Assenagon Credit Financial Opportunities

Information on sustainability

This document is an extract from the annual report of Assenagon Credit Financial Opportunities and should be read in conjunction with the annual report. If the language versions of the annual report and this and this document differ at any point, the version of the annual report shall prevail.

The basic information sheet is the sole binding basis for the acquisition of fund units, the sales prospectus and the latest annual or semi-annual report of the investment fund.

Annex IV

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.

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.

Product name:
Assenagon Credit SubDebt and CoCo

Legal entity identifier:
529900SNY0Z5B9VPQF54

Environmental and/or social characteristics

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 2.44% 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**

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

One aspect of the sustainable focus was the improvement at portfolio level compared to the initial universe. To this end, an improvement in the ESG score was targeted as part of a best-in-class approach. Furthermore, a minimum proportion of the portfolio was invested in sustainable investments. This included investments with a social objective. In addition, standards-based and sector-specific exclusion criteria were applied. These characteristics were achieved, as described in the following sections.

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

How did the sustainability indicators perform?

The improvements at equity portfolio level compared with the initial universe were as follows.

	Initial Universe	Assenagon Credit SubDebt and CoCo	Improvement
ESG Score	7.85	7.89	0.04 Points

In terms of ESG score, a higher value represents an improvement. Furthermore, 2.44% of sustainable investments were made in the sub-fund. All exclusion criteria set out in the sales prospectus (controversial weapons, particularly serious controversies (incl. violations of global standards) (incl. violations of global norms), armaments (turnover tolerance < 0%), tobacco (turnover tolerance < 5%), alcohol (turnover tolerance < 5%), gambling (turnover tolerance < 5%), coal production and distribution (turnover tolerance < 30%), energy generation from fossil fuels (turnover tolerance < 10%), ESG rating < B) were complied with during the financial year. The figures refer to the reporting date of December 30, 2024, based on data from the specialist ESG data provider MSCI ESG Research. The initial universe is the global corporate bond market.

... and compared to previous periods?

The sub-fund's ESG score in the previous year was 7.79 and the proportion of sustainable investments was 3.08%.

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 sustainable investments were geared towards social objectives. Investments were made in reference borrowers that have a share of sales in social activities and thus make a significant contribution to sustainability goals. The social activities relate in particular to SME financing.

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.

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

Companies with particularly serious controversies (including violations of the principles of the UN Global Compact) and with significant shares of sales in controversial business areas (including a zero-tolerance threshold for issuers related to banned weapons) were excluded. This exclusion methodology also applies to sustainable investments. Serious controversies include environmental, social, governance and global standards issues. Through these exclusions, we strive to avoid significant damage to the environmental or social sustainable investment objectives as far as possible.

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

With regard to the most important adverse effects on sustainability factors, the so-called Principal Adverse Impacts (PAIs), a large proportion of the company-related indicators were taken into account directly and indirectly in the investment strategy. The indicators were taken into account directly by improving the greenhouse gas emissions intensity compared to the market as a whole and by using various exclusion criteria. Indirect consideration was given via the monitoring and targeted improvement of the ESG score, which comprises various PAIs. All environmental indicators in Table 1 in Annex 1 of the Regulatory Technical Standards as well as the social indicators of violation or lack of monitoring of global standards, gender diversity and controversial weapons are taken into account. The data coverage and quality did not allow any meaningful consideration of the “unadjusted gender pay gap” indicator.

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

For sustainable investments, as for the entire portfolio, exclusions apply to companies with particularly serious violations of global standards. These standards take into account the topics of the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. A particularly serious violation includes events and actions that cause irreparable or permanent harm to the environment, result in loss of life, contribute to a major financial or economic crisis or amount to a serious crime against humanity.

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?

With regard to the most important adverse effects on sustainability factors, the so-called Principal Adverse Impacts (PAIs), a large number of company-related indicators were taken into account directly and indirectly in the investment strategy. The indicators were taken into account directly by improving the greenhouse gas emission intensity of the equity portfolio compared to the initial universe and by applying various exclusion criteria. Indirect consideration was given via the monitoring and targeted improvement of the ESG score, which comprises various PAIs. All environmental indicators as well as the social indicators of violation or lack of monitoring of global norms, gender diversity and controversial weapons are taken into account.

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Adverse sustainability indicator		Metric	Impact year 2024	Impact year 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies						
Climate and Other Environment-Related Indicators						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	13	18	Data coverage: 90.49%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
		Scope 2 GHG emissions	42	70	Data coverage: 90.49%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
		Scope 3 GHG emissions	11020	16561	Data coverage: 90.49%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
		Total GHG emissions	11062	13613	Data coverage: 90.49%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
	2. Carbon footprint	Carbon footprint	86	86	Data coverage: 90.49%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
	3. GHG intensity of investee companies	GHG intensity of investee companies	626	620	Data coverage: 98.18%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	4.0%	0.7%	Data coverage: 98.18%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".

