



Report Article 29 of the Energy and Climate Act 2024

Scope	IVO CAPITAL PARTNERS
Recipient(s) of the Report	ADEME, AMF
Frequency	Annual
Period covered	2024
Person in charge of drafting the Report	Marion Bougel
Time of drafting	June 2025

I. INFORMATION FROM THE PROVISIONS OF ARTICLE 29 OF THE FRENCH ENERGY AND CLIMATE ACT

A. The entity's general approach to taking into account environmental, social and quality governance criteria

IVO Capital Partners is convinced that environmental, social and governance (ESG) risk analysis provides a better understanding of companies and their long-term return prospects. The IVO Capital Partners teams therefore believe that responsible investment and the integration of ESG risks into their investment analyses are an integral part of their fiduciary duties.

Environmental, social and governance quality criteria are integrated within the scope of the 5 UCITS funds, which represent 73.5% of IVO Capital Partners' total AUM (at 31/12/2024):

- IVO Emerging Markets Corporate Debt: €800M in assets
- IVO Emerging Markets Corporate Debt Short Duration SRI: €162M in assets
- IVO Global Opportunities: €27M in assets
- IVO 2028: €173M in assets
- IG 2030: €17M in assets

This analysis is carried out according to 3 levers of action.

1. Lever #1: Exclude from the investment universe companies and sectors subject to ESG controversies

Change made during the year

A modification was made in 2024 to Lever #1 concerning the new exclusions required by the V3 standard of the SRI label. We therefore have an exclusion policy across the Management Company as well as an additional exclusion policy for the SRI-labelled fund.

In addition, we have lowered the level of involvement of companies involved in thermal coal extraction (from 30% to 15%) in line with our ambition to phase out coal by 2040. Across the

management company.

Totally excluded sectors:

- Controversial weapons: Companies involved in the development, production, storage, use or transport of cluster munitions, anti-personnel mines, and chemical, biological or nuclear weapons

- Direct or indirect financing of countries subject to trade embargoes and international sanctions: Afghanistan, the Central African Republic, the Democratic Republic of Congo, Eritrea, Guinea-Bissau, Iran, Iraq, Lebanon, Libya, Mali, North Korea, Somalia, Sudan, South Sudan, Syria and Yemen

Sectors excluded depending on the degree of involvement of the issuer

- Oil sands: companies that generate more than 10% of their revenue from oil sands extraction
- Conventional weapons: companies that generate more than 20% of their revenue from weapons-related activities
- Thermal coal extraction: we will not increase our positions in companies already held in the portfolio that generate more than 15% of their revenue from coal extraction, and we are committed to not taking new positions that breach this criterion
- In order to protect young and vulnerable people from unethical content, we completely exclude from our investment universe issuers that specialise in pornographic activities (pure players, cinema, video game producers or distributors and physical stores) and companies that generate more than 5% of their revenue from such activities (minority or other interests).

The following sectors are excluded in the absence of a responsible policy:

- Tobacco: companies that generate more than 5% of their revenue from the tobacco industry, including producers and distributors, and that do not apply a responsible health and environmental policy.
- Gambling: companies that work in the gambling industry (casinos, online betting websites, TV broadcasts, bookmakers) that do not have an adequate anti-money laundering policy in place and do not provide anti-money laundering training to employees.
- Palm oil and paper pulp: producers of palm oil and paper pulp that do not have responsible forest restoration, wildlife protection and environmental protection policies in place.
- Animal welfare: companies that generate more than 10% of their revenue from the textile industry (producers and distributors) that do not have an anti-fur policy in place or that have not confirmed that their activities do not use fur.
- Business activities in countries subject to international sanctions: we ensure that the business activities of companies that have significant activities (5% of revenue) in one of the 16 sanctioned countries are not sanctioned by the United Nations. After checking the above, we ensure that they have a responsible policy in place that, at the very least, includes provisions concerning human rights.

Across the SRI label fund.

The following are excluded for environmental reasons:

- Any issuer of which more than 5% of the total production of liquid or gaseous fossil fuels comes from the exploration, extraction or refining of unconventional liquid or gaseous fossil fuels defined by the Scientific and Expert Committee of the Observatory of Sustainable Finance (oil shale, shale gas and oil, oil sand, extra-heavy oil, methane hydrates, ultra-deep offshore oil and gas and fossil oil and gas resources in the Arctic).
- Any issuer with more than 5% of its activity in the exploration, extraction or refining of thermal coal or the supply of products or services specifically designed for these

activities, such as transport or storage; as well as any issuer developing new projects for the exploration, extraction and transport of thermal coal.

- Any issuer developing new projects for the exploration, extraction or refining of liquid or gaseous, conventional and/or unconventional fossils.
- Any issuer whose total share of revenues comes from electricity generation with a CO2 intensity greater than 100gCO2e/kWh.

