



Article 10 (SFDR)

Website disclosure for an Article 8 fund

Adepa Asset Management S.A.

BEKA LUX SICAV – Anta Quality Flexible Bond Fund

Information on financial products promoting environmental or social features (Article 8 SFDR)

a) Summary

The financial product promotes environmental and social characteristics by including ESG criteria analysis in the construction of the portfolio. At least 50% of the product's assets are dedicated to the promotion of these aspects.

Specifically, an exclusion strategy is followed, which consists of not investing in securities of issuers whose main revenues (more than 20% of the total) come from the production and distribution of weapons, tobacco or gambling and pornography.

The companies' contribution to certain United Nations Sustainable Development Goals (SDGs) is also taken into account.

In addition, the financial product will hold a minimum proportion of 10% of the assets in sustainable investments in accordance with Art. 2.17 of Regulation (EU) 2019/2088 (SFDR), which will comply with the no significant harm principle (DNSH) and good governance practices.

It will be verified that sustainable investments do not cause significant detriment to any sustainable investment objective and the impact of adverse impacts on sustainability factors by measuring the indicators established in Annex I of the regulatory technical standards (RTS) of Delegated Regulation (EU) 2022/1288. In addition, the percentage coverage of the portfolio for each of the indicators measured will be monitored.

The management company has a policy of involvement that it will carry out in companies that meet a series of prerequisites.

No benchmark has been designated for the achievement of the environmental and social aspects promoted.

b) No sustainable investment objective

This financial product promotes environmental or social characteristics but does not aim at sustainable investment. However, it is committed to maintaining a minimum percentage of 10% of its assets in sustainable investments.

None of the product's sustainable investments will cause significant harm to any sustainable investment objective. In order to monitor compliance with this principle and to assess the impact of adverse impacts on sustainability factors in the financial product, the measurement of the Principal Adverse Impacts (PAIs) on sustainability factors will be carried out. For this purpose, the indicators in Annex I of the Regulatory Technical Standards (RTS) of the Delegated Regulation (EU) 2022/1288 will be monitored.

Particular attention will be paid to indicators that are directly related to the product's sustainable objectives, such as Greenhouse Gas (GHG) emissions, carbon footprint, activities that negatively affect sensitive areas in terms of biodiversity, gender pay gap, gender diversity on the board of directors, and exposure to controversial weapons.

When these indicators show a worsening over several periods analyzed, the manager will consider divesting from the company, prioritizing others that show a greater commitment to the product's objectives.

In addition, the evolution of the percentage of information coverage for each of the indicators measured is monitored. The measurement of the PAIs will be carried out on an annual basis. The result of this measurement will be included in the Annual Report of the financial product, as part of the Management Report.

The selection of the assets to be invested that will belong to the sustainable investment percentage will be based on their compliance, in general terms, with international standards, such as their alignment with the OECD Guidelines for Multinational Enterprises, or the UN Guiding Principles on Business and Human Rights. Information on company alignment will be obtained from external ESG information providers.

c) Environmental or social characteristics of the financial product

The financial product promotes environmental and social characteristics by integrating exclusion criteria into its investment process and investing in companies that contribute positively to the following characteristics:

- Environmental: climate change mitigation, the use of affordable and clean energy, the protection and restoration of biodiversity and the transition to a circular economy.
- Social: gender equality, decent work and economic growth.

d) Investment strategy

This financial product applies ESG financial and socially responsible investment criteria.

The manager has integrated Sustainability Risks into its investment decision-making process and seeks to implement an investment policy that has a positive impact on the United Nations Sustainable Development Goals (SDGs).

In the case of corporate issuers, investment will be excluded in issuers whose principal revenues (more than 20% of the total) come from:

- Arms production and distribution
- Tobacco
- Gambling and pornography

The fund manager will also avoid investing in companies that do not take actions to avoid greenhouse gas emissions.

