

Information to be published and maintained on websites as per SFDR-level I Art. 10(1) and SFDR-level II Art. 23 and Art. 24-36 for a SFDR-Art. 8 product

VERSION HISTORY		
DATE	LAST UPDATE	MAIN CHANGES
09/02/2026		First publication

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 Step to Balanced 2030**
Identificador de entidad jurídica (LEI): 636700Y8UAQJELN72P34
- Sin objetivo de inversión sostenible: Este producto financiero promueve características medioambientales o sociales («**E/S**») pero no tiene como objetivo la inversión sostenible. Aunque no tiene como objetivo la inversión sostenible, se compromete a tener un porcentaje mínimo del 10 % de inversiones sostenibles de conformidad con el artículo 2, apartado 17, del SFDR, nivel I. El objetivo de las inversiones sostenibles es invertir en empresas que y/o agentes económicos cuyo modelo de negocio y actividades contribuyan a apoyar objetivos medioambientales o sociales positivos siguiendo las mejores prácticas medioambientales y sociales y evitar fabricar productos o prestar servicios perjudiciales para el medio ambiente y la sociedad.

La Sociedad Gestora supervisará el cumplimiento de la definición de inversión sostenible que se base en la contribución a uno o más Objetivos de Desarrollo Sostenible de las Naciones Unidas («**ODS de la ONU**»), tenga cierta alineación con los objetivos de la Taxonomía de o se invierta en un Bono verde/social/sostenible o equivalente. Para confirmar que las inversiones sostenibles que realiza parcialmente el producto financiero no causan un perjuicio significativo («**DNSH**») a ningún objetivo de inversión sostenible medioambiental o social, la Sociedad Gestora realiza una comprobación DNSH a posteriori de forma independiente en la cartera al menos una vez al año.

- Características medioambientales o sociales del producto financiero: El Subfondo promueve algunas características ESG mediante la consecución de una puntuación ESG global a nivel de cartera («Puntuación ESG del Fondo»).

- Estrategia de inversión: El Subfondo es un fondo ético y equilibrado cuyo objetivo es lograr la apreciación del capital mediante la promoción de los principios medioambientales, sociales y de gobierno corporativo (ESG) a medio/largo plazo, invirtiendo principalmente en bonos y acciones. El objetivo del Subfondo es proporcionar apreciación del capital invirtiendo en instrumentos de renta fija como deuda pública, supranacional y corporativa, al tiempo que aumenta progresivamente la exposición a la renta variable invirtiendo principalmente en acciones emitidas por empresas con un buen perfil ESG. La promoción de características medioambientales y sociales por parte del Subfondo a través del análisis ESG (como se ha descrito anteriormente) se integra en su proceso de selección de inversiones y diligencia debida. El Subfondo también busca invertir parcialmente en títulos que tengan un impacto positivo instrumental para la consecución de los ODS definidos por las Naciones Unidas («ONU»).
- Proporción de inversiones: El Subfondo invierte al menos el 90 % de su patrimonio neto en activos que se han determinado como «admisibles» según el proceso ESG en vigor (por tanto, en inversiones que promueven características medioambientales y sociales, como:
 - un mínimo del 10 % en inversiones sostenibles, entre las que un mínimo del 10 % se invertirá en inversiones sostenibles con un objetivo social.
 - incluye valores de emisores que se considera que mantienen características ESG favorables, pero no son inversiones sostenibles.
- Seguimiento de las características medioambientales o sociales: la Gestora de inversiones supervisa de forma permanente el cumplimiento por parte de las inversiones de las características E/S promovidas. Además, la gestión de riesgos de la Sociedad Gestora supervisa el cumplimiento de los elementos obligatorios. De este modo, el Subfondo utiliza indicadores medioambientales y sociales para evaluar si se alcanzan las características E/S promovidas.
- Métodos: La consecución de las características E/S promovidas se evalúa mediante el seguimiento de algunos indicadores como prueba de la promoción de las características medioambientales y sociales. La Sociedad Gestora recurre a proveedores externos de datos ESG para supervisar el perfil de sostenibilidad del Subfondo.
- 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.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment. It will nevertheless commit to have a portion of 10% of sustainable investments. The objective of the sustainable investments is to invest in companies with good quality of ESG profiles and contribute to the achievement of the Sustainable Development Goals ("SDGs")

Additionally, the partial investment in sustainable investments according to article 2(17) SFDR-level I is ensured by the Management Company who runs ex-post independently checks on the portfolio at least quarterly.

The Management Company 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. While the principal adverse impacts ("PAIs") analysis run by the Investment Manager takes into consideration the negative impact of the whole portfolio, according to a number of factors set by regulator (named Adverse sustainability indicator), the do not significantly harm ("DNSH") analysis takes into consideration the negative impact of a single investee companies included in the portfolio, according to the same above-mentioned factors (Adverse sustainability indicator).