The following are excluded with regard to a social criterion:

- Any issuer suspected of serious and/or repeated breaches of one or more principles of the UN Global Compact.

Sovereign bonds are excluded if they are issued by countries and territories which are:

- Included in the latest available version of the EU list of non-cooperative countries and territories for tax purposes.
- Included on the Financial Action Task Force (FATF) blacklist or grey list - Whose latest version of the Corruption Perceptions Index published by Transparency International is strictly below 40/100.

2. Lever #2: Assess the quality of companies by integrating ESG risks and opportunities in the investment decisions and monitoring

Change made during the year

A change was made in 2021 to Lever #2 regarding the calculation of our spread requirements for orange flags and red flags:

Sustainalytics Score Analyst view	A 0 - 32	B 32 - 50	C 50 - 60	D 60+
Green flag	Company eligible for investment			
Orange flag	Investment if spread is greater than the average CEMBI spread with a similar rating + 15%		Investment if spread is greater than average CEMBI spread with similar rating + 30%	
Red flag	Investment if spread is greater than average CEMBI spread with similar rating + 30%			
Black flag	Companies excluded from our investment universe regardless of their ranking			

Internal recommendation based on our discussions with the issuer, our additional research, the manager's assessment and a methodology based on the materiality matrix of the Sustainability Accounting Standards Board.

We assess the company's ESG quality level at the time of purchase and review the metrics once a year.

Collection of data

IVO Capital Partners uses four types of ESG indicators for its non-financial analysis:

- Environmental indicators
- Social indicators
- Governance indicators
- Human rights indicators



The preliminary study of the indicators provided by our ESG service providers allows us to rank our potential issuers according to their Sustainalytics ESG rating:

- A – the “best” companies in terms of ESG
- B – companies with a good ESG level
- C – companies with an average ESG level
- D – companies that need to improve their ESG policy

Additional internal analysis

The ESG team issues a recommendation based on its discussions with the issuer, its additional research, the manager’s assessment and a proprietary methodology based on the materiality matrix of the *Sustainability Accounting Standards Board*.

Green flag – The analyst believes that material ESG risks to the company are not likely to impact the issuer’s financial performance and the yield on its bonds.

Orange flag – The analyst identifies at least one material ESG issue that is likely to negatively impact the issuer’s bond yield.

Red flag – The analyst believes that the financial risk associated with managing ESG issues is very high and is likely to hinder the issuer’s ability to repay in the short term.

Black flag – The analyst believes that an investment would represent a risk of a decline in yield or payment default due to ESG risk that is too high for IVO Capital Partners.

We assess the company’s ESG quality level at the time of purchase and review the indicators once a year.

Integration of ESG analysis into due diligence

The risks associated with the environment, society and governance impact our investment decisions according to the level of recommendation defined by our internal analysis. This last step determines whether the issuer being assessed meets IVO Capital Partners’ requirements in terms of ESG quality, a prerequisite for all our investments.

“Best in Universe” approach for the IVO Emerging Markets Corporate Debt Short Duration SRI.

As part of a continuous improvement approach, we want to implement a more demanding responsible investment approach for some of our funds. In addition to sector exclusions and our ESG integration methodology, we then apply an additional exclusion filter.

For the time being, this screening concerns the IVO Emerging Markets Corporate Debt Short Duration SRI fund. We have chosen a *Best-in-Universe* approach to favour players that demonstrate innovation and adaptation to ESG issues. Thus, we exclude issuers whose ESG quality is less than at least 75% of the issuers in the investment universe. The investment universe corresponds to the investable universe of emerging bonds in hard currencies. IVO Capital Partners calculates the ranking of companies’ ESG performance based on this investment universe and Sustainalytics ratings.



3. Lever #3: Engage with our portfolio companies to help them adopt ESG best practices

Engagement within Climate Action 100+

In June 2020, IVO Capital Partners joined the investor initiative Climate Action 100+, launched in December 2017 during the One Planet Summit and considered one of the most relevant initiatives to address the challenges of climate change.

Climate Action 100+ aims to ensure that the world's largest greenhouse gas emitters take the necessary steps to combat climate change. Alongside the initiative's 450 investors representing total assets of \$40,000 billion, IVO Capital Partners is calling on companies to improve their governance on climate change, reduce their greenhouse gas emissions and strengthen their climate-related financial communication.

IVO Capital Partners is an active member of coalitions of investors that engage with the following companies: Sasol, Vale SA, AES and Suzano.

