



PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS POLICY

Allfunds Investment Solutions S.A.



Version Control

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Approval

Governance Body	Institution	Date
Board of Directors	Allfunds Investment Solutions S.A.	19/03/2024
Board of Directors	Allfunds Investment Solutions S.A.	15/12/2025

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1. REGULATORY FRAMEWORK AND PURPOSE OF THE POLICY

In line with EU Regulation 2019/2088 of 27 November 2019 on sustainability related disclosures in the financial services sector, the purpose of this Principal Adverse Sustainability Impacts Policy (the "Policy"), is to establish whether and how Allfunds Investment Solutions S.A. considers principal adverse impacts of investment decisions on sustainability factors ("PAIs") and specify the due diligence policies and processes through which this is achieved. **Sustainability factors shall be understood as environmental, social, employee, respect for human rights, anti- corruption and anti-bribery matters.**

2. GENERAL OVERVIEW

Allfunds Investment Solution S.A. (hereinafter the "Company" or "AFIS") is authorized and supervised by the CSSF as an UCITS Management Company under article 110 (2) of Chapter 15 of the 17 December 2010 ("UCITS Law"). The Company has its registered office in 30, Boulevard Royal, L-2449 Luxembourg. It acts as the designated management company of Allsolutions SICAV, a Luxembourg undertakings for collective investment in transferable securities ("UCITS") within the meaning of Directive 2009/65/EC of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to UCITS (the "UCITS Directive").

3. SCOPE OF APPLICATION

This Policy applies to any undertakings for collective investment in transferable securities (the "UCITS"), for which the AFIS acts as management company.

4. IDENTIFICATION OF PAI'S AND INDICATORS

AFIS shall systematically consider principal adverse impacts of investment decisions on sustainability factors. The approach through which this impact will be assessed shall take into account nature and scale of the relevant product activities as further defined below. AFIS will be monitoring the following principal adverse impacts of investment decisions on sustainability factors through the following indicators:

Sustainability factor	Principal adverse impact indicator
Greenhouse gas emissions	Companies carbon emissions, carbon footprint, weighted average carbon intensity and solid fuel sector exposure
Energy performance	The severity of controversies related to climate change and energy-related policies and initiatives (including greenhouse gas emissions related legal cases and issues, resistance to improved practices and criticism by third-party observers), Intensity of efforts made by companies to use of cleaner sources of energy
Biodiversity	The severity of companies operations impacts on fragile ecosystems and extent to which companies have developed policies and programs designed to protect biodiversity
Water	The extent to which companies employ water efficient processes, water recycling and alternative water sources or be exposed to the water related controversies
Waste	The extent to which companies are at risk of being associated with pollution, contamination, and the emission of toxic and carcinogenic substances and have implemented programs aimed at reducing emissions and waste.
Social and employee matters	<p>Whether the company's supply chain code of conduct forbid suppliers to use forced labor, forbids the use of underage labor and sets requirements in terms of health and safety working conditions.</p> <p>The exposure to controversies related to the company supply chain including legal cases, repeated or severe instances of labor rights, safety issues, resistance to improved practices and criticism by third-party observers.</p> <p>Board gender diversity.</p> <p>Excessive CEO pay exposure through the exposure to pay controversies</p>
Human rights	<p>Whether the companies were exposed to human right controversies including legal cases, complicity in killings, physical abuse, or violation of other rights, resistance to improved practices and criticism by third-party observers.</p> <p>The number and nature of identified cases of severe human rights issues and incidents.</p> <p>The exposure to controversial weapons (land mines and cluster bombs).</p>

	<p>The level of exposure to companies that were exposed to child labor and hazardous work conditions will be monitored.</p> <p>The level of exposure to companies that were exposed to significant labor risk incidents and forced labor will be monitored.</p>
Anti-corruption and anti-bribery	Extent to which companies are exposed to political instability, demands for bribes, and costly litigation related to corrupt practices and may have established clear policies to avoid corrupt business dealings and were exposed to controversies on these matters.

The indicators may be sourced from third party vendors, investee company disclosures and AFIS own research.

5. PRIORITIZATION OF PAI'S

The indicators retained and prioritized by AFIS in order to assess the PAIs of investment decisions will depend on:

- the specific Product investment strategy (as certain Product investment policies or strategies may require to focus on specific principle adverse impacts)
- the scope of the PAI (for example whether the adverse sustainability impact is likely to affect to a large or limited number of individuals or impact a limited or wide portion of the environment)
- the severity of the PAI (whether it had a major or minor impact on the relevant sustainability factor)
- the irremediable character of the adverse impact on the relevant sustainability factors
- the probability of occurrence of the PAI (for example whether there is a limited risk that the adverse impact will materialize and affect the relevant sustainability factor)
- the coverage ratio (indicators which can be assessed a large number of companies may be favored amongst those that lacks comparability)
- the nature of the indicator (even if the coverage ratio is low, an indicator which allows to identify a major PAI at the level of a specific company shall be used even if it lacks comparability).
 - The proportion of investment for which we have relied on data obtained directly from investee companies, in order to calculate the corresponding indicator
 - The proportion of investments for which we have relied on data obtained by carrying out additional research, cooperating with third party data providers or external experts in order

to calculate the corresponding indicator

6. GOVERNANCE AND ACTIONS ON PAI'S

AFIS Risk and Portfolio Management functions are in charge of selecting the indicators used to monitor the PAI.

Selected PAIs are then reflected in this Policy, acknowledged by AFIS ComEx and approved by AFIS Board on an annual basis.

PAIs are monitored by AFIS Risk Management Function who ensures that they remain coherent with the above defined prioritization.

AFIS will engage with the relevant investment manager whenever it considers that a PAIs may have a material impact of the product sustainability risk level, is not coherent with the defined PAI prioritization or creates a risk that is not in line with the defined Product Risk Profile.

Specific care will more specifically be taken to understand and report PAIs of events that are likely to cause an irremediable impact on a specific sustainability factor.

AFIS will take actions on identified PAIs as follows:

- By engaging with investment managers to assess which PAIs level are affecting product sustainability risk
- By ensuring that AFIS Product strategies have been implemented in line with their Product specific ESG Policy, the environmental or social characteristics promoted, or their sustainable investment objective
- By seeking to reinforce product specific ESG policies
- By supporting the development of products that have promote environmental or social characteristics or have a sustainable investment objective.