In addition, the manager calculates the ESG scoring of all issuers, based on data provided by the external ESG provider. This scoring is not decisive when selecting issuers but serves to analyze the evolution of this risk in the portfolio. The scoring of each issuer is aggregated to generate an average ESG score for the portfolio, both at the aggregate level and by pillars (environmental, social and governance), although no minimum score is required.

The ESG score is data generated through an internal model that is elaborated from the external ESG information provider or, in case there is no data, from a proxy based on an internal model. The scale used, in order to homogenize proxy data and data from different information providers, is from 1 to 10, with the best sustainability performance being equal to 1.

The scoring of the three pillars (environmental, social and good governance) is based on the performance of the companies in issues related to the pillars. Below are some of the issues taken into account in each pillar:

- Environmental: energy consumption, water consumption, impact on biodiversity, carbon emissions and waste, etc.
- Social: labor rights, working conditions, workplace safety, gender diversity, customer experiences, suppliers, human rights, etc.
- Good governance: corporate governance, accounting, board composition, voting rights, employee and board compensation, corporate ethics, etc.

The ESG score is not a weighted sum of the three pillars but takes into account other variables such as company controversies. The weighting of the pillars also varies according to the economic sector of the company analyzed.

When analyzing governments and their inclusion in the promotion percentage, the environmental and social scoring provided by the external ESG provider is analyzed. These scores are based on indicators related to the pillars:

- Environmental: energy consumption, water consumption, impact on biodiversity, carbon emissions and waste, etc.
- Social: education, demographics, health, gender equality, wealth distribution, etc.

In relation to the binding elements of the investment strategy, the following criteria will be verified:

- Minimum scoring on indicators related to the environmental and social characteristics promoted. Each issuer is required to comply with at least one environmental and one social indicator (scoring from 1 to 10, with 1 being the best) of the following:
 - Scoring environmental indicators (at least one of them will be lower than 6): CO2 emissions or energy efficiency.
 - Scoring social indicators (at least one of them will be lower than 6): gender diversity or employee satisfaction.
- Maximum level of controversies. With the data provided by the external ESG provider, the incidents that may have a negative impact on the reputation of the companies are measured. Companies with a severe level of controversy will not be included in the promotion.

In the case of public issuers, it will be verified that investments are made in countries that comply with the following:

- Very high Human Development Index (HDI), equivalent to values above 0.8. The Human Development Index (HDI) is a set of United Nations Development Programme (UNDP) indicators that measure the level of development of countries around the world including parameters beyond economic income.
- Scoring of the environmental pillar below 6.
- Social pillar score below 6.

In addition, investments in green, social, sustainable, sustainability-linked or transition bonds will be fully considered within this percentage.

For investments in CII, those classified as Article 8 (depending on their promotion percentage) or 9 according to Regulation (EU) 2019/2088 will be taken into consideration, provided that they are compatible with the environmental and social features promoted by the financial product.

The financial product commits at least 50% of its assets to be invested in companies or governments with an ESG score of less than 5.

During the investment process, the manager will give special relevance to the analysis of the corporate governance of the issuers, evaluating factors such as the composition of their board of directors or the business practices they carry out.

In addition, periodic ESG evaluations of the portfolios will be carried out to monitor the evolution of the corporate governance of the invested companies.

In addition, the scoring of the Governance pillar of each asset will be monitored for all investments except derivatives, liquidity and equivalents. This scoring is the aggregation of indicators related to:

- Corporate governance: accounting, auditing, composition of the Board, etc.
- Corporate ethics: monitoring of codes of conduct, disputes, risk management, etc.
- Corporate Social Responsibility
- Certifications, awards, collaborations, etc.

e) Proportion of investments

At least 50% of the assets shall be invested in investments with environmental or social characteristics. Within this percentage, there shall be at least 10% of the assets in investments considered sustainable according to Article 2.17 of the Disclosure Regulation (EU) 2019/2088 (SFDR). In other words, 10% of the assets shall correspond to investments that fall under "No. 1. Sustainable" in the table below, through environmental and social investments, but not necessarily fitting the taxonomy.

