Fonds de Compensation de la Sécurité Sociale, SICAV-FIS (the "Fund")

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: FDC SICAV GLOBAL BONDS - ACTIVE 1 (the "Sub-Fund")
LEI: 5493001Y3KJ9PT6IU416
Fund Manager (by delegation): Franklin Templeton Investment Management Limited (the "Fund Manager")

Environmental and/or social characteristics

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 10.49% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

Over the review period, the Sub-Fund promoted environmental and social characteristics through a combination of exclusions, bestin-class investing and engagement:

- In order to promote the transition to a low-carbon economy, the portfolio management team avoided exposure to what they termed Climate Laggards. Sovereign issuers that were ranked within the bottom 20% of their peer group, based on environmental factors including, but not limited to, GHG emissions, energy intensity, protection of biodiversity, air pollution, and renewable energy mix, were labelled Climate Laggards. For corporate issuers, it was companies that were ranked within the top 20% of their peer industry group based on their GHG intensity. At the end of the reporting period, the Sub-Fund's allocation to Climate Laggards stood at 0% of its net asset value (NAV) during the reference period.

- In addition to this, the Sub-Fund also refrained from investing in issuers involved in controversial business behaviors or adverse economic activities (as further described in the Precontractual Disclosure), including but not limited to, where exposure to fossil fuel extraction or energy production from fossil fuels exceeded the investment team's acceptable limit (e.g., any company, which derives more than 5% of its revenues from thermal coal extraction is deemed not investable), an issuer is involved in production of weapons of mass destruction or a corporation seriously and repeatedly breached United Nations Global Compact.
- The Sub-Fund committed to allocate a minimum of 5% of its NAV to sustainable investments in economic activities that contribute to environmental objectives and a minimum of 1% in those that contribute to social objectives. Over the reporting period, 10.49% of the Sub-Fund's NAV was invested in sustainable investments (please see a detailed breakdown in the below section "How did the sustainability indicators perform"). This was achieved primarily through investments in green, social and sustainability use of proceeds bonds that were issued explicitly to finance a specific set of eligible environmental and/or social projects. An example of this includes the Sub-Fund's investment in a use of proceeds bond issued by the Federal Republic of Germany in support of its goal to reach GHG neutrality by 2045. The largest part of the proceeds from the sale of the bond were allocated to supporting the bioeconomy. The bioeconomy means using renewable biological resources from the land and sea to produce food, materials and energy in an effort to ensure a more sustainable use of resources. Some projects of note included research into replacing fossil raw materials with renewable raw materials, increasing the sustainability of crop production, and the development of more sustainable biotechnological methods and processes that could be used in the production of chemicals used for pharmaceuticals, cosmetics or food.

In this regard, the average over four quarters during the reporting reference period of 1 January 2023 to 31 December 2023, represented 95.97% of assets aligned with the E/S characteristics, while the remaining 4.03% of assets held by the Sub-Fund that were not aligned with the E/S characteristics consisted of cash.

In addition, the Sub-Fund did comply over the reference period with the Fund’s proprietary exclusion list (as described in the pre-contractual disclosures).

- ***How did the sustainability indicators perform?***

(If not stated otherwise, all values shown are based on the average over four quarters during the 1 January 2023 to 31 December 2023 which represents the reporting reference period.)

- Exposure to the principal adverse impacts (the "PAIs") indicators compared to the benchmark Bloomberg Global Aggregate Index. Please refer to the values displayed in the section "How did this financial product consider principal adverse impacts on sustainability factors?" which represent the average performance of the indicators during the reference period.

