Sustainability-related disclosures

Aviva Investors Global - EUR ReturnPlus 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 achieve a 0.50% per annum gross return above the Euro Short-Term Rate (€STR) over a 3-year rolling period, regardless of market conditions. The Sub-Fund invest in selected fixed income securities from a low risk, short-dated bond universe across developed market currencies.

In order to achieve its investment objective, the Sub-Fund will mainly invest in government and corporate fixed income securities (including but not limited to bonds of governmental, quasi-governmental, supranational, bank or corporate issuers anywhere in the world) rated between AAA and A by Standard & Poor's and Aaa and A2 by Moody's. The Weighted Average Life (WAL) of the Sub-Fund will typically be greater than 2 years.

The Sub-Fund may also invest in floating rate notes, units of UCITS or other UCIs and money market instruments.

The Sub-Fund will only invest in securities from issuers that maintain governance practices in-line with national governance standards. The Fund will not invest in securities from issuers that are in violation of the international norms and conventions set out by the United Nations Global Compact Principles. Investment in securities from issuers that fail to protect the basic rights of investors through sound management practices will be avoided and employees or that are involved in tax evasion, corruption, or other governance scandals, unless they have taken adequate remedial action.

The good governance criteria as outlined in the SFDR will be met through a combination of the UNGC (as part of the Baseline Exclusions Policy) and a qualitative assessment as part of the investment analyst research process.
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:
    i. Indicators relating to Greenhouse Gas (GHG) Emissions
    ii. Indicators pertaining to activities negatively affecting biodiversity-sensitive areas
    iii. Indicators relating to Board Gender Diversity

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 characteristics, or that conflict with ESG principles, as well as mandatory principle adverse indicators. 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. Any unavoidable gaps in data availability are mitigated by our side-by-side qualitative assessment of ESG factors. The data limitations do not affect the attainment of the sustainable investment objective.
Prior to investment every company in the portfolio will undergo financial and sustainable due diligence to ensure that it is appropriate to the Sub-Fund meeting its objectives and ESG characteristics. There are specific policies and procedures which provide the governance and control of the fund exclusions and where applicable related divestment activity.

The Aviva Investors risk and controls framework encompasses a combination of strategies, policies, culture, governance arrangements, tools, and reporting procedures. A key part of our risk and control framework is the completion of independent second-line reviews.
An index has not been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product.

in addition, sovereign issuers must meet the minimum standard of the Investment Manager's ESG Sovereign Assessment to be eligible for investment and all investments that are selected as part of the Investment Manager's ESG analysis must follow good governance practices and not be excluded by Aviva Investors' Baseline Exclusion Policy. 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.

(b) 'No sustainable investment objective

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

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

The Investment Manager manages the Sub-Fund in accordance with the ESG Considerations as detailed further below. The Sub-Fund seeks to promote, among other characteristics, environmental or social characteristics in line with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**SFDR**"). This Sub-Fund promotes environmental and social characteristics however does not have a sustainable investment objective. 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 or other issuer screening criteria.

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. 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 and does not intend to align to the screening criteria laid out in the EU Taxonomy. 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. See section G.

In February 2021, Aviva Investors announced its Climate Engagement Escalation Programme (CEEP) 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.

(d) 'Investment strategy

The investment objective of the Sub-Fund is to achieve a 0.50% per annum gross return above the Euro Short-Term Rate (€STR) over a 3-year rolling period, regardless of market conditions. The Sub-Fund invest in selected fixed income securities from a low risk, short dated bond universe across developed market currencies.

In order to achieve its investment objective the Sub-Fund will mainly invest in government and corporate fixed income securities (including but not limited to bonds of governmental, quasi-governmental, supranational, bank or corporate issuers anywhere in the world) rated between AAA and A by Standard & Poor's and Aaa and A2 by Moody's. The Weighted Average Life (WAL) of the Sub-Fund will typically be greater than 2 years.

The Sub-Fund may also invest in floating rate notes, units of UCITS or other UCIs and money market instruments.

Derivative overlays will be used to isolate the risks that the investment manager has identified as most rewarding and remove others. This involves the use of derivative instruments to hedge currency, duration and inflation risks, such that the Sub-Fund has limited exposure to these risks. The Sub-Fund may also enter into securities lending transactions and repurchase transactions. The Sub-Fund may borrow cash in order to cover collateral calls when investing in derivatives.

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. 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. In addition, the Sub-Fund has exclusions based on the Investment Manager's ESG Baseline Exclusion Policy.

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.

In addition, the Sub-Fund has exclusions based on Aviva Investors' Baseline Exclusion Policy as noted under section (g).

