

**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.

**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Rivertree Bond – Euro Multilateral Development Bank

**Legal entity identifier:** 5493007K5CXQKRPX1R94

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

**Yes**

It made **sustainable investments 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

It made **sustainable investments with a social objective:** 98.6%

**No**

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

- with an environmental objective in economic activities that 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 promoted E/S characteristics, but **did not make any sustainable investments**

### To what extent was the sustainable investment objective of this financial product met?



The sub-fund aimed to contribute to the transition to a more sustainable and equitable economy by investing in issuers that contribute to this transition, without causing negative impacts in other areas. To do this, it invested in multilateral development bank (MDB) bonds, which provide loans and grants to member countries to finance projects that support social and economic development.

The MDBs are international financial institutions founded by at least two countries to promote the economic development of poor countries. The MDBs provide loans and

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

grants to member countries to finance projects that support social and economic development, such as building new roads or providing drinking water. The goals of the MDBs are often closely linked to the UN Sustainable Development Goals. However, the specific characteristics may vary between different investments in the portfolio depending on the MDB. Examples include reducing poverty, promoting diversity and gender equality, equal access to digital technologies and skills, and promoting shared prosperity.

When selecting MDBs, the sub-fund manager shall ensure the issuer's significant contribution to social objectives. The following issuers are classified as MDBs:

- African Development Bank
- Asian Development Bank
- European Investment Bank
- International Development Association
- International Bank for Reconstruction and Development
- International Finance Corporation

During the period, the sub-fund invested in bonds issued only by the above-mentioned MDBs.

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

The degree to which the sub-fund has achieved the sustainable investment objective is measured by the percentage of investments made in multilateral development bank bonds. As of December 31, 2023, investments in multilateral development bank bonds represented 98.6%.

These sustainability indicators are measured as a percentage of investments. They have not been subject to assurance by an external auditor or review by a third party.

The above information is based on the sub-fund's investments as of 31 December 2023. At the date of creation of this document, it was not defined whether this information should be calculated on the basis of investments held at the end of the reference period or on several dates belonging to the same period. Depending on any future regulatory guidance, more measurement dates may be used for calculations in the reporting of subsequent reference periods.

● ***...and compared to previous periods?***

| Sustainability Indicator                                | 2022   | 2023   |
|---|--------|--------|
| Investments made in Multilateral Development Bank Bonds | 98.54% | 98.58% |

**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 not cause significant harm to any sustainable investment objective?***

In order for investments to qualify as sustainable investments, a number of requirements must be met, including several criteria related to the concept of do not cause significant harm. As such, investments must meet specific thresholds for principal adverse impacts and must operate in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

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

For sustainable investments made, indicators concerning principal adverse impacts on sustainability factors have been taken into account in order to ensure that sustainable investments do not cause significant harm to any environmental and social objective. Specific thresholds have been set for principal adverse impact indicators applicable to investments in sovereign or supranational issuers ("PAI indicators" referred to in Annex I to SFDR Delegated Regulation (EU) 2022/1288) in order to assess do not significant harm, and for which sufficiently reliable data or indicators are available. In some cases, the threshold is a yes or no, as in the case of violations of social norms. In other cases, the threshold is quantitative, as in the case of greenhouse gas (GHG) emissions. Investments must remain below these thresholds so as not to cause significant harm to any other environmental or social objective.

For GHG intensity, we use a carbon intensity proxy indicator, data from the sub-fund's ESG data provider is used at country and individual MDB level as follows:

- National level: 
$$\frac{\text{Carbon emissions of the country in which the MDB is headquartered}}{\text{GDP of the country in which the MDB is headquartered}}$$
- MDB-specific level: 
$$\frac{\text{Carbon emissions of the MDB}}{\text{Revenues of the MDB}}$$

Carbon intensity measures the carbon emissions of the country in which the MDB is headquartered relative to the country's GDP, and the carbon emissions of a MDB relative to its revenues. MDBs with a carbon intensity score that falls in the bottom 10% of the universe for which the sub-fund had data are considered not to meet the assessment of no significant harm and are therefore not considered a sustainable investment.