- The list of issuers, with which the Fund Manager engaged between 1st January 2023 and 31st December 2023: 1. Alphabet Inc., 2. America Movil, 3. AmerisourceBergen, 4. Anheuser-Busch InBev, 5. Apple, 6. Asahi Group Holdings, 7. AXA, 8. Baker Hughes, 9. Bank of America, 10. Bank of Scotland, 11. BNP Paribas, 12. Boston Properties, 13. Bristol Myers Squibb, 14. BT Group, 15. Carrefour Group, 16. Cigna Healthcare, 17. Citibank, 18. Coca-Cola FEMSA, 19. Con Edison, 20. Credit Agricole Assurances, 21. Credit Suisse, 22. CSX Corporation, 23. CVS Health, 24. Deutsche Telekom, 25. Eaton Vance, 26. Enterprise Products, 27. Eversource, 28. Federal Republic of Germany, 29. FEMSA, 30. Five Corners Funding Trust, 31. Globalworth, 32. Goldman Sachs, 33. Home Depot, 34. HSBC, 35. IBM, 36. Japan, 37. Johnson & Johnson, 38. Kingdom of the Netherlands, 39. Lowe's, 40. Mastercard, 41. McDonald's, 42. Merck, 43. Newmont, 44. Novartis, 45. Orange, 46. PepsiCo, 47. Republic of Bulgaria, 48. Republic of Croatia, 49. Republic of Cyprus, 50. Republic of Iceland, 51. Republic of Italy, 52. Republic of Lithuania, 53. Republic of Poland, 54. Romania, 55. Santander Group, 56. Schlumberger Limited, 57. Simon Property Group, 58. Target Corporation, 59. The European Union, 60. The Kraft Heinz Company, 61. Verizon, 62. Vestas, 63. Visa, 64. Wyeth.

Sustainability KPI Name	Value
Percentage of investments in green bonds	9.05%
Percentage of investments in social bonds	1.44%
Percentage of investments in sustainability bonds	0.00%
Percentage of investments in bonds issued by best-in-class issuers (the “Environmental Champions”)	11.72%
Percentage of investment in issuers having exposure to, or tying with excluded sectors (securities where the percentage of revenues from excluded sectors rose above limits mandated by prospectus following original purchase, triggering a plan to divest the securities in due time, taking into account the Shareholders’ best interests)	0.00%
The Number of issuers with which te Fund Manager engaged	64

…and compared to previous periods?

Sustainability KPI Name	Value
Percentage of investments in green bonds	3.09%
Percentage of investments in social bonds	1.40%
Percentage of investments in sustainability bonds	0.00%
Percentage of investments in bonds issued by best-in-class issuers (the "Environmental Champions")	13.57%
Percentage of investment in issuers having exposure to, or tying with excluded sectors (securities where the percentage of revenues from excluded sectors rose above limits mandated by prospectus following original purchase, triggering a plan to divest the securities in due time, taking into account the Shareholders' best interests)	0.00%
The Number of issuers with which te Fund Manager engaged	2

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The objective of the sustainable investments was, amongst others, to fund either:

- the efficient use of energy, raw materials, water, and land;
- the production of renewable energy;
- the reduction of waste, and greenhouse gas emissions, and lower impact of economic activities on biodiversity;
- the development of a circular economy;
- tackling inequalities and fostering social cohesion;
- social integration;
- good labour relations; or
- investments in human capital, including disadvantaged communities.

The Sub-Fund's sustainable investments included a minimum allocation of 5% of its portfolio to sustainable investments in economic activities that contributed to environmental objectives.

This was achieved by investing in bonds labelled as being green or in any other securities whose:

- proceeds were used on eligible environmental projects;
- framework adhered to international standards (including but not limited to, the International Capital Market Association (the "ICMA") Green Bond Principles, future European Union Green Bond Standard (the "EU GBS")); and
- issuers did not significantly harm other environmental and social objectives while demonstrating good governance practices.

The use of proceeds for these bonds was clearly defined and aligned with the objectives above.

Additionally, the Sub-Fund committed to include a minimum allocation of 1% of its portfolio to sustainable social activities. This was achieved by investing in bonds labelled as being social or in any other securities, whose:

- proceeds were used on eligible social projects;
- framework adhered to international standards (including but not limited to, ICMA Social Bond Principles); and
- issuers did not significantly harm other environmental and social objectives while demonstrating good governance practices.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The Fund Manager used proprietary data tools and qualitative research to ensure alignment with the Do No Significant Harm (the "DNSH") principles across the portfolio.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

All issuers were monitored using the Principal Adverse Impact Risk App (the "PAI Risk App"). The PAI Risk App used data from various third-party providers to identify issuers involved in harmful economic activities and/or controversies and excluded such issuers from the investment universe. A second proprietary tool, the Energy and Environmental Transition Index (the "EETI"), ranked the remaining sovereign issuers in the universe according to their greenhouse gas emissions and intensity. Sovereign issuers falling within the bottom 20% of their peer groups based on EETI were excluded from the investment universe. Another tool, ESG Credit App ranked corporate issuers by their greenhouse gas emissions and greenhouse gas intensity using various data points such as Scope 1 and 2 greenhouse gasses emissions, emitters' historic trajectories. Corporate issuers falling within the bottom 20% of the investment universe (i.e. climate laggards) based on the ESG Credit App were also excluded from the portfolio.

