences. In addition, it should be considered that the different data providers use different methodologies to collect their data, which cannot be fully disclosed as to protect the intellectual property rights of the considered data provider.

Regarding third-party managed UCIs, both the Investment Manager and the Management Company rely on the pre-contractual annex of the targeted UCIs, meaning that the data is dependent on the ability of the third-party UCIs to be aligned to its pre-contractual annex.

In terms of SDG analysis, the Investment Manager uses a clear and disclosed proprietary SDG analysis. As such this can yield different results compared to other SDG analysis. The

Management Company, in its role of monitoring the sustainable investment, uses ISS as data-provider, hence it is ensured a further degree of control.

For what concerns the violation of the OECD Guidelines for Multinational Enterprises, ILO standards, UNGPs, or UNGC, the analysis relies also on third-party providers, and/or controversies analysis and/or investee company's management feedback. For what concerns the third-party providers, the data obtained bear the same limitations disclosed about third-party data providers. The Management Company, in its role of monitoring the sustainable investment, uses partially different data-providers, hence it is ensured a further degree of control.

In order to verify the attainment of the sustainable investment objective, the Investment Manager and the Management Company use different data providers, increasing the reliability of data.

The main limitation to the methodologies and data sources is referred to the absence of information from the listed companies with respect to the PAIs. Data are often not available or difficult to assemble, especially in the case of emerging markets. This affects the process of PAI analysis and of PAI aggregation and reporting. Then, the ESG data related to PAI can differ from one provider to another due to different methodological approaches.

The Investment Manager expects the level of disclosure to improve significantly within a few years, given the pressure from the investment community to demand more and better information from listed companies. In the meantime, the Investment Manager will engage with the companies to improve the communication framework. This creates a positive spin in term of sustainability reporting of companies that are located in areas other than Europe where sustainability reporting is still fragmented. This applies significantly to small and mid-cap areas where Investment Manager aims to stimulate the sustainability communication awareness.

### *Due diligence*

The Investment Manager assesses the issuer it considers eligible as per the investment universe by conducting an appropriate due diligence.

The Investment Manager has carried out an adequate investment due diligence process regarding the sustainability risks of its investment strategies.

To define whether or not a company contributes to the SDGs, the Investment Manager has created a three steps proprietary framework described in the section "Methodology" above and the portfolio is solely invested in companies that hold a positive SDG repercussion.

The ESG due diligence process is based on the approach called by European Banking Authority (EBA) as "*Exposure Method*", which focuses on how individual exposures perform on ESG factors. The indicators used for this assessment are arranged at company level, taking into consideration sector characteristics, with the aim to attain the specific sensitivities to ESG factors of different segments of economic activity. This systematic approach for classifying

exposures according to their specific ESG attributes covers all three individual elements 'E', 'S' and 'G', both during stock selection and monitoring of investments.

The internal control takes place through a number of analyses managed by the Investment Manager: ESG integration policies, Exclusion policy, Do Not Significantly Harm analysis, Minimum Safeguard, Controversies analysis, and Engagement activities with investee companies. The external control takes place through: a) outliers data analysis (data that are significantly lower or higher than the average are double-checked); b) time consistency analysis (the Investment Manager takes into consideration the period to which the data are referred to be sure that there is consistency in the comparison); and c) industry aggregation analysis (Refinitiv creates cluster of companies in order to assign a score based on ranking within this cluster; the Investment Manager verifies that the cluster is comparable and homogeneous).

The Management Company also proceeds to an annual due diligence of the delegated Investment Manager to assess the compliance with the engagement taken in the pre-contractual document, the ESG investment process and the sustainability performance of the sub fund. The following points are assessed on yearly basis:

- ESG scoring methodologies
- ESG integration in Investment Process & RMP
- Exclusion policy
- Sustainable Investment Implementation
- Sustainable Investment alignment
- DNSH analysis
- PAI consideration in the Investment process
- Annex IV/V of SFDR-level II
- Engagement activity

All these topics are reviewed and are assessed qualitatively, from Bad to Very good; such analysis is presented and approved by the Management Committee and by the Board of Directors of the Management Company.

### ***Engagement policies***

The Investment Manager goal is to improve sustainability practices and communications through consistent and positive engagement. The Investment Manager will engage with the firms in all those cases where critical elements emerge from the ESG, DNSH, Minimum Safeguards and Controversies analysis in a way to understand the reason why the issues occurred and the firm's commitment to address them.

The Investment Manager ensures that votes are exercised in a sustainable manner, taking into account the Regulation (EU) 2019/2088 and the related regulatory framework.



The Management Company encourages Investment Manager to take part in the active and responsible role as shareholder in the companies the sub-fund(s) invest in with emphasis on sustainability, activity and responsibility.

***Attainment of the sustainable investment objective***

No EU Paris-aligned Benchmark as defined in Article 3, points (23a) and (23b), of Regulation (EU) 2016/1011 is available.