Sustainalytics support

IVO Capital Partners subscribes to the Sustainalytics commitment service focused on material risks i.e. the ESG risks to which companies are most exposed and which may have a significant impact on their financial performance. Sustainalytics initiates a constructive dialogue with the companies most exposed in terms of ESG risks to help them better manage these risks and implement best practices. The purpose of this engagement is to help investors protect their long-term value by engaging with high-risk companies on their financially material ESG risks. Sustainalytics provides collaborative and constructive engagement to help the high-risk companies in our portfolios better identify, understand and manage their ESG risks.

Presentation of Sustainalytics

Sustainalytics is one of the leading ESG rating and research companies with 600 employees and more than 700 clients. It is owned by Morningstar, PGGM, ABN AMRO MeesPierson and Renewal Partners. Its main clients are banks or asset and wealth managers such as Blackrock, Amundi Asset Management, Goldman Sachs Asset Management, and green bond issuers such as Apple and Starbucks Coffee. It works in collaboration with indices such as S&P, JP Morgan, and platforms such as Morningstar.

Sustainalytics is engaged with more than 500 issuers worldwide and the engagement service we have subscribed to applies to our entire bond business. An engagement case is closed when the company's ESG risk rating falls below 28 or when the company's ESG performance reaches the 40% highest rated in its sector.

Sustainalytics offers several responsible investment approaches:

- Negative selection: exclusion of companies that are weak in terms of ESG or involved in controversial industries
- Standards selection: identification of companies that do not comply with international laws and standards
- Positive selection: investment in the best performing companies in terms of ESG
- Integration: incorporation of ESG analysis into the investment and valuation process in order to improve the risk-return profile of an investment portfolio



- Engagement: collaborative and direct engagement and proxy voting on ESG considerations
- Impact and thematic investment: targeted investment in companies with the aim of solving sustainable development challenges.

ESG risk rating

Sustainalytics' ESG risk rating measures a company's exposure to ESG risks and its management of material ESG risks from a financial perspective. A company's exposure is determined by the industry in which it operates and its internal characteristics. An ESG issue is considered material if the company is sufficiently exposed to it. For example, corporate governance is material for all companies. Companies are then classified into five risk categories: negligible, low, medium, high and severe.

Sustainalytics first measures the company's overall exposure to ESG risks. Then there is a distinction between manageable and unmanageable risks: for example, an oil company will always face carbon risks unless it changes its business model. The company addresses part of the manageable risk through specific policies and programmes. The rest of the unmanaged risk is the management gap. The ESG risk rating adds together the unmanageable risk and the management gap. Sustainalytics relies on an annual review of company data, news, industry and NGO reports, comparables and company feedback, as well as daily monitoring of company news.

Research on controversies

Sustainalytics tracks approximately 83,000 sources worldwide with coverage of more than 15,000 issuers. Incidents (e.g. legal proceedings or oil spills) are identified and reclassified as controversies. The controversy is then rated from 1 to 5 (low, moderate, significant, strong, severe). Lastly, Sustainalytics estimates the evolution of the rating over the next 12 months based on several criteria such as risk factors and management systems.

B. Internal resources deployed by the entity

In 2024, the ESG research team on UCISTS funds consists of:

- Mathieu Quenechdu - ESG manager and analyst: Mathieu Quenechdu joined IVO Capital Partners in July 2021, first as a middle officer and then as an ESG analyst from July 2022. Mathieu Quenechdu holds a double Master's degree in International Management and Finance.

The entire IVO Capital Partners team has access to the management company's ESG research, in particular the ESG analysis sheets produced for each company in the portfolio or likely to be the subject of an investment.

The IVO Capital Partners teams involved in the responsible investment activity are:

- Co-founders (Chairman and CEOs): formal sponsors of the policy of responsible investment for the management company
- The ESG analyst/ESG manager: implementation of the responsible investment policy, coordination of actions, drafting of ESG analyses, internal training on sustainable and impact finance



- Fund and mandate managers: management of responsible investment strategies
- The analyst team: application of the exclusion policy, support for ESG analyses
- The sales team: promotion of responsible investment products
- The legal team: responsibility for the legal documentation of the fund
- The risk and reporting team, the Compliance and Internal Control Officer (RCCI): risk management and reporting, second-level control."

C. Approach for taking environmental, social and governance quality criteria into account in the entity's governance

The Management of IVO Capital Partners is trained in the ESG approach in the same way as the management team.

The IVO Capital Partners Compliance and Internal Control Officer is also trained in this approach.

IVO Capital Partners incorporates the environmental or social characteristics of its investments into its responsible investment policy of its UCITS funds. Therefore, from 2021 onwards, individual and collective assessments and objectives will include qualitative and quantitative elements related to the environmental or social characteristics of the investments and the sustainability risk of the portfolios managed.