Additionally, sovereign issuers were subjected to tests based on their political liberties and/or corruption.

When deploying funds to sustainable investments, especially the 10.49% of portfolio of the Sub-Fund committed towards environmental and social objectives, the Fund Manager applied additional qualitative assessment (based on internal research or on external third-party opinion) of the issuer's and of the projects' DNSH eligibility.

How were the indicators for adverse impacts on sustainability factors taken into account?

Adverse impact indicators, including PAIs and other data points deemed by the Fund Manager as proxies for adverse impact, were used to:

- remove issuers that were considered to do significant harm from the Sub-Fund's portfolio; and

- ➢ inform the Fund Manager about the risk associated with adverse impact and take appropriate action – that included due diligence, qualitative scrutiny and/or engagement (for details of an engagement see sections regarding PAIs and the investment strategy of the Sub-Fund of this disclosure).

While assessing eligible green and social bonds, the Fund Manager reviewed and documented the materiality of the relevant PAIs for the project and how the project's implementation affected the issuer's overall PAIs outlook.

For example, while investing in a green bond whose use of proceeds targeted development of renewable energy sources, (e.g., solar/PV panels), the Fund Manager ascertained that financed projects scored well on PAIs linked to greenhouse gas emissions.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Fund Manager did not invest in companies on the Fund's proprietary exclusion list screening out companies based on their involvement in controversial practices against international norms. The core normative framework consisted of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. Securities issued by companies with severe violations of these frameworks were restricted from the investment universe. Equally excluded were companies linked to controversial weapons being antipersonnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

PAI indicators were considered for the purpose of:

- ➢ identifying best-in-class issuers;

- restricting Sub-Fund's investable universe;
- guiding thematic engagement.

Identifying best-in-class issuers

The Sub-Fund sought exposure to bonds issued by corporates and sovereigns deemed by the Fund Manager to be Environmental Champions. Environmental Champions were identified using two proprietary ESG rankings:

- the EETI ranked sovereign issuers using various data points that included energy efficiency, natural capital conservation, renewable energy performance, using various data points, including greenhouse gas intensity (emissions normalized by gross domestic product, CO2e/GDP); and
- the ESG Credit App ranked corporate issuers by their greenhouse gas emissions and greenhouse gas intensity using various data points such as Scope 1 and 2 greenhouse gasses emissions, emitters' historic trajectories.

Restricting Sub-Fund's investable universe

Sovereign issuers falling within the bottom 20% of the investment universe based on the EETI and corporate issuers falling within the bottom 20% of the investment universe (i.e. climate laggards) based on the ESG Credit App were also excluded from the portfolio.

Guiding thematic engagement

The Fund Manager are on target with their commitment effective 1 January 2023 to engage on a calendar year basis with 5%of holdings which were considered as underperformers in terms of their aggregate exposure to applicable mandatory PAIs metrics.

PAI values for 2023 are quarterly averages for the reference period, whereas previous reference period values were a snapshot taken as at 31 December 2022.

PAI indicators	Unit of measurement	Reference Period	Sub-Fund Value	Sub-Fund Coverage	Benchmark Value	Benchmark Coverage
GHG Emissions: Scope 1 EUR	tCO2e	2023	970.77	21.47%	66,773.73	18.82%
GHG Emissions: Scope 1 EUR	tCO2e	2022	905.04	22.56%	65,830.86	18.60%
GHG Emissions: Scope 2 EUR	tCO2e	2023	1,000.19	21.47%	11,643.32	18.82%
Benchmark GHG Emissions: Scope 2 EUR	tCO2e	2022	1,282.39	22.56%	11,569.77	18.60%
GHG Emissions: Scope 3 Est EUR	tCO2e	2023	23,239.96	21.47%	449,207.13	18.79%
GHG Emissions: Scope 3 Est EUR	tCO2e	2022	20,315.16	22.56%	407,853.15	18.57%

