

Sustainability-related disclosures

Aviva Investors – Emerging Markets Bond 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 objective of this Sub-Fund is to earn income and increase the value of the Shareholder’s investment over the long term (5 years or more).

The Sub-Fund invests mainly in bonds issued by government and supranational issuers from the emerging markets. Specifically, at all times, the Sub-Fund invests at least two-thirds of total net assets (excluding ancillary liquid assets, eligible deposits, money market instruments and money market funds) in bonds of governmental, quasi-governmental, corporates and supranational issuers anywhere in the emerging market world.

This financial product promotes environmental characteristics. 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 will be met through the ESG sovereign assessment. Governance indicators form a substantial component of our ESG scoring tools and ESG research.

Sustainability Risk indicators are considered, alongside a range of financial and non-financial research. The sustainability risks or impacts are weighed against all other inputs when considering an investment decision, with no specific limits imposed, therefore the Investment Manager retains discretion over which investments are selected.

As long-term investors in sovereign debt, we have a vested interest in encouraging prudent climate change risk management. As is the case across asset classes, mitigation of climate change and other sustainability risks are aligned with the financial case for investment in our sovereign debt holdings. Climate change poses material physical, transition and liability risks to every country, albeit differentiated according to individual circumstances. As well as evaluating climate and other material risks as part of the investment process, by undertaking stewardship activity and engagement with sovereign issuers, we can promote the well-functioning of sovereign debt markets, as well mitigating the climate-related risks of our investments.

It is anticipated that the sustainability indicators reported on for this fund will include, but not be limited to, tiered breakdown of portfolio by ESG Sovereign Monitor rating and commentary rationale explaining any ‘exception’ below the threshold.

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.

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 relies 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 its fund managers, investment analysts and ESG specialists across asset classes. During daily, weekly and quarterly discussion forums, the Investment Manager 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 its analysis, the Investment Manager tracks areas of performance, including management of key ESG areas.

The Investment Manager believes that persistent and constructive dialogue with issuers, corporates and sovereign representatives is vital to preserve and enhance the value of assets on behalf of its beneficiaries and clients. There are specific policies and procedures which provide the governance and control of the Sub-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.

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.

To be eligible for investment, 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. Furthermore, sovereign issuers must meet the minimum standard of the Investment Manager's ESG Sovereign Assessment. See section (g).

(d) 'Investment strategy

The investment objectives are to earn income and increase the value of the Shareholder's investment over the long term (5 years or more).

The Sub-Fund is appropriate for investors who understand the risks of the Sub-Fund and plan to invest for at least 5 years. The Sub-Fund may appeal to investors who want to do any of the following: gain exposure to emerging bond markets and earn a combination of income and investment growth.

The Sub-Fund invests mainly in bonds issued by governments and corporations in emerging market countries. Specifically, at all times, the Sub-Fund invests at least two-thirds of total net assets (excluding ancillary liquid assets, eligible deposits, money market instruments and money market funds) 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 anywhere in the world.

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. It may however not be possible to perform ESG analysis on cash, derivatives and other third-party collective investment schemes. The Investment Manager actively engages with issuers with the aim of positively influencing behavior and helping to create competitive returns.

The Investment Manager integrates qualitative and quantitative data on adverse sustainability impacts into its investment processes.

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.

The ESG analysis and considerations described are incorporated into the investment process but may not always have a material impact on investments in the Sub-Fund. For detailed information on the impact of the ESG analysis on the Sub-Fund's benchmark at a point in time, please see the website www.avivainvestors.com. Further information regarding how the Investment Manager integrates ESG into its investment approach (including information on the Investment Manager's ESG Baseline Exclusions Policy, its ESG Sovereign Assessment and proprietary sovereign ESG model) and how it engages with companies/sovereigns is available in the Responsible Investment Philosophy section and on the website www.avivainvestors.com. Please also refer to the ESG Screening Impact appendix to the Fund Prospectus, which provides an overview of specific ESG considerations that may apply to this Sub-Fund

The Sub-Fund may use derivatives for investment purposes by creating opportunistically both long and synthetic covered short positions with the aim of maximizing positive returns. This will notably allow a more efficient risk budgeting while meeting the tracking error objective without additional or unwanted risk. 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. The Sub-Fund may also use derivatives for hedging and for efficient portfolio management. The expected level of securities lending is 10% of total net assets; and the maximum is 20%. The underlying securities in scope are bonds.

(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, money market funds and bank deposits).

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 ancillary liquid assets, eligible deposits, money market instruments and money market funds). 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. Tiered breakdown of portfolio by ESG Sovereign Monitor rating and commentary rationale explaining any 'exception' below threshold
4. Additionally, the Sub-Fund will measure exposure to the Principle Adverse Impact indicators that the Investment Manager has committed to prioritizing in its 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
 - d. Indicators relating to Greenhouse Gas (GHG) Intensity of investee countries

(g) 'Methodologies

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

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:

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).

** 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.

MSCI's controversy screening data to identify recent controversies to the Principles set out under the UN Global Compact. An Aviva Investors ESG Analyst qualitative assessment is additive to this process to confirm if the failings are irredeemable based on company behaviors since the controversy. If failings are considered to be redeemable, the Investment Manager will place the company into a structured and time bound engagement program.

For further details on the Investment Manager's ESG Baseline Exclusions Policy see Aviva Investors' website <https://www.avivainvestors.com/en-lu/about/responsible-investment/policies-and-documents/>.