For country-level carbon intensity, a global universe of countries is used as a reference group to calculate the relative performance of the country where the MDB is headquartered. For carbon intensity at the MDB level, a global universe of financial institutions is used as a reference group to calculate the relative performance of the MDB.

With regard to the adverse impact "Investee countries subject to social violations", data from the sub-fund's ESG data provider were used to assess social violations both at the country level and at the individual level of each MDB. For social violations at the country level, the social controversies of the country in which the MDB is headquartered are used. For social violations at the MDB level, MDB social controversies were used. In both cases, any MDB with a level of controversy equal to or greater than 3 (on a scale of 0 to 5) is considered not to meet the assessment of no significant harm and is therefore not considered a sustainable investment.

While the regulations state that country-specific PAIs apply to supranationals, including MDBs, we believe that MDBs also look a lot like companies. That is why we have decided to apply the Sovereign-specific PAIs at both the national and MDB levels.

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

Not applicable.



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

The sub-fund considered the principal adverse impacts on the sustainability factors using a combination of several methods. A range of adverse impacts were avoided in advance by the sub-fund thanks to the exclusion criteria related to areas where the adverse impacts were deemed too high to be suitable for investment by the sub-fund.

In addition, for the investments that the sub-fund has made, the sub-fund has further mitigated adverse impacts through structured engagements with issuers (where possible and feasible).

Although all the indicators mentioned in Table 1 of Annex I to the Regulatory Technical Standards (RTS) of the Regulation are directly or indirectly influenced by the different methods and criteria applied by Kredietrust S.A., the indicators most explicitly integrated into Kredietrust's responsible investment policy are:

- PAI indicator 4 (companies active in the fossil fuel sector) through the exclusion of direct lines related to companies that derive more than 10% of their revenues from thermal coal mining or electricity generation.
- PAI indicator 10 (violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises) through the exclusion of direct lines related to companies considered to be in violation of these principles.

- PAI indicator 14 (involvement in controversial weapons) through the exclusion of direct lines of companies involved in controversial weapons.

For more information on how the sub-fund managed adverse impacts through engagement, please refer to the Quintet Active Ownership Report.

Kredietrust S.A. is a subsidiary of Quintet Private Bank S.A..



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01 January – 31 December 2023

| Largest Investments |  | Sector | % Assets | Country       |
|---------------------|--|--------|----------|---------------|
| XS1854893291        | Asian Development Bank 0.35% EMTN Sen 18/16.07.25    | Banks  | 5.98%    | Philippines   |
| XS2102988354        | IBRD 0% Ser 101046 20/15.01.27                       | Banks  | 5.85%    | Unites States |
| XS2160861808        | IBRD 0.01% EMTN Ser 101141 20/24.04.28               | Banks  | 5.80%    | Unites States |
| XS2066003901        | Intl Development Association 0% Ser 2 19/19.10.26    | Banks  | 4.76%    | Unites States |
| XS1555080198        | African Development Bank 0.25% Ser GDIF 17/24.01.24  | Banks  | 4.62%    | Ivory Cost    |
| XS1501560848        | African Development Bank 0.125% Ser GDIF 16/07.10.26 | Banks  | 4.45%    | Ivory Cost    |
| XS1720947081        | African Development Bank 0.25% Ser 718 17/21.11.24   | Banks  | 4.19%    | Ivory Cost    |
| XS1998930926        | IBRD 0.25% EMTN Ser 100786 19/21.05.29               | Banks  | 4.05%    | Unites States |
| XS2364756036        | Intl Development Association 0% Ser 12 21/15.07.31   | Banks  | 3.95%    | Unites States |
| XS1966120096        | African Development Bank 0.5% Ser 852 19/21.03.29    | Banks  | 3.92%    | Ivory Cost    |
| XS2016138765        | IBRD 0.5% Ser 100831 19/21.06.35                     | Banks  | 3.88%    | Unites States |
| XS2231588547        | IBRD 0.1% EMTN Sen Reg S 20/17.09.35                 | Banks  | 3.84%    | Unites States |
| XS2122894855        | IBRD 0% Ser 101098 20/21.02.30                       | Banks  | 3.65%    | Unites States |
| XS2068071641        | Asian Development Bank 0% Sen 19/24.10.29            | Banks  | 3.63%    | Philippines   |
| XS1561572287        | Asian Development Bank 1.4% Ser 902-00-1 17/06.02.37 | Banks  | 3.48%    | Philippines   |

The information in the table above is based on average data calculated from the sub-fund's positions at the end of each quarter of 2023.