GHG Emissions: Scope 1 & 2 EUR	tCO2e	2023	1,970.96	21.47%	78,417.05	18.82%
GHG Emissions: Scope 1 & 2 EUR	tCO2e	2022	2,187.43	22.56%	77,400.63	18.60%
GHG Emissions: Total Emissions Est EUR	tCO2e	2023	25,210.92	21.47%	527,624.17	18.82%
GHG Emissions: Total Emissions Est EUR	tCO2e	2022	22,502.59	22.56%	485,253.78	18.60%
Carbon Footprint 1&2 EUR	tCO2e/M€ invested	2023	11.76	21.47%	66.83	18.82%
Carbon Footprint 1&2 EUR	tCO2e/M€ invested	2022	13.08	22.56%	69.87	18.60%
Carbon Footprint Est EUR	tCO2e/M€ invested	2023	150.74	21.47%	449.96	18.82%
Carbon Footprint Est EUR	tCO2e/M€ invested	2022	134.55	22.56%	437.99	18.60%
GHG Intensity 1&2 EUR	tCO2e/M€ revenue	2023	49.39	22.44%	177.19	29.93%
GHG Intensity 1&2 EUR	tCO2e/M€ revenue	2022	72.13	23.68%	257.39	28.42%
GHG Intensity Est EUR	tCO2e/M€ revenue	2023	408.02	22.44%	1,229.97	29.93%
GHG Intensity Est EUR	tCO2e/M€ revenue	2022	431.79	23.68%	1,368.00	28.68%
Exposure to companies active in the fossil fuel sector.	Percentage of Sub-Fund invested	2023	2.08%	22.22%	3.00%	28.70%
Exposure to companies active in the fossil fuel sector.	Percentage of Sub-Fund invested	2022	2.21%	23.68%	2.98%	28.46%
Share of non-renewable energy consumption and production.	Percentage of Sub-Fund invested	2023	76.65%	17.50%	68.73%	17.81%
Share of non-renewable energy consumption and production.	Percentage of Sub-Fund invested	2022	76.43%	22.38%	69.78%	20.32%
Energy consumption intensity: Agriculture EUR	GWh per Million € sales	2023	0	16.50%	2	15.19%
Energy consumption intensity: Agriculture EUR	GWh per Million € sales	2022	0	19.21%	2.83	16.05%
Energy consumption intensity: Mining EUR	GWh per Million € sales	2023	1.21	16.50%	2.09	15.19%
Energy consumption intensity: Mining EUR	GWh per Million € sales	2022	0.79	19.21%	12.04	16.05%
Energy consumption intensity: Manufacturing EUR	GWh per Million € sales	2023	0.14	16.50%	0.63	15.19%
Energy consumption intensity: Manufacturing EUR	GWh per Million € sales	2022	0.14	19.21%	0.75	16.05%
Energy consumption intensity: Electricity EUR	GWh per Million € sales	2023	0.92	16.50%	8.3	15.19%
Energy consumption intensity: Electricity EUR	GWh per Million € sales	2022	1.2	19.21%	11.66	16.05%
Energy consumption intensity: Water EUR	GWh per Million € sales	2023	0	16.50%	2.01	15.19%