These criteria include in particular :

- The proper application of the ESG policy
- Maintaining the SRI label of the IVO Emerging Markets Corporate Debt Short Duration SRI fund
- ESG pre-validation of new orders
- The appraisals and remuneration of the staff concerned will be determined based on the the achievement of these qualitative and quantitative objectives.

It may also be recalled that the management of these sustainability risks is intrinsically linked to the activity of an asset manager for whom it is imperative to take these long-term issues into account in its investment strategy in view of the holding period of the assets in the portfolio.

Consequently, IVO Capital Partners' remuneration policy does not encourage excessive sustainability risk-taking.

For more information on the integration of environmental or social characteristics and sustainable investment objectives into investment policies, please consult the section "responsible investment" of the IVO Capital Partners website: www.ivocapital.com.



D. Engagement strategy with issuers or with management companies and on its implementation

IVO Capital Partners has published the following documents on its website:

- Its responsible investment policy
- Its engagement policy
- The transparency code of the IVO Emerging Markets Corporate Debt Short Duration SRI fund SRI labelled
- The impact report of the IVO Emerging Markets Corporate Debt Short Duration SRI fund, SRI labelled
- Article 10 reports on its UCITS funds
- The SFDR appendices of its UCITS funds
- Its statement on the main adverse impacts (SFDR regulation)

The company also publishes the following reports:

- UNPRI reports
- Annual ESG report
- Annual impact report
- The Trucost “Paris Alignment”, “Carbon Footprint” and “Nature & Biodiversity Risk” reports of the UCITS funds

These documents describe in detail the scope of the investments and financial products concerned by the engagement strategy and terms and conditions and are attached to this report.

Each year, the Compliance and Internal Control Officer also prepares a specific report on the proper application of the ESG risk management procedure.

In terms of voting policy, IVO Capital Partners does not undertake to exercise the voting rights attached to the securities held by the UCITS it manages. However, it may do so at the discretion of the managers.

E. European taxonomy and fossil fuels

i) Taxonomy

IVO Capital Partners has taken into account the European Union’s criteria for environmentally sustainable economic activities in its UCITS fund management activities since 31/01/2023. Consequently, as of 31/12/2024, the percentage of investments of IVO Capital Partners aligned with the EU taxonomy is 3.3% (Source: Sustainalytics).

Since 31/01/2023, IVO Capital Partners has defined the “sustainable” nature of its investments on the European Taxonomy. Thus, thanks to the research firm Sustainalytics, IVO Capital Partners is able to calculate or assess whether the selected issuers have environmentally sustainable economic activities according to the taxonomy.



A minimum of 1% alignment with the European taxonomy has been set for the IVO Emerging Corporate Debt, IVO Global Opportunities and IVO 2028 funds.

A minimum of 3% alignment with the European taxonomy has been set for the IVO Emerging Markets Corporate Debt Short Duration SRI fund.

ii) Fossil fuels.

As at 31 December 2024, 16.3% of investments in UCITS funds managed by IVO Capital Partners were significantly exposed to fossil fuels.

F. Strategy of alignment with the international objectives of Articles 2 and 4 of the Paris Agreement relating to the mitigation of greenhouse gas emissions and, where applicable, for financial products whose underlying investments are made entirely on French territory, the national low-carbon strategy referred to in Article L. 222-1 B of the French Environmental Code

The scope of our strategy of aligning with the international objectives of Articles 2 and 4 of the Paris Agreement is defined on UCITS Funds.

F.1 Quantitative targets for 2040

The setting of quantitative targets for reducing greenhouse gas emissions by 2040 is currently prompting in-depth reflection. However, it is important to recognise the challenges and biases inherent in managing investment portfolios, which should not be underestimated. Among these biases, one of the most worrisome is portfolio changes. Indeed, variations in the composition from one year to the next can have a significant impact on the results of the carbon footprint. The addition of new companies or the exclusion of some companies can lead to considerable variations, making comparison difficult and complex. This volatility of results is a major challenge when it comes to setting quantitative targets for reducing greenhouse gas emissions.

It is essential to take into account that portfolio management cannot focus exclusively on reducing the carbon footprint of the underlying assets. Investment decisions must be backed by a multitude of factors, such as financial performance, risk management, diversification, regulatory compliance and the specific objectives of financial products. Thus, it is crucial to strike a sound balance between emission reduction targets and other financial and policy considerations.

An effective approach to addressing this issue requires a comprehensive and integrated approach that fully integrates greenhouse gas emission reduction targets while taking into account all aspects of portfolio management. This can include careful and selective assessment of environmentally friendly companies, active engagement with companies to encourage sustainable and responsible practices, and regular monitoring of the environmental performance of our investments. By consistently aligning ESG (Environment, Social, Governance) objectives with financial objectives, we can aspire to investment portfolio management that is not only sustainable but also truly responsible.