The Product's sustainable investments will contribute to one of the United Nations Sustainable Development Goals (SDGs), with particular importance given to the following:

- Environmental: Take urgent action to combat climate change and its impacts (SDG 13) and ensure access to affordable, secure, sustainable and modern energy (SDG 7).
- Social: Achieve gender equality and empower all women and girls (SDG 5) and promote inclusive and sustainable economic growth, employment and decent work for all (SDG 8).

In addition, sustainable investments of the Financial Product may be made through the following fixed-income instruments:

- Sustainable bonds: funds are applied to projects dedicated to environmentally and socially sustainable results (a combination of green and social activities as eligible projects).
- Green bonds: funds are applied to green projects or activities that promote climate change mitigation or adaptation, or other environmental sustainability purposes.

- Social bonds: funds are applied to projects that promote the improvement of social welfare and positive social impact directly for disadvantaged, low-income, marginalized, excluded or disadvantaged populations.
- Sustainability-linked bonds: their financial and/or structural characteristics may vary depending on whether or not the issuer achieves certain predefined sustainability or ESG objectives.
- Transition bonds: finance projects and initiatives associated with the energy transition of companies that generate high levels of greenhouse gas emissions, such as fossil fuels or aviation. These bonds can be issued mainly by oil and gas companies, as well as cement, steel, mining and other industries considered "brown" because of their high carbon emissions, which seek to reduce this footprint. They therefore contribute to the transition to a low-carbon economy.

For minority investments in CII, those that are classified as Article 8 (based on their sustainable investment percentage) or 9 according to Regulation (EU) 2019/2088, also known as the SFDR Regulation, will be taken into consideration.

Companies contributing to the SDGs must also comply with the internal limits established with respect to environmental and social indicators, compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, and the level of disputes.

In order to determine whether the direct investments of the Financial Product contribute to the objectives, it is verified that they meet minimum criteria, among others: a level of controversy, positive contribution to the above SDGs, minimum thresholds in a series of environmental and social indicators related to the objectives pursued, etc.

f) Monitoring of environmental or social characteristics

To measure the achievement of the environmental and/or social characteristics, indicators provided by the external ESG data provider selected by the management company will be used. The main indicators used will be:

- Environmental:
 - Carbon footprint of the portfolio
 - Share of non-renewable energy production and consumption compared to renewable energy sources (share of total energy sources)
 - Activities that negatively affect sensitive areas in terms of biodiversity.
- Social:
 - Gender diversity in the company
 - Compensation and working conditions: analysis of violations related to working conditions, including issues related to remuneration and discrimination, among others, that have been reported by workers.
- Corporate governance:
 - Compliance with OECD Guidelines and United Nations Principles.
 - Composition of the board of directors: percentage of independent directors out of the total.

The information for these indicators will be obtained from external supplier data.

The monitoring of the characteristics is based on the application of the methodologies described in section g).

g) Methods

The management company will use the indicators described in the previous section to measure how the environmental or social characteristics promoted are being met.

One of the main tools used is the ESG rating at the active level, which has been developed using an internal methodology based on information from external suppliers. This ESG rating is obtained by weighting each of the three ESG pillars (environmental, social and governance) according to the company's sector of activity.

In the absence of an ESG rating from the external provider for an asset, an approximation based on an internal model with information from the issuer or the issuer's sector of activity and geographic area will be used. For public fixed-income issues, an ESG rating has been prepared based on information obtained from World Bank data on the different ESG pillars.

In addition, during the investment process, the ESG rating obtained from the primary ESG provider is supplemented with the rating available from other providers.

Additionally, the commitment of the investee companies to the SDGs that the financial product intends to impact will be verified. This information will be obtained through external ESG providers, reports published by the companies or direct contact with them.

With respect to exclusions, the management company will verify compliance with these criteria on an ongoing basis.