Energy consumption intensity: Water EUR	GWh per Million € sales	2022	0	19.21%	2.15	16.05%
Energy consumption intensity: Construction EUR	GWh per Million € sales	2023	0	16.50%	0.3	15.19%
Energy consumption intensity: Construction EUR	GWh per Million € sales	2022	0	19.21%	0.29	16.05%
Energy consumption intensity: Trade and Vehicles EUR	GWh per Million € sales	2023	0.05	16.50%	0.2	15.19%
Energy consumption intensity: Trade and Vehicles EUR	GWh per Million € sales	2022	0.07	19.21%	0.68	16.05%
Energy consumption intensity: Transportation and Storage EUR	GWh per Million € sales	2023	1.54	16.50%	2.79	15.19%
Energy consumption intensity: Transportation and Storage EUR	GWh per Million € sales	2022	1.63	19.21%	2.86	16.05%
Energy consumption intensity: Real Estate EUR	GWh per Million € sales	2023	0.46	16.50%	0.54	15.19%
Energy consumption intensity: Real Estate EUR	GWh per Million € sales	2022	0.9	19.21%	0.49	16.05%
Activities negatively affecting biodiversitysensitive areas	Percentage of Fund invested	2023	0.00%	22.22%	0.06%	28.71%
Activities negatively affecting biodiversitysensitive areas	Percentage of Fund invested	2022	0.00%	23.68%	0.02%	28.46%
Emissions to water EUR	Metric Tons EUR	2023	1.3	0.37%	45.63	1.16%
Emissions to water EUR	Metric Tons EUR	2022	0	0.00%	199.87	0.15%
Hazardous waste EUR	Metric Tons EUR	2023	0.53	4.00%	7.19	5.34%
Hazardous waste EUR	Metric Tons EUR	2022	0.17	5.17%	474.49	5.69%
Violations of UNGC principles and OECD Guidelines	Percentage of Sub-Fund invested	2023	0.00%	22.70%	0.16%	29.02%
Violations of UNGC principles and OECD Guidelines	Percentage of Sub-Fund invested	2022	0.00%	24.14%	0.17%	28.70%
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises.	Percentage of Sub-Fund invested	2023	9.23%	22.22%	15.76%	28.70%
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises.	Percentage of Sub-Fund invested	2022	10.35%	23.68%	16.87%	27.10%

Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	2023	17.49%	6.15%	18.90%	5.27%
Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	2022	18.60%	7.09%	19.78%	4.16%
Board gender diversity	Average percentage of female board members	2023	35.78%	22.38%	34.37%	22.25%
Board gender diversity	Average percentage of female board members	2022	33.47%	23.68%	34.24%	22.30%
Exposure to controversial weapons	Percentage of Sub-Fund invested	2023	0.00%	22.53%	0.10%	28.81%
Exposure to controversial weapons	Percentage of Sub-Fund invested	2022	0.00%	23.68%	0.10%	28.46%

What were the top investments of this financial product?

Largest investments	Sector	% of Assets	Country
Japan Government Ten Year Bond 0.40% 09/20/2025	Government bonds	5.17%	Japan
Bundesobligation 10/10/2025 REG S	Government bonds	4.90%	Germany
Republic Of Poland Government Bond 1.75% 04/25/2032	Government bonds	3.77%	Poland
French Republic Government Bond OAT 1.00% 11/25/2025 REG S	Government bonds	3.64%	France
Canadian Government Bond 1.25% 06/01/2030	Government bonds	3.30%	Canada
Japan Government Twenty Year Bond 2.20% 06/20/2026	Government bonds	3.26%	Japan
Spain Government Bond 01/31/2025	Government bonds	3.22%	Spain
Italy Buoni Poliennali Del Tesoro 1.25% 12/01/2026	Government bonds	3.19%	Italy
United Kingdom Gilt 2.75% 09/07/2024 REG S	Government bonds	2.44%	UK
United States Treasury Note/Bond 4.625% 06/30/2025	Government bonds	1.94%	United States
United States Treasury Note/Bond 3.375% 08/15/2042	Government bonds	1.88%	United States
Canadian Government Bond 2% 09/01/2023	Government bonds	1.84%	Canada
Bulgaria Government International Bond 2.95% 09/03/2024 REG S	Government bonds	1.80%	Bulgaria
Japan Government Five Year Bond .1% 12/20/2024	Government bonds	1.67%	Japan
United States Treasury Note/Bond .25% 03/15/2024	Government bonds	1.52%	United States

What was the proportion of sustainability-related investments?