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Climate and Other Environment-Related Indicators						
	5. Share of nonrenewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	51.1%	52.9%	Data coverage: 88.66%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee co panies, per high impact climate sector	Sector A: 0.0 Sector B: 0.0 Sector C: 0.0 Sector D: 0.0 Sector E: 0.0 Sector F: 0.0 Sector G: 0.0 Sector H: 0.0 Sector L: 0.0	Sector A: 0.0 Sector B: 0.0 Sector C: 0.0 Sector D: 0.0 Sector E: 0.0 Sector F: 0.0 Sector G: 0.0 Sector H: 0.0 Sector L: 0.0	Data coverage: Sector A: 0.0% Sector B: 0.0% Sector C: 0.0% Sector D: 0.0% Sector E: 0.0% Sector F: 0.0% Sector G: 0.0% Sector H: 0.0% Sector L: 0.0%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".

Climate and Other Environment-Related Indicators						
Biodiversity	7. Activities negatively affecting biodiversitysensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.0%	0.0%	Data coverage: 98.18%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".

		Climate and Other Environment-Related Indicators				
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0	0	Data coverage: 0.0%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.0	0.0	Data coverage: 70.60%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
		Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters				
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.0%	0.0%	Data coverage: 98.18%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to	0.0%	15.02%	Data coverage: 98.18%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".

Climate and Other Environment-Related Indicators						
		address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises				
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	16.52%	26.41%	Data coverage: 64.10%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	43.39%	41.76%	Data coverage: 98.18%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.0%	0.0%	Data coverage: 98.18%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
Indicators applicable to investments in sovereigns and supranationals						
Environmental	15. GHG intensity	GHG intensity of investee countries	n.a.	n.a.	n.a.	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	n.a.	n.a.	n.a.	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".

Indicators applicable to investments in real estate assets– not relevant						
	Additional climate and other environment-related indicators					
Water, waste and material emissions	3. Non-recycled waste ratio	Tonnes of nonrecycled waste generated by investee companies per million EUR invested, expressed as a weighted average	0.0	0.0	Data coverage: 29.01%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".
	Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters					
Social and employee matters	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	82.7	65.8	Data coverage: 91.25%	See Section: "How did this financial product consider principal adverse impacts on sustainability factors?".

The figures refer to the average of the four observation dates 29 March 2024, 28 June 2024, 30 September 2024 and 30 December 2024.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

29 December 2023 –30 December 2024

What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
STANDARD CHARTERED PLC	Financial	3.55%	GB
BARCLAYS PLC	Financial	2.95%	GB
DEUTSCHE BANK AG	Financial	2.90%	DE
BANCO SANTANDER SA	Financial	2.90%	ES
LLOYDS BANKING GROUP PLC	Financial	2.89%	GB
UNICREDIT SPA	Financial	2.15%	IT
BANK OF NOVA SCOTIA	Financial	2.10%	CA
NORDEA BANK ABP	Financial	2.09%	FI
SOCIETE GENERALE	Financial	2.07%	FR
BNP PARIBAS	Financial	2.01%	FR
ABN AMRO BANK NV	Financial	2.00%	NL
INTESA SANPAOLO SPA	Financial	1.99%	IT
ING GROEP NV	Financial	1.98%	NL
INTESA SANPAOLO SPA	Financial	1.96%	IT
CREDIT AGRICOLE SA	Financial	1.95%	FR

The figures refer to the average of the four observation points 29 March 2024, 28 June 2024, 30 September 2024 and 30 December 2024.

What was the proportion of sustainability-related investments?

Sustainability-related investments are all investments that contribute to the achievement of environmental and/or social characteristics as part of the investment strategy. As at the reporting date of December 30, 2024, the proportion of sustainability-related investments was 95.85%.

The share of sustainable investments was 2.44% as at 30 December 2024. The share of sustainable investments amounted to 3.08% in the previous year.

Asset allocation describes the share of investments in specific assets.

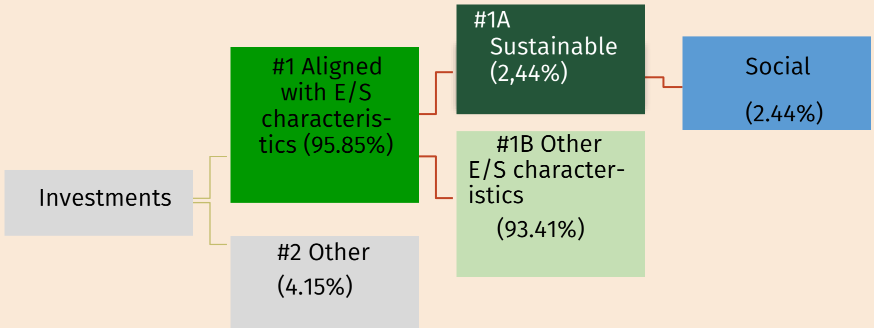
What was the asset allocation?