Depending on any future regulatory guidance, more measurement dates may be used for calculations in the reporting of future reference periods.



## What was the proportion of sustainability-related investments?

The proportion of sustainable investments made by the sub-fund is 98.6% (98.5% in 2022).

The proportion of investments with a social objective was 98.6% (98.5% in 2022).

The information contained in this section is based on the sub-fund's investments as of 31 December 2023. At the time of creation of this document, it was not yet clear whether this information was to be calculated on the basis of the assets at the end of the reference period only or on several dates of the reference period. Depending on any future

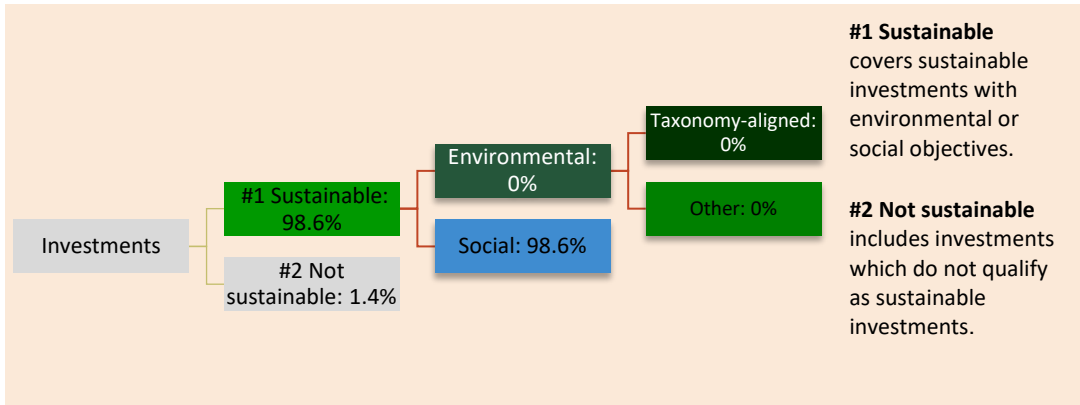
regulatory guidance, more measurement dates may be used for calculations in the reporting of subsequent reference periods.

● **What was the asset allocation?**

The share of sustainable investments in the sub-fund was 98.6%.

The rest of the investments consisted of cash held on an ancillary basis. Due to the nature of this instrument, there are no minimum environmental or social safeguards for liquidity.

**Asset allocation** describes the share of investments in specific assets.



● **In which economic sectors were the investments made?**

| Sector | Sub-sector        | Assets (%) |
|--------|-------------------|------------|
| Banks  | Development Banks | 98.6%      |

For exposures that are not investments in companies, such as cash, economic sectors are not applicable. This exposure represents 1.4%.



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

The share of investments of the Fund as a whole in economic activities aligned with the EU Taxonomy Regulation was 0%. The proportion of investments for each of the environmental objectives set out in the EU Taxonomy was as follows:

- a) Climate change mitigation: 0%
- b) Climate change adaptation: 0%

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 economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

At the time of creation of this document, Quintet Private Bank S.A. did not have reliable data to calculate the percentage of alignment with the EU Taxonomy for the following environmental objectives:

- c) Sustainable use and protection of water and marine resources
- d) The transition to a circular economy
- e) Pollution prevention and control
- f) Protection and restoration of biodiversity and ecosystems

The figures disclosed, in accordance with regulatory guidelines, meant that the sub-fund was unable to collect reliable and complete information on the tax alignment proportion of issuing companies. Quintet has decided not to rely in its tax alignment disclosures on equivalent information based on additional assessments and estimates. Indeed, at that precise moment, a significant degree of estimation would be necessary, which would undermine the objective of producing a prudent result of such equivalent information.

