SECTION 1

WEBSITE PRODUCT DISCLOSURE FOR FINANCIAL PRODUCTS THAT PROMOTE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Aviva Investors RA LUX FCP-RAIF -Climate Transition Real Asset Fund – Lux EUR.

Article 24
Sections of website product disclosure for financial products that promote environmental or social characteristics

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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 this Regulation in the following order and made up of all of the following sections titled:

(a) 'Summary
(b) 'No sustainable investment objective
(c) 'Environmental or social characteristics of the financial product
(d) 'Investment strategy
(e) 'Proportion of investments
(f) 'Monitoring of environmental or social characteristics
(g) 'Methodologies
(h) 'Data sources and processing
(i) 'Limitations to methodologies and data
(j) 'Due diligence
(k) 'Engagement policies
(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'

(a) 'Summary'

The investment objective of the Fund is to achieve investment returns in line with the performance target over time (five years or more). The Fund follows a strategy aimed at transitioning assets towards generating both financially and environmentally sustainable returns.

The Fund investment objective is to invest in a wide range of Euro-, GBP and USD- denominated funds, themselves investing in infrastructure, real estate, equity and forestry assets, and to gain exposure to and seek capital appreciation in a diversified portfolio of funds with a climate transition focus located mainly but not only in core Continental Europe markets.

The 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 ("UNGC") principles. The investment manager will avoid 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, 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 principles (as part of the Baseline Exclusions Policy described below) 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, provide analysis to support the Investment Manager's investment teams and help them in building a robust assessment of good governance practices. It is anticipated that the sustainability indicators reported on for this Fund will include, but not be limited to:

- Energy consumption in GWh of owned real (estate) assets per square meter (all areas)
- Total Scope 1, 2 and 3 GHG Emissions for all assets/projects in development
- Total carbon emissions normalised by the market value of the portfolio
- Renewable Energy Generation (from renewable energy producing assets, measured in Mega Watt Hours)
- Avoided emissions for renewable electricity generation based on the PCAF Standard.
- Weighted average carbon (and equivalents) intensity (Scope 1/2/3)

In addition, the Fund will report on core climate risk metrics:

- Climate Value at Risk (Orderly)
- Climate Value at Risk (Disorderly)
- Climate Value at Risk (Hot House)
- ITR Implied Temperature Rise

In relation to the Social Characteristics, the Fund will seek to report on the social metrics listed below to the extent that such data is available and relevant:

- No. of new local job starts
- No. of new apprenticeships
- No. work experience days
- No. of volunteering hours on education outreach activities
- % of supply chain paying Living Wage

Finally, the following forestry metrics will be disclosed:

- Projected carbon units over project life: Peatland
- Projected carbon units over project life: Woodland
- Projected carbon units over time: Expected

Projected carbon units over time: Pending Issuance Units (PIUs)

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 Manager.

We use third party vendors for certain data and as such rely upon their methodologies which may mean that some data is estimated and/or that Aviva Investors may, from time to time, incorrectly assess a security, issuer or index. 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.

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.

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 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 characteristics, but does not have as its objective sustainable investment.

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

The environmental characteristics promoted by the Fund are focused on climate transition, by targeting (i) low carbon real estate, infrastructure and forestry assets, and (ii) transitioning high carbon real estate and infrastructure assets, both all of which must exhibit defined attributes to achieve value added investment returns in line with the performance target of the Fund.

As such, the Fund targets investments that uncover both an environmental and commercial benefit through accelerating progress to a low carbon economy. In particular, the Fund will seek alignment to net zero principles:

- in the case of real estate assets, by minimising embodied and operational emissions and implementing demand reduction, for example by originating sustainable buildings, or actively managing their decarbonisation;
- in the case of infrastructure assets, by minimising embodied and operational emissions and maximising avoided emissions, for example by originating and developing renewable energy infrastructure and generating renewable energy; and
- in the case of forestry assets, by minimising operational emissions through sustainable management and maximising carbon sequestration, for example through afforestation,

(together, the "Environmental Characteristics")

In addition to the Environmental Characteristics described above, the Fund will also target social outcomes through both investment and asset management activities (the "Social Characteristics"). These include one or more of the following in relation to each asset:

- creating local employment;
- delivering new apprenticeships and work experience;
- delivering staff volunteering to support educational institutions; and
- driving uptake of the Foundation Living Wage.

