

Sustainability-related disclosures

MUTUACTIVOS INTERNATIONAL SICAV – MUTUAFONDO FI LUX

a) Summary

This financial product promotes environmental characteristics, in accordance with Article 8 of the Sustainable Finance Disclosure Regulation (“SFDR”).

Mutuafondo FI is a fixed-income fund that promotes the sustainable use of natural resources and climate change mitigation, primarily focusing on reducing greenhouse gas (GHG) emissions from companies and countries in which it invests.

The promotion of environmental characteristics is carried out through exclusions and a decarbonisation strategy.

At least 51% of the fund's assets promote the fund's environmental characteristics.

Mutuactivos SGIIC relies on information provided by third-party providers such as Morningstar Sustainalytics, as well as alternative information sources, including information obtained from the companies themselves or from the portfolio management companies in the case of investments through UCIs, to measure the achievement of the characteristics promoted by the product.

The Portfolio management team is responsible for conducting due diligence on the issuers in which it invests. Mutuactivos' Sustainability Committee is responsible for ensuring the quality of the due diligence process.

The Fund does not follow a benchmark index to determine whether it is in line with the environmental or social characteristics it promotes.

The Portfolio Management company's ESG risk integration policy can be found here: https://www.mutua.es/mactivos/recursos/pdf/fondos-inversion/Politica_integracion_ASG.pdf

The fund considers Principal Adverse Impact (PAI) indicators in its investment process in line with its PAI Statement, which can be found here: https://www.mutua.es/mactivos/recursos/pdf/fondos-inversion/PIAs_SGIIC.pdf.

Further information on the Portfolio management Company's engagement policy can be found here: https://www.mutua.es/mactivos/recursos/pdf/fondos-inversion/Politica_Implicacion_SGIIC.pdf

b) No sustainable investment objective

This financial product promotes environmental characteristics, but does not have a sustainable investment objective.

c) Environmental or social characteristics of the financial product

The Fund promotes the sustainable use of natural resources and climate change mitigation, focusing primarily on greenhouse gas (GHG) emissions from the companies and countries in which it invests, according to the methodology described below.

Greenhouse gases (GHGs) are gases that trap some of the infrared radiation emitted by the Earth after being heated by the Sun. These gases retain energy in the atmosphere. The concentration of these gases impacts the climate, which consequently affects the planet's sustainability. The main greenhouse gases (GHGs) are carbon dioxide (CO₂), methane (CH₄), water vapor (H₂O), nitrous oxide (N₂O), and ozone (O₃). GHGs are considered the main drivers of climate change.

d) Investment Strategy

The Portfolio management company for this fund applies two types of strategies in its investment process to promote environmental characteristics (first exclusions at asset level are applied to the investment universe and then a decarbonisation strategy is applied at portfolio level):

1. Exclusions (at asset level): in accordance with the list of exclusions detailed in the following section.
2. Decarbonisation strategy at portfolio level, as described below.

1. Exclusions

Exclusions are as follows:

Corporate bonds

- Energy: companies that derive more than 5% of their revenues from the production of fossil fuels from oil sands or from oil and gas exploration/ extraction in the Arctic.
- Thermal coal: companies that derive more than 5% of their revenues from the extraction of thermal coal.
- Additional exclusions apply for corporate bonds in line with the Investment Manager's ESK Risk Integration Policy, such as:

- Controversial weapons: companies that derive any amount of their revenues from the manufacture or sale of controversial weapons (landmines, cluster munitions, chemical weapons and biological weapons).
- Tobacco: companies that derive more than 5% of their revenues from tobacco production or 50% from tobacco distribution.
- Companies that violate the principles of the UN Global Compact and the OECD guidelines for Multinational Enterprises.

Sovereign bonds

- No direct investments can be made in sovereign bonds of countries that are above the 60th global percentile in terms of GHG intensity as defined in indicator 15 of Table 1 of Annex I to the Delegated Regulation (i.e. those countries with a higher intensity compared to other countries)
- In addition, and in accordance with the Portfolio Management Company's ESG Risk Integration Policy, countries responsible for social violations under international treaties and conventions, United Nations principles and, where applicable, national laws are excluded from the investment universe. These social violations can be related to civil conflict, state repression, transnational conflict, violent crime, labour rights and discrimination.

UCI

- When investing in UCIs, the Investment Manager assesses the alignment of the UCI's exclusion policy with its own exclusion policy during the due diligence process and will not invest in case the policies are not aligned, except in case of investing in Index-tracking ETFs.

2. Decarbonisation strategy

Corporate bonds

- The Investment Manager will calculate the GHG intensity of the Sub-Fund's assets invested directly or indirectly (through UCIs) in corporate bonds. To do so, it calculates the GHG intensity of each emitter in the portfolio (including UCIs) weighted by the relative weight of each emitter in the portfolio. This calculation is based on the GHG emissions in Scopes 1 and 2 of each emitter relative to its revenues, expressed in tonnes CO₂e/revenue in EURm. The main data provider will be Morningstar.
- The GHG intensity of the corporate bond assets (through direct and indirect investments) of the Sub-Fund must be lower than the average GHG intensity of the funds

belonging to the same Morningstar category as the Sub-Fund. The Morningstar category of the Sub-Fund is EUR Diversified Bond - Short Term.