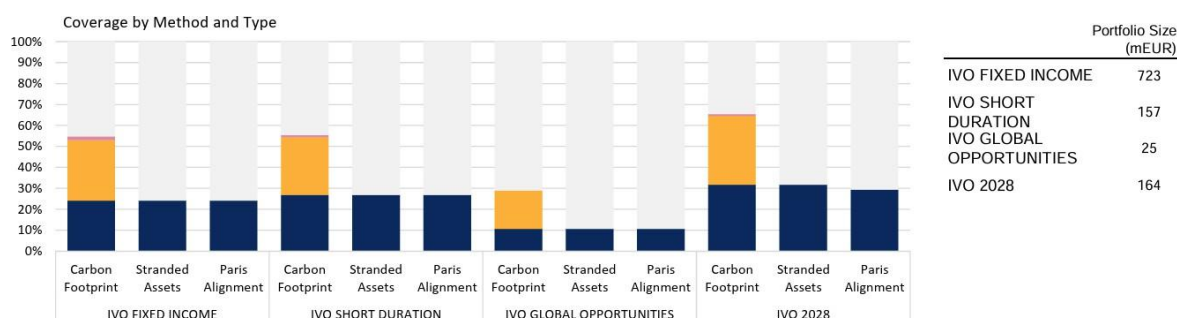
In 2024, we strengthened our climate ambition by aligning the IVO Emerging Markets Corporate Debt Short Duration SRI fund with version 3 of the SRI label. In this context, we made a complete phase out from fossil fuel-related sectors (oil, gas and coal).

F.2. Methodologies

Carbon footprint of UCITS fund portfolios

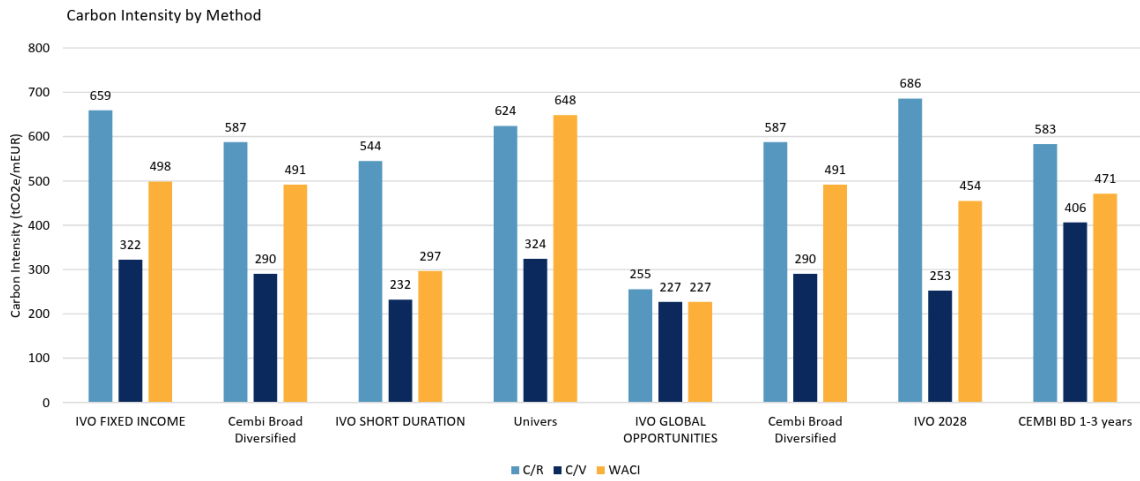
To measure our carbon footprint, we use Trucost, which uses their methodology and on an annual basis, which allows us to calculate CO2 emissions by scope for our UCITS funds.

Please note that this figure should be put into perspective with Trucost's coverage and estimates of the issuers in the portfolio.



	CEMBI BD 1-3 years	IVO 2028	Cembi Broad Diversified	IVO GLOBAL OPPORTUNITIES	Univers	IVO SHORT DURATION	Cembi Broad Diversified	IVO FIXED INCOME
Direct CO2e (Scope 1)	30,283	20,322	1,486	1,357	21,033	14,953	79,790	101,048
Direct CO2e (Other)	372	1,343	24	4	368	128	1,302	2,383
Purchased Electricity CO2e (Scope 2)	5,871	1,726	236	126	2,261	1,411	12,690	7,691
Non-Electricity First Tier Supply Chain CO2e (Scope 3)	6,358	3,296	319	129	4,004	3,304	17,137	12,205
Other Supply Chain CO2e (Scope 3)	10,307	3,832	424	254	4,691	4,201	22,742	13,162
Downstream CO2e (Scope 3)	91,961	84,494	5,489	9,854	78,586	20,203	294,763	331,972

In addition, Trucost allows us to calculate the carbon intensity of our portfolios using three calculation methods:



Temperature of UCITS funds

Lastly, thanks to Trucost, we are also able to calculate the temperature of our portfolios at a time t . For the end of 2024, we have the following temperatures:

IVO FIXED INCOME	>3	°C
IVO SHORT DURATION	>3	°C
IVO GLOBAL OPPORTUNITIES	<1.5	°C
IVO 2028	<1.5	°C

You can find a complete analysis of our UCITS funds on our website.