The Fund has not designated a benchmark for the purpose of attaining the Environmental or Social Characteristics as the Portfolio Manager does not consider that there is an appropriate benchmark to do so.

Whilst the Fund intends to hold investments that follow a clear and measurable climate transition strategy as more clearly explained in the PPM and in the investment strategy below the Fund does not make any minimum commitment to invest in one or more sustainable investments (as defined by SFDR) at the point of investment. It does, however, contribute to promote environmental and/or social characteristics throughout the lifecycle of its investments.

(d) 'Investment strategy

The investment objective of the Fund is to achieve investment returns in line with the performance target over time (five years or more). The Fund follows a strategy aimed at transitioning assets towards generating both financially and environmentally sustainable returns.

The Fund investment objective is to invest in a wide range of Euro-, GBP and USD- denominated funds, themselves investing in infrastructure, real estate, equity and forestry assets, and to gain exposure to and seek capital appreciation in a diversified portfolio of funds with a climate transition focus located mainly but not only in core Continental Europe markets.

The Portfolio Manager believes that there are opportunities to produce attractive returns through strategic asset allocation, active portfolio management and a focus on the creation of long-term sustainable real estate.

To achieve its investment objective, the Fund will invest into funds which support the transition to a low carbon economy and aim to minimize operational emissions over the assets' investment lifecycles. The Fund will target funds from a diverse range of sectors, comprising one or more of the following:

- Forestry
- Private Equity
- Infrastructure Equity
- Real Estate

The strategy of the Fund is to invest in assets which (i) are sustainable at the point of purchase, or (ii) may not have sustainable characteristics at the outset, but which can be transitioned and decarbonised through effective asset management, where such assets present an opportunity to benefit from increases in value over the long term. As such, the strategy of the Fund is designed to target investments that uncover both an environmental and commercial benefit through accelerating progress to a low carbon economy.

In identifying assets eligible for core investment, Aviva Investors will therefore consider the asset provider's policies and procedures for the origination, acquisition and ongoing management of real assets with a view to seeking exposure to assets which are low carbon at the point of acquisition or present an opportunity for accelerated climate transition. In particular, the Fund will invest in core investments that Aviva Investors considers demonstrate alignment to the Environmental Characteristics.

Aviva Investors will also consider the extent to which such core investments generate positive social and economic impacts, seeking exposure to (i) assets which have positive social aspects to their design, such as amenity space, proximity to sustainable transport and proximity to blue and green spaces which support healthy living for users of the asset or (ii) asset management activities, such as initiatives to support people into work, apprenticeships and training, and occupier wellbeing. Accordingly, the overall strategy will focus on assets judged by Aviva Investors to support the transition to a low carbon economy, accelerate the transition to net zero, or create long term value through positive social and economic impacts.

The investment strategy of the Fund has been designed to achieve net-zero emissions by 2040 on an ongoing annual basis. Aviva Investors have developed a tiering system (the "Net-Zero Tiering System") alongside its current ESG industry partner, to track the transition state and potential for a given asset. The Net Zero Tiering System is a holistic framework deployed to assess an investment's projected level of carbon emissions impact, ranging from Tier 3 (weak environmental performance) to Tier 1 (strong environmental performance). All Fund Investments (including assets being considered for investment) will be measured against the Net-Zero Tiering System to generate a tiering level. Placement of assets within the tiers is used to recognise the carbon impact of an asset and manage potential transition opportunities. Once assets have been acquired within the funds targeted, the Fund will oversee each Fund's activities to decarbonise the assets and ensure they are actively managed towards net-zero by 2040.

As construction and refurbishment projects are completed and assets become eligible to be classified as a sustainable asset, the assets are likely to be sold, in line with the investment strategy of this fund. Accordingly, although sustainable assets will inevitably be generated by the fund they may not be held, meaning the target percentage of sustainable assets will remain at zero.