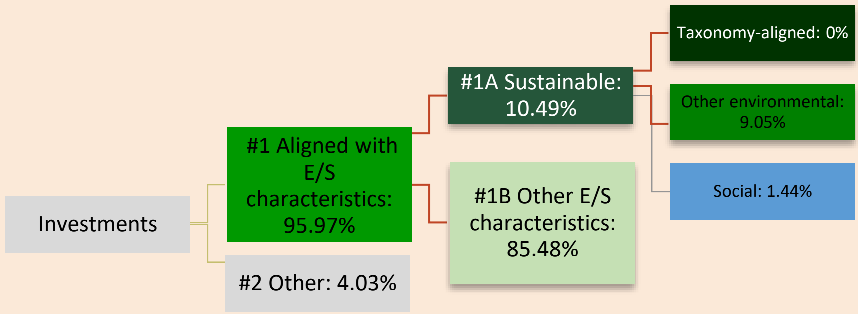
The proportion of sustainable investments was 10.49%.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

95.97% of the Sub-Fund's portfolio was aligned with the E/S characteristics promoted by the Sub-Fund. The remaining portion (4.03%) was not aligned with the promoted characteristics and consisted primarily of liquid assets held for the purposes of servicing the day-to-day requirements of the Sub-Fund, for which there were no minimum environmental or social safeguards.

Out of the Sub-Fund's portfolio segment which was aligned with the promoted environmental and/or social characteristics, the Sub-Fund invested 10.49% of its portfolio in sustainable investments.



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

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

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

In which economic sectors were the investments made?

During the reference period, the top sectors and sub-sectors of this Sub-Fund, excluding cash, were:

Top sector	**% of Assets**
Government bonds	73.45%
Financials	8.12%
Health Care	3.51%
Consumer Staples	3.39%
Communication Services	2.58%
Real Estate	1.39%
Energy	1.27%
Consumer Discretionary	0.57%
Industrials	0.54%
Materials	0.43%
Information Technology	0.42%
Utilities	0.32%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Top sub-sector	**% of Assets**
Government Bonds	73.45%
Banks	3.89%
Beverages	1.88%
Health Care Providers & Services	1.85%
Insurance	1.61%
Diversified Telecommunication Services	1.21%
Pharmaceuticals	1.20%
Consumer Finance	1.09%
Consumer Staples Distribution & Retail	1.08%
Office REITs	0.95%
Capital Markets	0.87%
Media	0.87%
Energy Equipment & Services	0.83%
Financial Services	0.65%
Metals & Mining	0.43%

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund did not make sustainable investments with an environmental objective aligned with the EU Taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

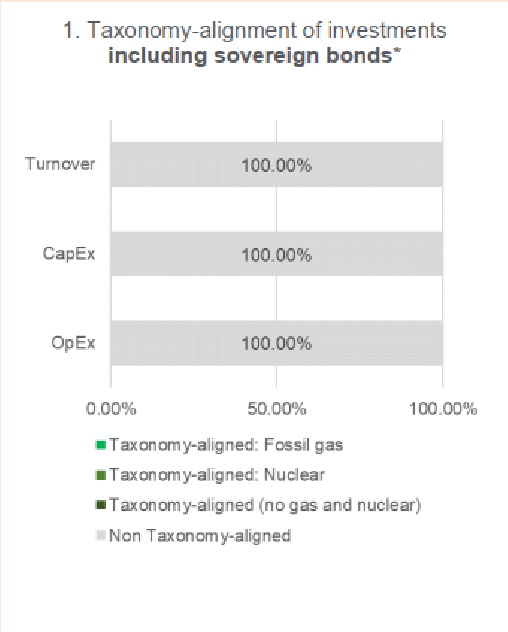
☐ Yes:

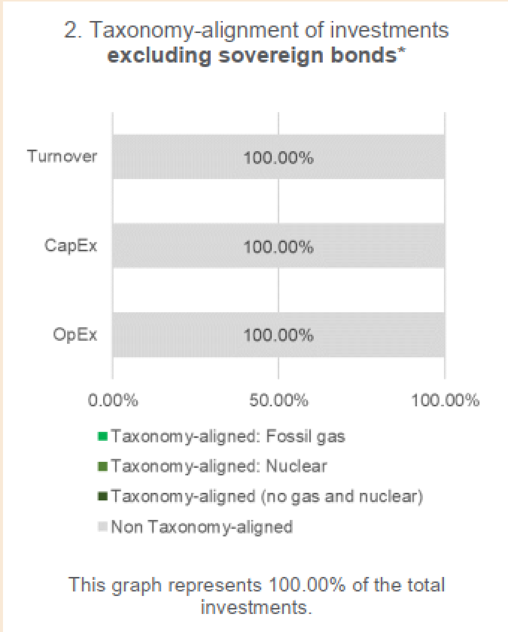
☐ In fossil gas ☐ In nuclear energy

☒ No

[1] 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 - see explanatory note in the left hand margin. 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.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What was the share of investments made in transitional and enabling activities?