F.3. Ambition to align with the coal phase-out by 2040.

The Paris Agreement adopted in 2015 generated an international consensus to limit global warming to +1.5°C by 2100 compared to the pre-industrial era. The first step, accepted internationally, is to phase out coal at a different pace depending on the region due to different contexts. This measure results in the closure of coal-fired power plants by 2030 in European and OECD countries and by 2040 in the rest of the world.

IVO Capital Partners' policy of alignment with the Paris Agreements is initially focused on thermal coal extraction.

IVO Capital Partners excludes the thermal coal mining sector according to the following exclusion criterion and threshold: companies directly involved in the extraction of coal (mining) and the production of electricity using coal as the main fuel source, whose income from these activities exceeds 15% of revenue are excluded. This figure is reviewed annually in order to be aligned with the goal of a total phasing out of coal by 2040.

G. Strategy of alignment with long-term biodiversity objectives. The entity provides a strategy of alignment with the long-term objectives related to biodiversity, specifying the scope of the value chain selected, which includes objectives set by 2030, then every five years, on the following issues:

The scope of our strategy of aligning with the international objectives of Articles 2 and 4 of the Paris Agreement is defined on UCITS Funds.

As a responsible investor, wishing to promote the international objectives of preserving biodiversity and combating its erosion, IVO Capital Partners wishes to prefer issuers within its portfolio that promote best practices through responsible policies for these UCITS funds.

Initially, exclusion and engagement actions aim to combat deforestation. The latter exerts significant pressure on terrestrial biodiversity. Tropical forests are important carbon sinks. IVO Capital Partners has therefore decided to focus its action on palm oil and paper pulp due to the massive deforestation caused by their crops and the consequences of this deforestation on the fauna, flora, activity and lifestyles of indigenous populations. This choice is also guided by the availability and quality of data to date.

Due to the particularly controversial nature of their activity, exclusions will focus on:

- Producers who cultivate plantations and harvest the fruits to produce the palm oil products; and
- Wholesalers (distributors) distributing only palm oil-based products (i.e. raw palm, refined, bleached, deodorised oil)

As a result, IVO Capital Partners excludes producers of palm oil and paper pulp that do not have responsible forest restoration, wildlife protection and environmental protection policies in place.

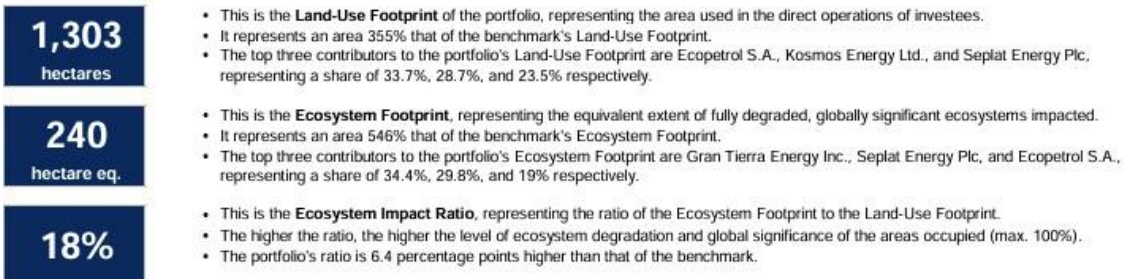
Secondly, exclusion and engagement actions aim to combat animal suffering. Indeed, we want to preserve animal welfare and endangered species by limiting our exposure to products that harm them, such as fur, dyes and chemicals used by the fur industry, which also generate significant environmental pollution. We exclude companies that generate more than 10% of their revenue from the textile industry (producers and distributors) that do not have an anti-fur policy in place or that have not confirmed that their activities do not use fur.

In addition, in 2024, we decided to report annually on biodiversity criteria on the funds.

