Sustainability-related disclosures

Aviva Investors Investment Solutions – Emerging Markets Debt Fund (the "Sub-Fund")

For financial products that promote environmental or social characteristics, financial market participants shall publish the information referred to in Article 10(1) of Regulation (EU) EN 32 EN 2019/2088 and Articles 25 to 36 of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022.

a) 'Summary'

The investment objective of the Sub-Fund is to earn income and increase the value of the Shareholder's investment until the Sub-Fund maturity date.

The Sub-Fund invests at least two-thirds of total net assets in hard currency-denominated fixed- and floating-rate bonds of governmental, quasi-governmental, supranational, financial institution or corporate issuers anywhere in the world.

This Sub-Fund promotes environmental and social characteristics however does not have a sustainable investment objective

The Sub-Fund is expected to have at least 80% of its investments aligned with the environmental/social characteristics of the Sub-Fund. There will be no sustainable investments defined under SFDR. The Sub-Fund does not have a sustainable investment objective and the Investment Manager will consider the adverse impacts of an investment to the extent they are financially material.

SFDR requires that all corporate investments meet the principle of good governance, which all companies held within an Article 8 product should satisfy. In addition to the UNGC criteria described above, corporates will also be subject to a qualitative assessment of their governance practice.

The good governance criteria for sovereigns as outlined in the SFDR will be met through the ESG sovereign assessment. Governance indicators form a substantial component of our ESG scoring tools and ESG research.

Our primary data usage involves revenue screening to assess the percentage of an issuer's revenues derived from business activities that align with the Sub-Fund's Environmental and Social characteristics, or that conflict with ESG principles, as well as the principle adverse indicators we have committed to prioritise as a firm, and will integrate for consideration by the Investment Manager.

The Investment Manager uses third party vendors for certain data and as such rely upon their methodologies which may mean that some data is estimated and/or that the Investment Manager may, from time to time, incorrectly assess a security, issuer or index. The Investment Manager will review its relationship with third party ESG data providers on a periodic basis, taking appropriate action or escalation where this is deemed necessary.

The Investment Manager operates a fully integrated approach to investment and ownership, combining the skills of our fund managers, investment analysts and ESG specialists across asset classes. During daily, weekly and quarterly discussion forums, we will continually monitor an entity's management and performance, including developments which may have a significant impact on valuation or risk profile. As part of our analysis, we track areas of performance, including management of key ESG areas.

We believe that persistent and constructive dialogue with issuers, corporates and sovereign representatives is vital to preserve and enhance the value of assets on behalf of our beneficiaries and clients. There are specific policies and procedures which provide the governance and control of the fund exclusions and where applicable related divestment activity. These policies and procedures are focused on a specific Exclusion Policy, and the embedding of Good Governance.

An index has not been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product

(b) 'No sustainable investment objective'

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

(c) 'Environmental or social characteristics of the financial product'

Whilst the Sub-Fund may invest in underlying investments that contribute to climate change mitigation and/or climate change adaptation, the Sub-Fund does not make any minimum commitment to invest in one or more environmentally sustainable investments. Furthermore, the Sub-Fund does not intend to align to the technical screening criteria as set out under the EU Taxonomy.

This Sub-Fund promotes environmental and social characteristics however does not have a sustainable investment objective. To be eligible for investment, sovereign issuers must meet the minimum standard of the Investment Manager's ESG Sovereign Assessment. Furthermore, all investments that are selected as part of the Investment Manager's ESG analysis must follow good governance practices and not be excluded by the Investment Manager's ESG Baseline Exclusions Policy.

The following criteria are binding on the investment process to ensure underlying investments are inclusive of those securities promoting environmental or social characteristics:

ESG Sovereign Assessment: The Investment Manager believes providing debt financing to sovereigns supports the pivotal role they play in the transition to a more sustainable future. We also recognize associated sustainability risks. Effective state governance reduces those risks but, where appropriate, we exclude sovereigns from the Sub-Funds' investment universe, subject to exceptions that mitigate unintended consequences and data limitations. Assessments are made using: the firm's proprietary sovereign ESG model (which assigns ratings on a scale of 0 to 10 where sufficient information is available) as a starting point, external data, and qualitative judgements from our in-house ESG specialists. Following a considered review of these ESG research insights, a decision may be taken to exclude a sovereign issuer from our investment universe in order to mitigate our judgement of sustainability risks and falling below our minimum standard.

(d) 'Investment strategy'

The investment objective of the Sub-Fund is to maximise the long term total return, while earning income and increasing the value of the shareholder's investment over time (5 years or more). The Sub-Fund invests in a wide range of bonds issued by corporations and governments in emerging market countries.

In order to achieve its investment objective the Sub-Fund will invest in bonds of governmental, quasi-governmental, supranational, bank or corporate issuers that have their registered office, or do most of their business, in emerging market countries. The Sub-Fund may also invest up to 5% of its net assets in US Treasury notes.