One exception to this is investments into forestry funds, where the underlying assets will be held for very long timeframes to allow trees to grow, peatland to be restored and carbon to be sequestered. Investments of this nature meet our definition of a sustainable investment. However due to the fluctuating value of investments of this nature in comparison to the value of other assets in the Fund, we make no commitment to a minimum percentage of sustainable investments.

The Fund may use derivatives for efficient portfolio management, to manage the Fund's cash flows in a cost-effective manner, or to reduce risk such as foreign currency risk within the Fund.

Good Governance

The Fund ensures good governance practices both by screening and conducting due diligence on the portfolio management and the asset management team who are responsible for the on-going management of the underlying Funds and the assets they hold. The Fund ensures any Funds in which it invests use the following or similar processes:

- New and existing real estate occupiers must be screened. Assets occupied by companies, or new leases to companies excluded by the Aviva Investors Baseline Exclusions Policy or deemed to have unacceptable governance risk should be excluded;
- Direct suppliers to the Funds must perform and adhere to high business standards concerning human rights, labour, equal opportunities and health and safety. Suppliers must be on-boarded using the Supplier Onboarding Process and must agree to the Code of Behaviour;
- Investment and asset management activity must be managed in line with Aviva Investors' own Responsible Investment and Sustainability Risk Policy for Real Assets, and an accompanying procedure manual.

(e) 'Proportion of investments

It is expected that at least 90% of the investments will be aligned with one or more of the Environmental/Social Characteristics of the Fund in #1 where possible, however some assets will have incomplete environmental or social data in instances where no viable quantitative data is available, or where the collection of that data from suppliers or partners would be unreasonable. For instance, occupier energy data for real estate assets can be collected where the tenant agrees to providing that data, however they are under no legal obligation to provide it. Accordingly, attempting to force the tenant to provide the data would be unreasonable and at odds with the commercial strategy of the Fund.

The Fund may make certain investments for the purposes of efficient portfolio management and hedging which are not aligned with those characteristics. Given the nature of these investments, the Fund does not apply any minimum environmental or social safeguards and it is expected that those ancillary liquid assets would fall under “#2 Other”. For the most part, this will not exceed 10% of the total assets held within the Fund. There may, on occasion, be instances where the Portfolio Manager holds more than 10% of total assets within the Fund in cash and instruments used for efficient portfolio management. Examples of such circumstances are included in the Fund Prospectus.

Amongst the investments aligned with the Environmental/Social Characteristics of the Fund, there will be no sustainable investments, therefore all such investments will fall within the category #1B Other E/S characteristics.

(f) Monitoring of Environmental or Social Characteristics

In order to demonstrate the attainment of the Environmental Characteristics, the Fund will report on a number of core carbon footprinting metrics including:

- Energy consumption in GWh of owned real (estate) assets per square meter (all areas)
- Total Scope 1, 2 and 3 GHG Emissions for all assets/projects in development
- Total carbon emissions normalised by the market value of the portfolio
- Renewable Energy Generation (from renewable energy producing assets, measured in Mega Watt Hours)
- Avoided emissions for renewable electricity generation based on the PCAF Standard.
- Weighted average carbon (and equivalents) intensity (Scope ½/3)

The metrics above will be provided for all assets where relevant. For some asset types, for instance fibre broadband, energy consumption per square meter is not relevant so would not be provided.

In addition, the Fund will report on core climate risk metrics:

- Climate Value at Risk (Orderly)
- Climate Value at Risk (Disorderly)
- Climate Value at Risk (Hot House)
- ITR Implied Temperature Rise

Where Climate Value at Risk data is not available, a qualitative assessment will be provided based on an in-house assessment of climate transition and physical risks.

In relation to the Social Characteristics, the Fund will seek to report on the social metrics listed below to the extent that such data is available and relevant. Social data will be provided by suppliers on a voluntary basis and it will not always be available for every asset, however we seek to implement mandatory reporting with new suppliers and to improve access to data with existing suppliers on an ongoing basis. However, despite current limitations, our asset management and engagement programmes are focused on delivering the Social Characteristics and we expect data to be made available in the majority of cases.

