

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

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.



Sustainability

indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Product name:

Eastspring Investments – China Bond Fund

Legal entity identifier:

549300H7BXWY84BG9B41

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ 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**: __%

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 3.23% 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 were the environmental and/or social characteristics promoted by this financial product met?

For Eastspring Investments – China Bond Fund (the "Fund"), 93.9% of the Fund's investments were aligned with environmental or social characteristics, exceeding the target alignment of 90%. In addition, 100% of the Fund's investments were aligned with an exclusion policy which excludes investments in companies that are materially exposed to specific controversial business activities and practices as detailed in the Prospectus. The Investment Manager seeks to identify material issues that may impact an investment's performance over time and is guided by the materiality framework provided by third-party providers such as SASB and supported by data from MSCI and other sources. This framework helps the Investment Manager identify key issues based on a company's sector, industry and sub-industry criteria and identifies the relevant metrics for measuring and monitoring a company's progress on the issues. As part of the bottom-up credit selection process, the Manager assesses ESG risk factors and their materiality on an issuer's financial performance, its risk of default, and the valuation of the bonds it issues. Based on the investment process, an ESG ranking is assigned to each issuer based on the team's perception of the issuer's level of ESG risks. In addition, a ranking will also be assigned according to the issuer's preparedness in dealing with these risks. This allows clearer and structured articulation of our internal ESG risk assessments, which are shared with the rest of the team for their consideration in their investment decisions. Material environmental characteristics promoted by the manager include carbon emissions, pollution, waste management, energy efficiency, and sustainable production practices. Material social characteristics include labour management, human rights, corruption, and corporate governance issues, among others.

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

| Indicator | Impact | Measure | Data Coverage % |
|---|-----------|---|-----------------|
| Scope 1 GHG emissions | 2,491.82 | Metric Tonnes | 22.97 |
| Scope 2 GHG emissions | 467.17 | Metric Tonnes | 22.97 |
| Scope 3 GHG emissions | 20,050.88 | Metric Tonnes | 20.67 |
| Total GHG emissions | 23,009.87 | Metric Tonnes | - |
| Carbon footprint | 175.40 | Metric Tonnes per EURm invested | - |
| GHG intensity | 492.67 | Metric Tonnes per EURm investee company revenue | 24.28 |
| Exposure to companies active in the fossil fuel sector | 0.7971 | % | 24.81 |
| Share of non-renewable energy consumption and production | 98.66 | % | 15.11 |
| Energy consumption intensity: NACE sector A - agriculture, forestry and fishing | 0.0000 | GWh per EURm investee company revenue | - |
| Energy consumption intensity: NACE sector B - mining and quarrying | 0.0000 | GWh per EURm investee company revenue | - |
| Energy consumption intensity: NACE sector C - manufacturing | 0.8436 | GWh per EURm investee company revenue | - |
| Energy consumption intensity: NACE sector D - electricity, gas, steam and air conditioning supply | 0.0000 | GWh per EURm investee company revenue | - |
| Energy consumption intensity: NACE sector E - water supply; sewerage, waste management and remediation activities | 0.0000 | GWh per EURm investee company revenue | - |
| Energy consumption intensity: NACE sector F - construction | 0.6605 | GWh per EURm investee company revenue | - |
| Energy consumption intensity: NACE sector G - wholesale and retail trade; repair of motor vehicles and motorcycles | 0.2951 | GWh per EURm investee company revenue | - |
| Energy consumption intensity: NACE sector H - transportation and storage | 0.0000 | GWh per EURm investee company revenue | - |
| Energy consumption intensity: NACE sector L - real estate activities | 0.0200 | GWh per EURm investee company revenue | - |
| Activities negatively affecting biodiversity sensitive areas | 0.0000 | % | 24.81 |
| Emissions to water | 0.2032 | Metric Tonnes per EURm invested | 1.39 |
| Hazardous waste and radioactive waste ratio | 0.3385 | Metric Tonnes per EURm invested | 7.45 |
| Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | 0.0000 | % | 24.81 |
| Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | 20.37 | % | 22.97 |
| Unadjusted gender pay gap | 5.56 | % | 0.59 |
| Board gender diversity | 14.33 | % | 20.67 |
| Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | 0.0000 | % | 24.81 |
| Investee countries subject to social violations | 63.33 | % | 42.92 |

Additional climate and other environment-related indicators

| Indicator | Impact | Measure | Data Coverage % |
|--|--------|---------|-----------------|
| Investments in companies without carbon emission reduction initiatives | 6.75 | % | 20.45 |

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

| Indicator | Impact | Measure | Data Coverage % |
|---|--------|---------|-----------------|
| Investments in companies without workplace accident prevention policies | 12.94 | % | 24.81 |
| Lack of a human rights policy | 9.25 | % | 24.81 |

● ...and compared to previous periods?