The Sub-Fund may use derivatives for investment purposes by creating both long and synthetic covered short positions in debt/bond markets, debt securities and groups of debt securities. The Sub-Fund's derivatives may include futures, options, swap contracts, swaptions, currency forwards (deliverable or non-deliverable), foreign exchange options and credit default swaps.

Strategy & Environmental, Social and Governance (ESG) criteria: The Investment Manager assembles a high-conviction portfolio of companies of any size and stage of development that appear to offer strong earnings growth or dividend prospects, as well as some asset value or recovery ideas. To be eligible for investment, sovereign issuers must meet the minimum standard of the Investment Managers' ESG Sovereign Assessment. Furthermore, all investments that are selected as part of the Investment Manager's ESG analysis must follow good governance practices and not be excluded by the Investment Manager's ESG Baseline Exclusions Policy as described in section "What environmental and/or social characteristics are promoted by this financial product?" above. It may however not be possible to perform ESG analysis on investments in cash, derivatives and other third-party collective investment schemes.

Whilst ESG criteria are integrated into the investment process, the Investment Manager retains discretion over investment selection. The Investment Manager actively engages with companies and uses voting rights with the aim of positively influencing company behavior and helping to create competitive returns.

This Sub-Fund does not have a sustainable investment objective and the Investment Manager will consider the adverse impacts of an investment to the extent they are financially material.

For further information please refer to the sustainability disclosures section of the prospectus and the website www.avivainvestors.com.

(e) 'Proportion of investments

It is expected that at least 80% of the investments will be aligned with the environmental/social characteristics of the Sub-Fund. The Sub-Fund will not have any allocation to Sustainable Investments. The Sub-Fund also holds investments in financial techniques and instruments and derivatives used for hedging and efficient portfolio management purposes or liquidity holding purposes (such as ancillary liquid assets, money market instruments and money market funds)

The Sub-Fund's derivatives may include currency forwards (deliverable or non-deliverable), interest rate swaps, cross currency swaps, swaptions, futures, options, forward rate agreements, foreign exchange options and credit default swaps.

There may on occasion be investments used for hedging and efficient portfolio management purposes (such as derivatives or securities lending) or liquidity holding purposes (such as cash or cash equivalent). For clarity, these investments will not align to the Environmental or Social characteristics of the Sub – Fund, and there will be no minimum safeguards applied to these investments.

It is not possible to apply environmental and/or social safeguards tests to such investments. Or apply look through certain derivatives to confirm alignment with the ESG characteristics the Sub-Fund is promoting.

(f) 'Monitoring of environmental or social characteristics

It is anticipated that the sustainability indicators reported on for this Sub-Fund will include, but not be limited to:

1. Portfolio metric of any revenue derived from excluded activity (e.g., thermal coal)
2. UNGC 'severe' and 'very severe' incidents avoided and commentary on any exceptions.
3. Additionally, the Sub-Fund will measure exposure to the Principle Adverse Impacts Indicators that the Investment Manager has committed to prioritising in it's Principle Adverse Impact Statement. For reference these include:
    a) Indicators relating to Greenhouse Gas (GHG) Emissions
    b) Indicators pertaining to activities negatively affecting biodiversity-sensitive areas
    c) Indicators relating to Board Gender Diversity

More broadly, PAIs are available in portfolio management systems, and the Investment Manager considers these indicators alongside all other relevant ESG and financial metrics that inform its assessment of sustainability risk.

(g) 'Methodologies

Corporate Good Governance Qualitative Assessment

SFDR requires that all corporate investments meet the principle of good governance, which all companies held within an Article 8 product should satisfy. In addition to the UNGC criteria described above, corporates will also be subject to a qualitative assessment of their governance practice.

All investment research reports for issuers within core coverage (our most actively followed companies) need to include a governance section. Credit and Equity analysts will allocate a "Governance Rating" on all companies they produce research on. The aim of this rating is to show an understanding of the company's governance practices, and ensure we avoid the worst players, while taking market context into account.

We will only invest in companies that:

- Maintain governance practices in-line with national governance standards We will avoid investments in companies that:
- Fail to protect the basic rights of investors and employees
- Are involved in tax evasion, corruption or other governance scandals (and fail to take adequate remedial action)

Assessed qualitatively as part of Investment analyst research note using a combination of MSCI governance + controversies data points and knowledge of the company