- No. of new local job starts
- No. of new apprenticeships
- No. Work experience days
- No. of volunteering hours on education outreach activities
- % of supply chain paying Living Wage

Finally, the following forestry metrics will be disclosed:

- Projected carbon units over project life: Peatland
- Projected carbon units over project life: Woodland
- Projected carbon units over time: Expected
- Projected carbon units over time: Pending Issuance Units (PIUs)

(g) 'Methodologies

In the selection of Investments, the Fund Manager shall first apply the Aviva Investors Baseline Exclusions Policy, which excludes the Fund entering new lease arrangements with direct tenants which derive income from the following sectors and above the limits shown, as well as investment in the sectors themselves:

- Civilian firearms and nuclear weapons greater than or equal to 5% revenue;
- Any other controversial weapons;
- Tobacco producers;
- Tobacco retailers or distributors accounting for greater than or equal to 25% of revenue; and
- Occupiers on the UN Global Compact 'Fail' list. An Aviva Investors ESG Analyst's qualitative assessment is undertaken to confirm if the failings are irredeemable based on the Fund behaviours since the controversy. Based on this assessment, companies may be placed on the Aviva Investors Stop List (updated typically on a daily basis) and so are excluded from being on-boarded as an occupier or counterparty in the Fund.

As noted above, while the Aviva Investors Baseline exclusions Policy prohibits investment into Artic Oil and tar sands in accordance with certain revenue thresholds, this fund will expand on this and will not invest in:

- Buildings or buildings occupied by direct tenants which are dedicated to extraction, storage, transport or manufacture of fossil fuels;
- Assets with a 'Very High' level of Physical Risk as measured by MSCI CvaR with no adaptation or mitigants in place within a five-year period from acquisition.

As from August 2023, the Aviva Investors Baseline Exclusion Policy will redefine Nuclear Weapons to capture Companies involved in, among others, development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of nuclear weapons, where this supplies nuclear states outside of the Nuclear Proliferation Treaty. The revenue threshold to screen out Companies under this definition will be at 0%.

We retain discretion within the scope of this screen to additionally exclude companies involved in nuclear weapons, where this supplies nuclear states within the Nuclear Proliferation Treaty, but Aviva Investors considers the state to have undermined widely accepted non-proliferation arms control treaties, conventions and norms. This will predominantly relate to the UN's Nuclear Non-Proliferation Treaty but may extend to other existing conventions where relevant.

(h) 'Data sources and processing'

We obtain data from our third party fund managers and suppliers who engage with our broader supply chain of property managers, developers and contractors. Where data concerning sustainability risks or PAIs is not immediately available from the asset or counterparty, we will enter into dialogue with that party to gain the information needed. In some cases where this is not available and the lack of information is insufficient to make an informed investment decision, we will not proceed further with the investment.

(l) 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

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

At a product level, we believe being active owners of our assets through engagement with our stakeholders is critical to creating positive environmental and social outcomes for our clients and society. Engagement in real assets can be defined as structured interactions on environmental and social issues with our customers, including borrowers and occupiers, as well as suppliers and the communities we operate in.

Where we see opportunities to mitigate sustainability risks and avoid or limit adverse impacts, we can engage with counterparties. This may involve actively engaging with counterparties to create covenants or incentives, linked to the mitigation of sustainability risks and adverse impacts. This allows us to limit adverse environmental and social impacts over the lifetime of the transaction

At a macro level, we play an active role in reforming private markets and the built environment. This extends to collaboration with our peers, engagement with our extended network of supplier partners, and engagement with industry and government on material ESG and stakeholder matters. We hold a broad range of memberships in industry bodies and third sector groups and use these to drive positive change. Our current memberships include the UK Green Building Council, Better Buildings Partnership and the Global Real Estate Sustainability Benchmark Infrastructure Advisory Council.

(**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.

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