Government bonds

- The Investment Manager shall calculate the GHG emission intensity of assets invested directly or indirectly (through UCIs) in sovereign bonds. To do so, it calculates the GHG intensity of each sovereign debt issuer in the portfolio (including investments in UCIs) weighted by the relative weight of each issuer in the portfolio.
- The GHG intensity of the Sub-Fund's assets (through direct and indirect investments) must be lower than the 75th percentile of the GHG intensity of OECD countries as defined in indicator 15 of Table 1 of Annex I to the Delegated Regulation (i.e. those countries with a lower intensity compared to other countries)

e) Proportion of investments

At least 51% of the fund's assets promote the aforementioned characteristics. The remaining investments are classified as "Other."

Investments included under "Other" do not alter or prejudice the achievement of the environmental characteristics promoted by the Fund and may include, but are not limited to, assets for which insufficient ESG information is available, as well as financial derivative instruments, assets used for liquidity management or other assets permitted under the Fund's investment policy. These investments may never exceed 49% of the Fund's assets and shall aim to maximise the financial performance of the Fund.

There are minimum environmental safeguards for the entire portfolio, as any direct investment must meet the Sub-Fund's exclusion criteria described above in order to enter the portfolio. In addition, both direct and indirect investments will be taken into account for the calculation of the Sub-Fund's decarbonisation strategy indicators (GHG intensity), subject to data availability.

f) Monitoring of environmental or social characteristics

The main indicators used to measure the achievement of the fund's ESG characteristics are:

- Compliance with the exclusionary criteria
- For corporate bond assets, the main indicator to measure the environmental characteristic promoted by the Sub-Fund is GHG intensity, which is calculated as tonnes of CO₂e/EUR million ("EURm") revenue incorporating scopes 1 and 2. Scopes 1 and 2 refer to the emissions that are used for the calculation of the indicator. Thus, scope 1 is the direct emissions produced by fuel combustion by the emitter, and scope 2 is the indirect emissions generated by the electricity consumed and purchased by the emitter.

- For sovereign bonds, the main indicator to measure the environmental characteristic promoted by the Sub-Fund is GHG intensity of countries, which is calculated as thousands of tonnes CO₂e/unit of gross-domestic product (GDP) - in EURm.
- Investments in UCIs will be classified as Article 8 or 9 according to the SFDR and its greenhouse gas intensity will be calculated for its underlying investments, using the same methodology as described above: For corporate bonds, the relevant indicator is GHG intensity calculated as tonnes CO₂e/ revenue in EURm and for sovereign bonds, the relevant indicator is GHG intensity calculated as tonnes CO₂e/unit of gross-domestic product (GDP) in EURm.

In the case of investments in UCIs classified as Article 8 SFDR products, only the percentage of their underlying assets that promote ESG characteristics will compute towards the calculation of the overall Sub-Fund's percentage of assets that promote ESG characteristics.

g) Methodologies

The methodology for the calculation of the environmental characteristics is detailed in section f).

h) Data sources and processing

Mutuactivos SGIIC relies primarily on information provided by the ESG data provider Morningstar Sustainalytics. This information may be supplemented by alternative sources, including information obtained from the companies themselves or from the asset management companies in the case of investments through funds, to measure the achievement of the characteristics promoted by the product.

Mutuactivos SGIIC conducts periodic analyses of data coverage and quality, to verify the sufficiency and reliability of the information provided.

It uses an internal tool to monitor compliance with the fund's environmental characteristics, incorporating both reported data and estimated data (in the event of a lack of reported data). The proportion of estimated data is constantly evolving, depending on the portfolio composition at any given time. In any case, the proportion of estimated data is generally limited.

These limitations do not alter the ESG characteristics of the funds because assets without data coverage are not accounted for in the 51% of assets that promote environmental characteristics.

i) Limitations to methodologies and data

In some cases, the availability and quality of data for the ESG indicators aforementioned may be limited (for example, in the case of investments in unlisted companies).

j) Due Diligence

The fund's ESG criteria are integrated into the investment process and their compliance is monitored by the risk team.

The sustainability department reviews ESG data quality on an ongoing basis. The Sustainability Committee is responsible for ensuring the quality of the due diligence process.

The Portfolio Management Company's ESG risk integration policy is available at https://www.mutua.es/mactivos/recursos/pdf/fondos-inversion/Politica_integracion_ASG.pdf.

k) Engagement Policies

Mutuactivos SGIIC, the Portfolio Manager, has an engagement policy that can be found at www.mutua.es/mactivos/recursos/pdf/fondos-inversion/Politica_Implicacion_SGIIC.pdf.

l) Designated Benchmark

The Fund does not follow a benchmark to determine whether it is in line with the environmental or social characteristics it promotes.