The Sub-Fund did not invest in transitional and enabling activities.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

N/A.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

In line with its investment strategy, namely, the Sub-Fund's commitment to make a minimum proportion 'sustainable investments' with an environmental objective as per the SFDR art. 2(17) that do not qualify as environmentally sustainable under the EU Taxonomy Regulation, 9.05% of the investments of the Sub-Fund was comprised of 'sustainable investments' with an environmental objective that do not qualify as environmentally sustainable under the EU Taxonomy during the reference period.

What was the share of socially sustainable investments?

The proportion of socially sustainable Investments during the reference period was 1.44%.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The proportion of investments under '#2 Other' was 4.03% during the reference period and included cash held for the purposes of servicing the day-to-day requirements of the Sub-Fund for which there were no minimum environmental or social safeguards.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Multiple binding elements in the investment strategy helped support the attainment of environmental characteristics promoted by the SubFund:

The investment management team utilized numerous IT tools in order to determine a portfolio's composition so that it has been promoting the transition to a low-carbon economy by avoiding investments in issuers that are lagging in the transition and implementing negative screens. Using internal and external inputs (e.g., MSCI datasets), the Fund Manager assessed which issuers were eligible (or not) to be held in the portfolio. For example, those sovereigns that were classified as "Not Free"within the Freedom House Index or lagged in their environmental performance (i.e., those that fell within the bottom 20% as ranked by their proprietary tool, the Energy and Environmental Transition Index [EETI]) or utility companies that derived unacceptable levels of revenue from fossil fuels and lacked ambitious decarbonization targets were excluded from the investable universe. In that sense, the Fund Manager did not invest in issuers that:

- repeatedly and seriously violate the United Nations Global Compact principles, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises;
- Have "Not Free" status according to the Freedom House Index for sovereign issuers;
- Manufacture controversial weapons such as those that are defined as being indiscriminate; or those that manufacture components intended for use in such weapons;
- Derive more than 5% of their revenue from production of conventional weapons;
- Manufacture tobacco or tobacco products; or those that derive revenue from such products that exceeds the Fund Manager's 5% threshold;
- Derive more than 5% of their revenue from gambling or adult entertainment;
- Derive more than 5% of their revenue from the mining of thermal coal and its sale to external parties;
- Derive more than 5% of their revenue from the most polluting fossil fuels;

- Exceed the Fund Manager’s 30% tolerance level of fossil fuels or 5% tolerance level of thermal coal used to generate electricity or lack ambitions regarding decarbonization targets for electricity generation;
- Negatively affect biodiversity-sensitive areas;
- Score an ESG rating of CCC according to MSCI; and
- Companies included on the Fund’s proprietary exclusion list.

Engagement was an integral part of the Sub-Fund’s sustainability approach and ESG management. While all engagements are listed in the “How did the sustainability indicators perform?” section, the following example helps to highlight the Fund Manager's approach. The engagement consisted of both voluntarily engagement to promote fund’s environmental and social characteristics and obtain data for the best informed investments decision as well as obligatory engagement with 5% issuers underperforming their peers in regards to PAIs exposure.

Over the review period the Fund Manager voluntarily engaged with the Dutch State Treasury Agency (DSTA), in order to better understand their approach to climate change adaptation and suggest the use of biodiversity-friendly solutions in tackling the problem. One of the main categories of eligible expenditures for the green bonds issued by the Netherlands is climate change adaptation and particularly sustainable water management. The aim is to ensure that flood protection, freshwater supplies and spatial planning are climate-proof, and therefore guarantee flood-risk management.

In addition, the Fund Manager engaged with the 5% of holdings which were considered as underperformers in terms of their aggregate exposure to applicable mandatory PAIs metrics. An illustrative example of this obligatory engagement is the Fund Manager's communication with the US rail corporation CSX Transportation, revolving around a topic of Science Based Targets Initiative’s sectoral guidance for land transport.

How did this financial product perform compared to the reference benchmark?

N/A.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.