IVO Emerging Markets Corporate Debt:

IMPACT RISKS

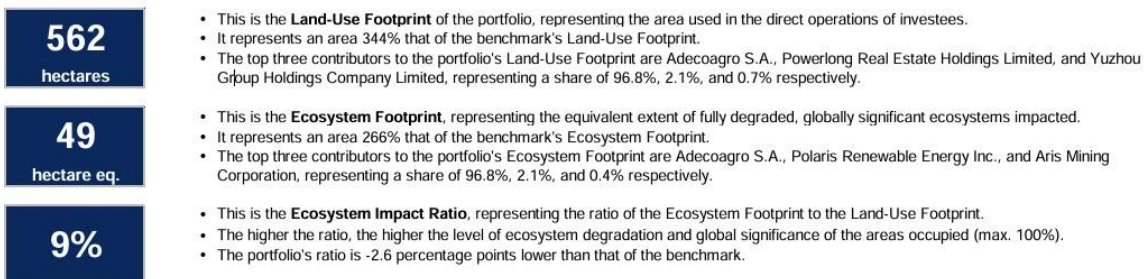
Impacts on nature, as defined by the TNFD, represent the changes in the state of nature (quality and quantity) which may result in changes to the capacity of nature to provide social and economic functions. Businesses may negatively impact nature through pressures known as 'Impact Drivers'. By looking first at the hectares of land used for the direct operations of investees, followed second by their 'ecosystem footprint', we are able to identify exposure to companies who's assets or operations are situated in the most degraded, and most ecologically significant locations.



IVO Emerging Markets Corporate Debt Short Duration SRI:

IMPACT RISKS

Impacts on nature, as defined by the TNFD, represent the changes in the state of nature (quality and quantity) which may result in changes to the capacity of nature to provide social and economic functions. Businesses may negatively impact nature through pressures known as 'Impact Drivers'. By looking first at the hectares of land used for the direct operations of investees, followed second by their 'ecosystem footprint', we are able to identify exposure to companies who's assets or operations are situated in the most degraded, and most ecologically significant locations.



IVO Global Opportunities:

IMPACT RISKS

Impacts on nature, as defined by the TNFD, represent the changes in the state of nature (quality and quantity) which may result in changes to the capacity of nature to provide social and economic functions. Businesses may negatively impact nature through pressures known as 'Impact Drivers'. By looking first at the hectares of land used for the direct operations of investees, followed second by their 'ecosystem footprint', we are able to identify exposure to companies who's assets or operations are situated in the most degraded, and most ecologically significant locations.

40
hectares

- This is the **Land-Use Footprint** of the portfolio, representing the area used in the direct operations of investees.
- It represents an area 768% that of the benchmark's Land-Use Footprint.
- The top three contributors to the portfolio's Land-Use Footprint are EnQuest PLC, Powerlong Real Estate Holdings Limited, and Yuzhou Group Holdings Company Limited, representing a share of 92.6%, 7.2%, and 0.1% respectively.

6
hectare eq.

- This is the **Ecosystem Footprint**, representing the equivalent extent of fully degraded, globally significant ecosystems impacted.
- It represents an area 925% that of the benchmark's Ecosystem Footprint.
- The top three contributors to the portfolio's Ecosystem Footprint are EnQuest PLC, Polaris Renewable Energy Inc., and Powerlong Real Estate Holdings Limited, representing a share of 95.5%, 4.4%, and 0% respectively.

14%

- This is the **Ecosystem Impact Ratio**, representing the ratio of the Ecosystem Footprint to the Land-Use Footprint.
- The higher the ratio, the higher the level of ecosystem degradation and global significance of the areas occupied (max. 100%).
- The portfolio's ratio is 2.4 percentage points higher than that of the benchmark.

IVO 2028:

IMPACT RISKS

Impacts on nature, as defined by the TNFD, represent the changes in the state of nature (quality and quantity) which may result in changes to the capacity of nature to provide social and economic functions. Businesses may negatively impact nature through pressures known as 'Impact Drivers'. By looking first at the hectares of land used for the direct operations of investees, followed second by their 'ecosystem footprint', we are able to identify exposure to companies who's assets or operations are situated in the most degraded, and most ecologically significant locations.

733
hectares

- This is the **Land-Use Footprint** of the portfolio, representing the area used in the direct operations of investees.
- It represents an area 385% that of the benchmark's Land-Use Footprint.
- The top three contributors to the portfolio's Land-Use Footprint are Ecopetrol S.A., Adecoagro S.A., and Kosmos Energy Ltd., representing a share of 51.9%, 17.9%, and 14.3% respectively.

78
hectare eq.

- This is the **Ecosystem Footprint**, representing the equivalent extent of fully degraded, globally significant ecosystems impacted.
- It represents an area 296% that of the benchmark's Ecosystem Footprint.
- The top three contributors to the portfolio's Ecosystem Footprint are Adecoagro S.A., GeoPark Limited, and Kosmos Energy Ltd., representing a share of 42.5%, 23.5%, and 16.1% respectively.

11%

- This is the **Ecosystem Impact Ratio**, representing the ratio of the Ecosystem Footprint to the Land-Use Footprint.
- The higher the ratio, the higher the level of ecosystem degradation and global significance of the areas occupied (max. 100%).
- The portfolio's ratio is -3.2 percentage points lower than that of the benchmark.