ESG Sovereign Assessment on the sustainability characteristics of sovereign issuers and minimum thresholds applied across sovereign issuers based on the Investment Manager's proprietary ESG scores.

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.

The scores are derived from the Investment Manager's proprietary ESG Sovereign Monitor, and an exceptions process will operate in limited pre-determined circumstances (namely, where it can be shown to the satisfaction of an Aviva Investors ESG specialist the data is outdated, inaccurate or incomplete) that will be overseen by the ESG specialist teams.

The Investment Manager believes providing debt financing to sovereigns supports the pivotal role they play in the transition to a more sustainable future. The Investment Manager also recognises associated sustainability risks. Effective state governance reduces those risks but, where appropriate, sovereigns are excluded from the Sub-Fund's investment universe, subject to exceptions that mitigate unintended consequences and data limitations.

Assessments are made using the Investment Manager'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 the Investment Manager's in-house ESG specialists. The ESG Sovereign Monitor's quantitative scoring approach assigns a composite ESG score to over 170 countries. These scores are derived from over 400 individual data points, which form 11 composite indicators.

Following a considered review of these ESG research insights, a decision may be taken to exclude a sovereign issuer from the Sub-Fund's investment universe in order to mitigate the Investment Manager's judgement of sustainability risks and falling below the Investment Manager's minimum standard.

More information on the Investment Manager's proprietary sovereign ESG model and the rating methodology can be found on the website: <http://www.avivainvestors.com/en-lu/about/responsibleinvestment/>

In February 2021, Aviva Investors announced its Climate Engagement Escalation Programme which will require 30 companies regarded as 'systemically important carbon emitters' to deliver net zero scope 3 emissions by 2050 and establish robust transition roadmaps to demonstrate their commitment to immediate action on climate change as the world's carbon budget diminishes.

The programme will run for between one and three years, depending on individual company circumstances, and incorporate clear escalation measures for non-responsive businesses or those that do not act quickly enough. Aviva Investors is committed to full divestment of targeted companies that fail to meet its climate expectations. Divestments will apply across the firm's equity and debt exposures.

Sovereign ESG Assessment

Sovereign ESG assessment encompasses a holistic ESG assessment of Sovereigns, provided by our in-house ratings methodology (on a scale of 0 -10). We may exclude sovereigns scoring below 4 from our investment universe. 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.

Corporate Good Governance Qualitative Assessment

The Corporate Good Governance Qualitative Assessment criteria as outlined in the SFDR, is considered through the lenses outlined above. For corporates, the good governance principle introduced by SFDR will be met through a combination of the UNGC (as part of the Investment Manager's ESG Baseline Exclusions Policy noted above) and a qualitative assessment as part of the investment analyst research process. For sovereigns, good governance will be covered through the ESG assessment and minimum Sovereign monitor scores. Good governance indicators form a substantial component of the Investment Manager's ESG scoring tools and ESG research.

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 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.

The Investment Manager will only invest in companies that:

- Maintain governance practices in-line with national governance standards.

The Investment Manager 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.

(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 our regulatory obligations.

The Investment Manager’s proprietary in-house country ratings methodology draws on 11 composite indicators, 2 for E, 4 for S and 5 for G. Underpinning those are well over 400 individual indicators or data points – for example, the World Bank’s governance indicator (one of the 11), is built upon 31 other data sources – some of those will, in turn, draw on other data sources.

The Investment Manager has reviewed a variety of market leading ESG data providers to ensure that they have 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 are constantly reviewed. The goal is to ensure to 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 sustainable investment characteristics.

Data from third party data providers may be incomplete, inaccurate or unavailable. Where the Investment Manager seeks 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 The Investment Manager may, from time to time,

incorrectly assess a security, issuer or index. There is also a risk that the Investment Manager, or the third-party data providers on which the Investment Manager 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

There are specific policies and procedures which provide the governance and control of the Sub-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 and ESG Sovereign Assessment into the investment process.

The Investment Manager's risk and controls framework encompasses a combination of strategies, policies, culture, governance arrangements, tools and reporting procedures. Appropriate controls are developed and embedded to adequately meet business strategic goals and to minimise current and future risk to an acceptable risk exposure level. The Investment Manager has formal controls relating to due diligence on assets. Second line consists of risk and compliance functions (directly reporting to the CRO), who act as a partner to the business and whose core purpose is to independently challenge, advise and guide the business in the delivery of its strategy and plans, whilst safeguarding its customers and shareholders. A key part of the Investment Manager's risk and control framework is the completion of independent second-line reviews. Such reviews are conducted by assessing the design and completeness of key controls that are in place and will also cover thematic areas informed by the risk-based compliance monitoring programme.

(k) 'Engagement policies

Effective and responsible active ownership has long been part of our fundamental approach to investment at Aviva Investors. 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. This is achieved through voicing our support for more sustainable practices and gathering insights to inform investment decisions. Through written correspondence, face-to-face meetings, phone calls and more collaborative formats, we encourage sovereigns and companies to consider the whole picture of sustainability because this is how they will create the greatest return for investors while helping to build a better future for society.

Aviva Investors 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, portfolio managers across relevant funds 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, they track areas of performance, including management of key ESG areas. If they feel we do not have enough information or have identified gaps, improvements in an entity's awareness or management of their ESG risks and opportunities, they will establish dialogue. This dialogue will be conducted in close cooperation with, and often led by, portfolio managers and research analysts. Key insights are disseminated in written company, industry and thematic notes to feed into idea generation, analysis, forecasts and conclusions about further escalation.

(l) where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark'

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