LYXOR ASSET MANAGEMENT DUE DILIGENCE POLICY

JANUARY 2023

BACKGROUND

This Policy has been drafted as required by the 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**") financial market participants and are required to act in the best interest of end investors, including but not limited to, the requirement of conducting adequate due diligence prior to making investments, provided for in Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/65/EU, (EU) 2016/97, (EU) 2016/2341, and Regulations (EU) No 345/2013 and (EU) No 346/2013.

In order to comply with their duties under those rules, financial market participants should integrate in their processes, including in their due diligence processes, and should assess on a continuous basis, not only all relevant financial risks but also including all relevant sustainability risks that might have a relevant material negative impact on the financial return of an investment or advice. Therefore, financial market participants and financial advisers should specify in their policies how they integrate those risks.

SCOPE

This Policy applies to Lyxor Asset Management ("**Lyxor**" or the "**Firm**") in its capacity as a financial market participant, i.e. an investment manager, and as a UCITS Management Company.

PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS STATEMENT

At Lyxor Asset Management, we are committed to upholding the highest standards of investor protection. We operate in accordance with applicable laws and regulations, including those relating to client assets, data protection, and anti–money laundering (AML) measures. We prioritize the security and privacy of our clients information and take appropriate measures to safeguard their interests.

Any of our Funds promotes environmental or social characteristics or has 'sustainable investment' as an objective, we will ensure that sustainability risks in relation to the Fund are considered.

For the Funds which do consider, address and mitigate PAIs we use MSCI to measure these.

Where a Fund does not promote environmental or social characteristics or have sustainable investment' as an objective, we consider that the best interests of the Fund's investors are served by following the investment objectives and policies of the Fund.

Lyxor plan to review its approach to the consideration and management of principal adverse impacts on an ongoing basis, building on its existing engagement and responsible investing practices shared with its underlying managers.

ESG DUE DILIGENCE

In the Investment Due Diligence process, the Firm asks the Portfolio Managers ("**PM**") to consider the principal adverse impacts, whether material or likely to be material, of investment decisions on sustainability factors in their quarterly Lyxor Investment Committee ("**LIC**") meeting. Sustainability factors as defined by SFDR are as follows:

- environmental,
- social and employee matters,
- respect for human rights,
- anti-corruption and
- anti-bribery matters.

The purpose is for the Firm to demonstrate how it discharges its sustainability-related stewardship responsibilities. In particular, PMs will be asked if there are any material adverse impacts on the underlying holdings of their portfolios.

The consideration of sustainability factors shall be:

- noted as a standing agenda item at each TIC; and
- minuted in each TIC meeting.

POLICY REVIEW

This Policy shall be reviewed on at least an annual basis and approved by the Lyxor Executive Committee ("**LEC**").

GLOSSARY

- 'sustainability risk' means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.
- 'sustainability factors' mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.