Sovereign ESG Assessment

Emerging markets sovereign ESG assessment encompasses a holistic ESG assessment of Sovereigns, provided by our in-house ratings methodology (on a scale of 0 -10). A minimum threshold ESG score for sovereigns at 2.5 is applied. We may also exclude sovereigns scoring between 2.5 and 4 from our investment universe, which are subject to further qualitative assessment. We make this assessment using the firm's proprietary sovereign ESG model, external data, and qualitative judgements. However, rather than issuers scoring below 4 resulting in automatic exclusion, issuers may be subject to a qualitative review by the investment team to determine the quality of underlying sustainability policies and practices. This will include positive policy action such as efforts to improve democratic institutions and anti-corruption drives which have yet to be fully reflected in quantitative based indicators. Sovereign issuers scoring below four that fail to demonstrate commitment and action to deliver 'on balance', positive sustainability outcomes for its economy and society will be excluded from the fund. The initial assessments will be undertaken by an ESG analyst and will be subject to review by the central ESG team in quarterly portfolio review forums. Where the portfolio management team and ESG team have materially divergent judgements which cannot be resolved, the matter will be escalated to the Chief Investment Officer of Liquid Markets for final judgement.

Aviva Investors Baseline Exclusions

- Aviva Investors' firm-wide baseline exclusions policy which includes the following exclusions:
- Controversial weapons including nuclear weapons
- Civilian firearms
- Thermal Coal
- Non-conventional fossil fuels (arctic oil and tar sands)
- Breaches of principles of the UN Global Compact ("UNGC"); and
- Tobacco.

The exclusions are based on:

1. A maximum acceptable percentage of estimated revenue derived from the specific activities; the

maximum acceptable percentage of revenue thresholds are:

- Controversial weapons 0%, including nuclear weapons*
- Civilian firearms 5%
- Thermal Coal 5%**
- Non-conventional fossil fuels (arctic oil and tar sands) at 10%**
- Tobacco producers at 0% and tobacco distribution or sale at 25%

*The percentage of revenue threshold for nuclear weapons will be 0% for companies in, among others, development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of nuclear weapons, where this supplies states outside of the UN Treaty on Non-Proliferation of Nuclear Weapons (1970).

Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

** Companies that have an approved SBTi (Science Based Target) which has a classification of 1.5°C or Well Below 2°C are an exception to these thresholds.

2. MSCI's controversy screening data to identify recent controversies to the Principles set out under the UN Global Compact. An AI ESG Analyst qualitative assessment is additive to this process to confirm if the failings are irredeemable based on company behaviours since the controversy. If we consider failings to be redeemable, we will place the company into a structured & time bound engagement program.

(h) 'Data sources and processing'

Our primary data usage involves revenue screening to assess the percentage of an issuer's revenues derived from business activities that align with the Sub-Fund's Environmental and Social characteristics, or that conflict with ESG principles, as well as the principle adverse indicators we have committed to prioritise as a firm, and will integrate for consideration by the Investment Manager as detailed above. Issuer names captured under the Aviva Investors Baseline Exclusions Policy are updated twice a year, on a six-monthly basis. PAI data is obtained on a monthly basis. Aviva Investors commits to reporting on the PAI's disclosed above, in accordance with its regulatory obligations.

The Investment Manager has reviewed a variety of market leading ESG data providers to ensure that it has procured quality data. The Investment Manager will review its relationship with third party ESG data providers on a periodic basis, taking appropriate action or escalation where this is deemed necessary.

The Investment Manager uses third party vendors for certain data and as such rely upon their methodologies which may mean that some data is estimated. However, the Investment Manager does not consider estimates to be a material part of the data used in our investment process.

(I) 'Limitations to methodologies and data

The regulatory environment and the reporting requirements for issuers are developing at different speeds and there is not always a consistent standard across jurisdictions, sectors and/or companies. Furthermore, the methodologies of data providers differ significantly and therefore there may be circumstances where portfolios or companies have drastically different ESG scores/ratings amongst providers.

The Investment Manager has access to multiple data sources which we constantly review. Our goal is to ensure we have broad and deep coverage of information to enable a sound consideration of sustainability factors. Any unavoidable gaps in data availability are mitigated by our side-by-side qualitative assessment of ESG factors. As a result the data limitations do not affect the attainment of the Fund's Environmental and Social characteristics.

Data from third party data providers may be incomplete, inaccurate, or unavailable. Where we seek to rely on proprietary models these may similarly rely on information, which is incomplete, inaccurate or unavailable. As a result, there is a risk that Aviva Investors I may, from time to time, incorrectly assess a security, issuer or index. There is also a risk that Aviva Investors, or the third-party data providers on which we may depend, may not interpret or apply the relevant ESG characteristics correctly. The Investment Manager does not warrant the fairness, accuracy or completeness of any data used, or assessment made.

(j) 'Due diligence

ESG analysis, whilst important, is a piece amongst many of the mosaic that comprises the fundamental equity analysis on a name that leads to an investment recommendation, and if the name makes it into the portfolio.

There are specific policies and procedures which provide the governance and control of the fund exclusions and where applicable related divestment activity. These policies and procedures are focussed on a specific Exclusion Policy, and the embedding of Good Governance.