● What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

Not applicable.

● How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Not applicable.

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

Not applicable.

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

Not applicable.

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.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

The Investment Manager considered principle adverse impacts on sustainability factors in selecting investments for this Sub-Fund. The application of this framework was part of the fundamental analysis and portfolio construction process. Investments met minimum criteria in ESG ratings, business activities and business practices. Identification of key adverse impacts was based on key ESG factors which are relevant for specific industries. We consider third party ESG data from MSCI in our assessment.



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: From 01/01/2022 to 31/12/2022

What were the top investments of this financial product?

| Largest investments | Sector | % Assets | Country |
|---------------------------|---|----------|--------------------------------|
| CHINA 2.68% 21/05/30 | PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | 13.31% | China |
| CHINA 3.02% 27/05/31 | PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | 9.19% | China |
| CHINA 2.89% 18/11/31 | PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | 6.17% | China |
| US TSY 0% 06/10/22 | PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | 6.11% | United States of America (the) |
| CHINA 2.77% 24/06/30 | PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | 4.75% | China |
| CHINA 2.91% 14/10/28 | PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | 4.14% | China |
| CHINA 2.69% 15/08/32 | PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | 3.92% | China |
| BANK OF NANJING 0% 01/23 | - | 3.91% | - |
| CHINA 2.8% 24/03/29 | PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | 3.83% | China |
| CHINA 2.62% 25/09/29 | PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | 3.71% | China |
| Bank of C VAR 10/06/71 | FINANCIAL AND INSURANCE ACTIVITIES | 3.2% | China |
| BANK OF COMMUNIC 0% 07/22 | - | 2.74% | - |
| Charter S 5.8% 15/09/24 | - | 2.67% | - |
| CHINA 3.13% 21/11/29 | PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | 2.6% | China |
| CHINA 2.6% 01/09/32 | PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | 2.59% | China |



What was the proportion of sustainability-related investments?

What was the asset allocation?

Asset

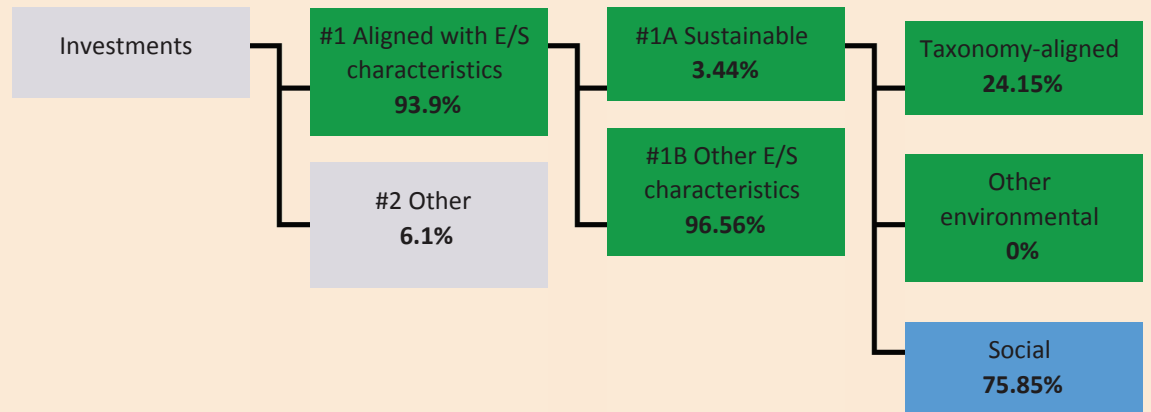
allocation describes the share of investments in specific assets.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