The compliance of the financial product with the requirements of the EU Taxonomy has not been the subject of an assurance provided by an external auditor.

**Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

Yes

In fossil gas  In nuclear energy

No

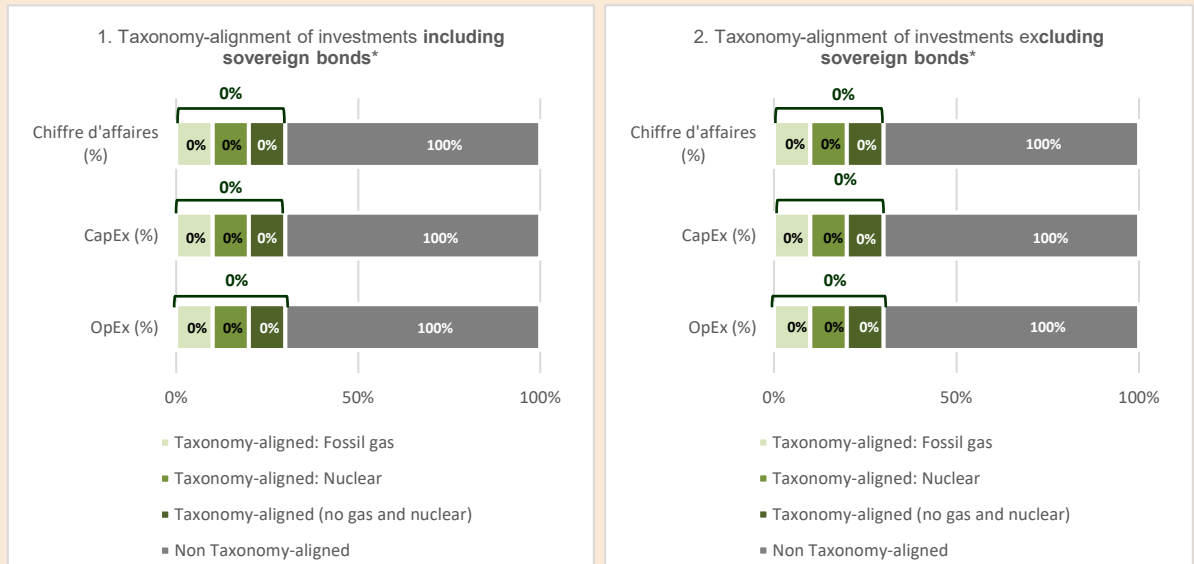
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<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory 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.



This graph represents 98.6% of the total investments

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

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

Not applicable.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable.



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

Not applicable.



**What was the share of socially sustainable investments?**

The share of sustainable investments with a social objective was 98.6%.



**What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?**

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



Investments included in category “#2 Non-sustainable” represented 1.4%. These investments are derivatives, cash and money market instruments. These non-sustainable investments are held on an ancillary basis and/or for hedging purposes and/or for temporary exposure in the event of large cash flows.

There are no minimum environmental or social safeguards for derivatives and liquidity due to the nature of these instruments. When investments are made in money market instruments, these instruments are not allowed, as a minimum guarantee, to invest in issuers from countries against which the EU has imposed an arms embargo on the central government



### **What actions have been taken to attain the sustainable investment objective during the reference period?**

The measures taken during the reporting period were to ensure that investments were made in MDB emissions that met the following 3 criteria:

- Financing sustainable development must be part of the mission of the MDB.
- Explicit policy for financing projects in line with the SDGs in general or at least one SDG related to social development (e.g. SDG 1: no poverty, SDG 2: zero hunger, SDG 3: good health and well-being, SDG 4: quality education, SDG 5: gender equality, SDG 6: clean water and sanitation, SDG 7: clean and affordable energy, SDG 8: decent work and economic growth, SDG 9: industrial innovation and infrastructure, SDG 10: reduce inequalities, goal 16: peace, justice and strong institutions).
- Report at least annually on the (global) impact of MDB-funded projects.



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

Not applicable.

- ***How did the reference benchmark differ from a broad market index?***

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.