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	DNSH analysis	Minimum Safeguarded	Controversies	Engagement	PAI evolution analysis
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		strate gy					
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			Yes	Yes	Yes	Yes	Yes

Development (OECD) Guidelines for Multinational Enterprises							
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises			Yes	Yes	Yes	Yes	Yes
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.

The Management Company runs on an ex-post basis a DNSH test (do not significant harm test) independently. 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;
- Activity-based screens: 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;
- 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.

As a general matter, "the "do no significant harm" principle, as referred to in article 6 of the "EU Taxonomy" Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments does not apply to this Sub-Fund since the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

In case of breaches of this minimum percentage the Investment Manager will be enquired to provide evidence on the sustainability nature of the investments. Based on evidence sent by the Investment Manager and data coming from the Management Company service providers and/or public information the Management Company risk team will give his opinion about the sustainability of the security which should be validated by the Management Committee.

Environmental or social characteristics of the financial product

This Sub-Fund promotes some ESG characteristics, through the pursuit of an overall ESG score at portfolio level ("Fund's ESG Score"), it seeks to invest mainly in stocks and bonds issued by companies with a good quality of Environmental, Social and Governance profiles.

The Sub-Fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

Investment strategy

The Sub-Fund is an ethical and balanced fund, whose objective is to achieve capital appreciation, by promoting the Environmental, Social and Governance (ESG) principles on

medium/long term, through investing mainly in bonds and equities. The Sub-Fund aims to provide capital growth by investing in fixed income instruments such as government, supranational and corporate bonds while gaining progressively exposure to equity by investing mainly in stocks issued by companies with a good ESG profile.

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⁽¹⁾ will be made of companies that are to be excluded as follows:

- Companies involved in activities related to controversial weapons;
- Companies with important revenues generated from services/products which are oriented toward armaments or warfare;
- Companies involved in 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 that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
- Companies whose main business activity is carried out in any of the following business areas:
 - o Adult entertainment and pornographic material
 - o Gambling
 - 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

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

- The "Exclusion List" made of sovereign issuers in countries with high corruption and ML/TF risk and in countries or federal states where death penalty applies.

If an issuer becomes excluded after investment the Investment Manager should sell the security within a reasonable timeframe. However, it 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:

¹ 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.

- 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.

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 (66).

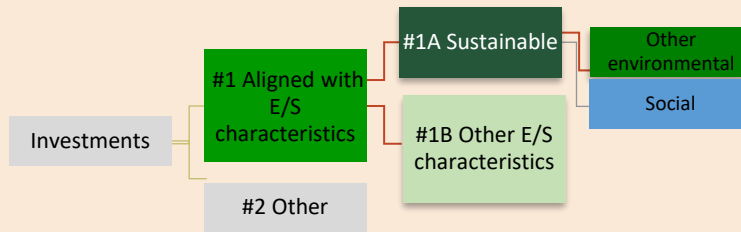
- The financial product shall have at least 95% of its assets (excluding ancillary liquid assets) covered by the ESG analysis.
- The financial product shall invest at least 10% of its assets in 'sustainable investments' as defined in Article 2 (17) of the SFDR regulation.

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.

Proportion of investments

The Sub-Fund invests at least 90% of its net assets in assets that have been determined as “eligible” as per the ESG process in place (hence in investments that promote environmental and social characteristics (#1 Aligned with E/S characteristics), including:

- a minimum of 10% in sustainable investments (#1A sustainable), among which a minimum of 10% will be invested in sustainable investments with a social objective.
- (#1B Other E/S characteristics) includes securities of issuers which are deemed to maintain favourable ESG characteristics but are not sustainable investments. Up to 10% of the investments might not be aligned with these characteristics (#2 Other). A



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

more detailed description of the specific asset allocation of this Sub-Fund can be found in the prospectus of this financial product.

Monitoring of environmental or social characteristics

In addition, risk management of the Management Company monitors on a daily basis adherence to the mandatory elements. In this manner, the Sub-Fund uses the environmental and social indicators to assess whether the promoted objective is achieved.

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 4 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

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 blunted and no opportunity of direct contact with the company is possible.

Management Company level

The Management Company, in his role of oversight, uses the following data sources:

- ESG score: Refinitiv, ISS;
- the exclusion process uses: Refinitiv, ISS, public information;
- 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 the Management Company and compare with other ESG ratings providers and others public information.

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

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

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 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.

The Management Company relies on major data providers to proceed to its supervision on sustainability profile of the Sub-Fund. Despite a large dataset of issuers worldwide, some of them might not be covered yet due to lack on information or disclosure.

On a best effort basis, the Management Company uses public information, notably companies' own sustainability report and will leverage the Investment manager sustainability's expertise to ensure that E/S characteristics promoted are indeed met by those issuers, despite potential limited disclosure.

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 places 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 exercises voting rights in a sustainable manner, taking into account the Regulation (EU) 2019/2088 and the related regulatory technical standards framework. In this respect, the Investment Manager takes part in the active and responsible role as shareholder in the companies the sub-fund invests in with emphasis on sustainability, activity and responsibility.

The Management Company encourages investment managers 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.