

**SFDR Article 3 Disclosure
May 2025**

Consideration of sustainability risk in investment decision making - Article 3(1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”)

To meet the SFDR disclosure requirements, Andbank Asset Management Luxembourg (“AAML”) identifies and analyses sustainability risk as part of its risk management process. Sustainability risk means an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a Sub-fund’s investment.

Examples of sustainability risks which may have a material negative impact on the value of investments are as follows; **(i) Environmental:** these risks may include climate change, carbon emissions, air pollution, water pollution, deforestation, rising sea levels or coastal flooding or wildfires; **(ii) Social:** these risks may include human rights violations, human trafficking, child labour, breaches of employee rights or gender discrimination; and **(iii) Governance:** these risks may include a lack of diversity at board level, infringement or curtailment of rights of shareholders, health and safety concerns for the workforce or poor safeguards on IT security.

Sustainability risks may have an impact on long-term risk adjusted returns for investors. AAML believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives and policies of the Sub-Funds. The Investment Manager therefore integrates sustainability risks in its investment process. Moreover, sustainability-related risk considerations are taken into account as part of the product governance and design process and the sustainability characteristics of the investment strategy are reviewed by the AAML internal control units and external auditors.