The proportion of the portfolio focused on environmental or social characteristics was 95.85% as at 30 December. The proportion of other investments (#2) that are neither geared towards environmental or social characteristics nor categorised as sustainable investments comprises the sub-fund's liquidity management (e.g. cash and cash equivalents, money market securities, in money market or near-money market funds) and may include derivative instruments for currency hedging. The proportion of taxonomy-compliant investments and social investments is disclosed in the following sections.

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.



#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.

#2 Other 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?

Banks	93.76%
Savings & Loans	2.09%

The figures refer to the reporting date 30 December 2024.

Proportion of investments in sectors of the economy that generate revenue from fossil fuels 0%.

To what extent were the 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:

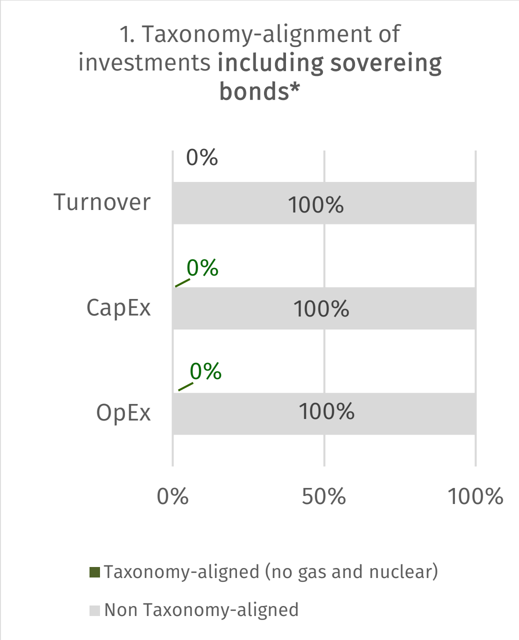
☐ In fossil gas ☐ In nuclear energy

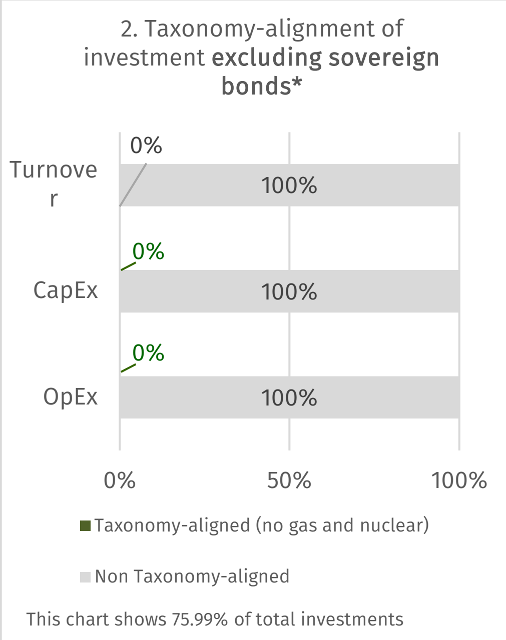
☒ No

[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.

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.

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.

The ratio of sustainable investments that are in line with an environmental objective of the EU taxonomy and meet the requirements of Article 3 of Regulation (EU) 2020/852 was 0.00% as at 30 December 2024.

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

This financial product does not pursue a minimum share of investments in transitional and enabling activities. It therefore does not show any share of these investments.

What was the share of socially sustainable investments?

The ratio of socially sustainable investments was 2.44% as at 30 December 2024.

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

The proportion of other investments that were neither geared towards environmental or social characteristics nor categorised as sustainable investments comprised the sub-fund's liquidity management (e.g. cash and cash equivalents, money market securities, in money market or near-money market funds). Derivative instruments were also used for currency hedging. The sub-fund's exclusion criteria also applied to these investments in order to ensure minimum environmental or social protection.

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

The portfolio managers ensure at all times that the respective ESG characteristics of the sub-fund are implemented in accordance with the information in the sales prospectus. This is ensured by pre-trade and post-trade monitoring.

In addition, the Risk Management & Control team carries out a post-trade control of compliance with the ESG characteristics of the investment products independently of the portfolio management. In addition, influence was exerted on companies in the areas of environment, social affairs and governance via the ISS Pooled Engagement Platform. One focus here is also on the goal of encouraging companies to commit to net-zero emissions by 2050.