<u>Good Governance</u>

The Investment Manager's policy considers global best practice guidelines such as the ICGN Global Corporate Governance Principles and the G20/OECD Principles of Corporate Governance but are also informed by the Investment Manager's investment philosophy and numerous years of stewardship and voting experience.
The Sub-Fund will not invest in securities from issuers that are in violation of the international norms and conventions set out by the UNGC Principles. Investment in securities from issuers that fail to protect the basic rights of investors and employees through sound management practices or that are involved in tax evasion, corruption, or other governance scandals, will be avoided, unless they have taken adequate remedial action. The good governance criteria as outlined in the 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. Good governance indicators form a substantial component of the Investment Manager's ESG scoring tools and ESG research.
Aviva Investors' ESG function, comprising governance and responsible investment specialists, provides analysis to support the Investment Manager's investment teams and help them in building a robust assessment of good governance practices.

(e) 'Proportion of investments

It is expected that at least 80% of investments will be aligned with the environmental/social characteristics of the Sub-Fund where possible, as described above. Amongst the investments aligned with the environmental/social characteristics of the Sub-Fund, there will be no sustainable investments as defined under SFDR, and the Sub-Fund will not be aligning to the screening criteria set out under the EU Taxonomy.

There may on occasion be 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, bank deposits and cash FX). There will be no minimum safeguards applied to these investments.

Amongst the investments aligned with the environmental/social characteristics of the Sub-Fund, there will be no sustainable investments.

(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.

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

The Investment Manager integrates qualitative and quantitative data on principal adverse impacts ("PAI") into its investment processes. While the PAIs of investment decisions are currently not considered at entity level, i.e. by neither the AIFM nor the Investment Manager, the Investment Manager has decided to integrate the consideration of PAIs into its responsible investment philosophy.

The Sub-Fund does consider the following three principle adverse indicators which are excluded in accordance with certain revenue thresholds, as detailed in the Investment Manager's ESG Baseline Exclusions Policy

1. Controversial Weapons
2. Violations of UN Global Compact Principles and OECD Guidelines
3. Companies active in the Fossil Fuel sector

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

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

The exclusions detailed below will be applied to this universe.

- Thermal Coal
- Non-conventional fossil fuels (arctic oil and tar sands)

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

- Controversial weapons including nuclear weapons;
- Breaches of principles of the United Nations Global Compact ("UNGC");
- Civilian firearms; and
- Tobacco.

The exclusions will be based on:

a) a maximum acceptable percentage of estimated revenue derived from the specific activities, the maximum acceptable percentage of revenue thresholds are:

- Controversial weapons 0%, except for civilian firearms and nuclear weapons which are at 5%
- Thermal Coal* 5%
- Non-conventional fossil fuels (arctic oil and tar sands)* at 10%
- Breaches of principles of the UN Global Compact; and
- Tobacco producers at 0% and tobacco distribution or sale at 25%

* For these exceptions, where companies have an approved SBTi (Science Based Target) which has a classification of 1.5°C or well below 2°C this exclusion will not apply.

b) MSCI's controversy screening data to identify very severe failings of the UN Global Compact since 1 January 2019. An Aviva Investors ESG Analyst qualitative assessment is additive to this process to confirm if the failings are irredeemable based on company behaviours since the controversy.

c) The Aviva Climate Engagement Escalation Programme ("CEEP")

Companies are identified to be included on the CEEP based on their contribution to global carbon emissions, covering Scope 1, 2 and 3 on an annual basis. Focus companies are assessed against our six-pronged evaluation framework and assigned an overall alignment "score" (0 to 40) and corresponding "level" (laggard, limited, progressive, leader) reflecting the extent to which they are considered aligned to a "net-zero" pathway. A bespoke engagement Programme is then designed, including specific time-bound change facilitation requests to strengthen their climate approach. Progress is monitored continuously, and a formal written assessment undertaken on a bi-annual basis. This will determine candidacy for further escalation through engagement, voting, and – in certain cases– divestment.

(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 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 Fund Managers 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.

We have reviewed a variety of market leading ESG data providers to ensure that we have procured quality data. Aviva Investors will review its relationship with third party ESG data providers on a periodic basis, taking appropriate action or escalation where this is deemed necessary.

We use third party vendors for certain data and as such rely upon their methodologies which may mean that some data is estimated. However, we do 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. We have 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 sustainable investment objective. 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 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. Aviva Investors does not warrant the fairness, accuracy or completeness of any data used, or assessment made.
(j) 'Due diligence
Prior to investment every company in the portfolio will undergo financial and sustainable due diligence to ensure that it is appropriate to the fund meeting its objectives and ESG characteristics. 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 and ESG Sovereign Assessment into the investment process. The Aviva Investors 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. We have 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 our 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, 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. If we 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, we 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