| Sector | Sub Sector | % Assets |
|---|---|-----------------|
| CONSTRUCTION | Construction of residential and non-residential buildings | 1.79% |
| CONSTRUCTION | Development of building projects | 2.29% |
| FINANCIAL AND INSURANCE ACTIVITIES | Monetary intermediation | 17.99% |
| FINANCIAL AND INSURANCE ACTIVITIES | Other financial service activities, except insurance and pension funding | 1.56% |
| FINANCIAL AND INSURANCE ACTIVITIES | Trusts, funds and similar financial entities | 5.93% |
| MANUFACTURING | Manufacture of cement, lime and plaster | 0.8% |
| MANUFACTURING | Manufacture of parts and accessories for motor vehicles | 0.66% |
| MANUFACTURING | Manufacture of pharmaceutical preparations | 0.23% |
| PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY | Administration of the State and the economic and social policy of the community | 41.65% |
| Unclassified | Unclassified | 24.36% |
| WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES | Other specialised wholesale | 2.75% |

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



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

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy⁽¹⁾?

☐ Yes

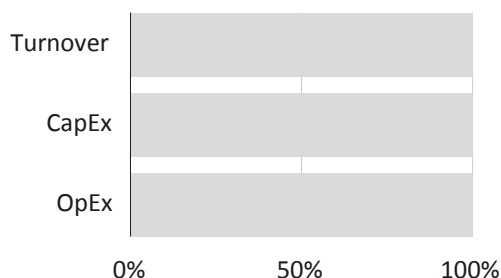
☒ In fossil gas

☐ In nuclear energy

☐ No

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.*

1. Taxonomy-alignment of investments including sovereign bonds*



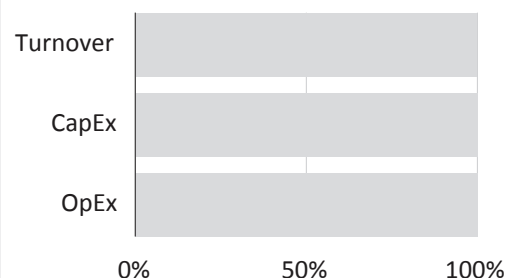
■ Taxonomy-aligned: Fossil gas : 0.0005%

■ Taxonomy-aligned: Nuclear : 0%

■ Taxonomy-aligned (no gas and nuclear) : 0.0937%

■ Non Taxonomy-aligned : 99.9059%

2. Taxonomy-alignment of investments excluding sovereign bonds*



■ Taxonomy-aligned: Fossil gas : 0.0005%

■ Taxonomy-aligned: Nuclear : 0%

■ Taxonomy-aligned (no gas and nuclear) : 0.0937%

■ Non Taxonomy-aligned : 99.9059%

This graph represents 57.55% of the total Investments.

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

¹ 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 not significantly harm 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.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

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

Data not available



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

Not applicable.



What was the share of socially sustainable investments?

The share of socially sustainable investments was 2.45%.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The investments included under "Other" represent the maximum allowable cash position. Direct cash holdings, short term instruments, liquidity funds and money market funds may not be aligned with ESG Characteristics, and neither environmental nor social safeguards have been considered for their inclusion.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reference period the Investment Manager has relied on the binding elements in the investment strategy to select investments with due consideration of their environmental or social characteristics. This is achieved through the assessment of ESG characteristics within the investment process. The Investment Manager uses the SASB materiality framework to identify material ESG related areas of focus per company or industry. MSCI or other data sources are then used to evaluate the significance of those material issues and their impact. The credit research framework also includes analysing key ESG risks or opportunities that are relevant to issuers, impact on credit risk, potential mitigating factors as well as the issuers' preparedness in dealing with them.

The binding elements used by the Investment Manager include Negative Exclusions which actively screen out companies involved in the production or distribution of nuclear weapons, cluster munitions, antipersonnel mines and tobacco. These industries are deemed to be harmful to individuals and/or society. ESG Selection is also built into the investment process and the Investment Manager considers materials environmental factors such as carbon emissions, pollution, waste management, energy efficiency, and sustainable production practices. Material social characteristics include labour management, human rights, corruption, and corporate governance issues, among others. Other factors may be considered beyond those listed above. Material ESG factors are evaluated and tracked using standard environmental and social scoring data derived from MSCI and other third-party providers. The Investment Manager conducts Engagement with selected companies where ESG metrics are sub-optimal and where the Investment Manager believes engagement will have a lasting positive impact on the company and its behaviour.

**Reference**

benchmarks are indexes to measure whether the financial products attain the environmental or social characteristics that they promote.

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

Not Applicable.

● ***How does 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 environmental or social characteristics promoted?***

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.