H. Approach for taking environmental, social and governance criteria into account in risk management

After determining the ESG quality of an issuer and its level of recommendation on our internal ESG materiality scale, we integrate these elements into our investment process.

a. Impact on the required rate of return

In order to complement ESG data collection and our internal analysis, we make the decision to adjust the rate of return we require from a company if the risk associated with managing its material ESG issues is high. For this purpose, we compare the bond yield spread with the average yield spreads of bonds in a defined universe with the same rating (Standard & Poor's, Moody's and Fitch average). When we identify a material material ESG risk, we require a return of at least 15% to 30% above the average of the same rating universe. This ensures that our clients receive adequate remuneration for the ESG risk that we tolerate in our portfolios.

The rate of return is one of the determining factors in our decision-making and our day-to-day investment monitoring. As a result, integrating ESG factors into it has a real impact on our investment policy and leads us to more in-depth discussions on the subject.



We use the following table to determine the average yield spreads (dynamic values given for illustrative purposes). We rely mainly on JP Morgan data available on Bloomberg. We chose to compare companies to the CEMBI BROAD Diversified index, which includes investment grade, BB, B, CCC and CC companies in Africa, Asia, the Middle East, Europe and Latin America.

b. ESG Due Diligence

The risks associated with the environment, society and governance impact our investment decisions according to the level of recommendation defined by our internal analysis. This last step determines whether the issuer being assessed meets IVO Capital Partners' requirements in terms of ESG quality, a prerequisite for all our investments. During the investment committee meeting, which meets once or twice a week, the investment decision is taken collectively taking into account the ESG flag as follows:

- Green flag

o A, B, C or D – These companies may be the subject of an investment.

- Orange flag

o A or B – These companies may be the subject of an investment if they show a yield spread that is at least 15% higher than the average spread with the same rating.

o C or D – These companies may be the subject of an investment if they can prove that their yield spread is at least 30% higher than the average spread with the same rating.

Red flag

o A, B, C or D – These companies may be the subject of an investment if they show a yield spread that is at least 30% higher than the average spread with the same rating.

- Black flag o A, B, C or D – These companies are excluded from our investment universe regardless of their ranking.

In some cases, the reactivity requirement does not allow us to perform the additional ESG analysis before placing an order to buy. We therefore consider that the manager can invest if the manager has obtained the approval of the investment committee and a positive ESG pre-validation beforehand. In these cases, the objective of the pre-validation is to avoid investing in issuers that would receive a black flag during the additional ESG analysis. Once the additional ESG analysis has been performed, the issuer is assigned a flag and we adjust the holding based on the recommendation of our analyst. This detailed internal ESG analysis can therefore lead to a divestment if the risk is too high.

c. Best-in-Universe approach for ESG funds

As part of a continuous improvement approach, we want to implement a more demanding responsible investment approach for some of our funds. In addition to sector exclusions and our ESG integration methodology, we then apply an additional exclusion filter. For the time being, this screening concerns the IVO Emerging Markets Corporate Debt Short Duration SRI fund.

As part of a continuous improvement approach, we want to implement a more demanding responsible investment approach for some of our funds. In addition to sectoral exclusions

and our ESG integration methodology, we then apply an additional exclusion filter.

For the time being, this screening concerns the IVO Emerging Markets Corporate Debt Short Duration SRI fund. We have chosen a *Best-in-Universe* approach to favour players that demonstrate innovation and adaptation to ESG issues. Thus, we exclude issuers whose ESG quality is less than at least 75% of the issuers in the investment universe. The investment universe corresponds to the investable universe of emerging bonds in hard currencies. IVO Capital Partners calculates the ranking of companies' ESG performance based on this investment universe and Sustainalytics ratings.

I. List of financial products mentioned under Article 8 and 9 of the Disclosure Regulation (SFDR)

Name of the fund	Assets at 31/12/2024	% of total assets	Article 8	Article 9
IVO Emerging Markets Corporate Debt	€800M	50%	x	-
IVO Emerging Markets Corporate IVO Short Duration SRI	€162M	10%	x	-
IVO Global Opportunities	€27M	2%	x	-
IVO 2028	€17M	1%	x	-
Total	€1,179M	74%		

J. Statement on PAIs

IVO Capital Partners does not take into account the main negative impacts on sustainability factors for the management company.

IVO Capital Partners takes into account the main negative impacts on sustainability factors in these investment decisions of its 5 bond funds: IVO Emerging Markets Corporate Debt, IVO Emerging Markets Corporate Debt Short Duration SRI, IVO Global Opportunities UCITS, IVO IG30 and IVO 2028 and publish a report on their respective pages.