Periodically, compliance with the criteria established in the pre-contractual information of the financial product will be analyzed.

h) Data sources and processing

The analysis of sustainability information will be based primarily on information from Clarity AI and Bloomberg, together with engagement with companies. Information on ESG data for assets and issuers, as well as the characteristics of portfolio indicators, such as CO2 emissions, working conditions, or the composition of the board of directors, will be obtained from these data sources as primary sources.

To ensure data quality, the coverage provided by the supplier will be analyzed and monitored. In cases where no information is available from the supplier for a given issuer or instrument, the information will be completed based on the application of an internal proxy-based estimation methodology at the issuer, sector, or country level.

Likewise, the deviation of the data provided from other providers will be analyzed to verify its quality.

ESG data is updated in accordance with the frequency established by the providers and is integrated into internal systems for access by the investment team during the decision-making process

i) Limitations of methods and data

One of the most notable limitations is that there may be investments for which ESG information is not available from the specialized provider, as is the case for some private equity funds or small companies. In this case, using the internal methodology developed, the aim is to complete this

lack of data through estimates at issuer or sector level in the case of direct investments, and through a "look through" approach in the case of indirect investments, when possible and when the weight of these investments is relevant.

By applying this proxy-based approach and transparency in indirect investments, the fund achieves data coverage for virtually the entire portfolio. It should be noted that cash, cash equivalent assets and derivatives are not subject to ESG analysis and are therefore not covered.

j) Due diligence

During the investment decision-making process, a due diligence process is applied, in which data is gathered from different sources of information on the potential investments to be made in the portfolio, analyzing their ESG rating, not only individually but also in relation to their main competitors (expressed as risk percentiles).

In addition to the metrics provided by the above mentioned providers, the management team will have the possibility to analyze each asset on a discretionary basis, with the objective of making investment decisions on assets for which information based on available data is insufficient, incomplete or unreliable. Managers must justify in writing the inclusion of assets rated below the benchmark threshold.

In addition, in the case of government bond investments, the manager considers it necessary to complement the provider's information with the credit rating of at least two rating agencies and the UN Human Development Indexes (overall and adjusted by equality) for each country potentially considered within the investment universe. This is because the ESG rating for sovereign debt has traditionally been the subject of intense debate among market practitioners for two reasons:

- 1) the notorious difficulty of defining sustainability risks for a specific country, given the tremendous diversity of macroeconomic, political and social structures that exist in the world.
- 2) because it is manifestly difficult for developing countries to obtain good ratings with existing ESG risk assessment systems.

The investments made shall comply with the selection criteria established in the pre-contractual information of the financial product, with the objective of promoting the environmental and social characteristics of the financial product.

k) Involvement policies

The Management Company, to the extent it deems appropriate and taking into account, inter alia, the investment strategy and the nature and size of the overall investment in certain companies listed on a regulated market held in the portfolios of the CIS managed, will monitor certain aspects affecting such companies in terms of their business strategies, financial and non-financial performance and risk, capital structure, social, environmental impact and corporate governance, all in order to ensure the interests of the end clients, having an active dialogue with such companies, so as to enhance the interests of the end clients, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance, all with the aim of looking after the interests of the end clients, having an active dialogue with said companies, so as to improve internal knowledge of the same and manage possible controversies in environmental, social or governance (ESG) matters.

The Management Company aims to increase the value of the managed vehicles by showing an active commitment to ESG factors in the investee companies. To this end, it will seek long-term values with an emphasis on sustainability, activity and responsibility.

The Management Company is particularly sensitive to any issues that may affect a company's long-term financial performance. In this regard, it seeks to understand the most important ESG risks and factors and how these could affect the company's future performance.

Periodic investment committees review the strategies, market reports and public information of those companies in which it participates directly through the managed vehicles in order to, at its discretion and taking into account its different investment strategies and policies of the managed vehicles, decide not only the degree of investment in such companies but the degree of involvement in the company and how to interact with the company. Active dialogue with investee companies may come through any of the following actions:

- Express concerns with the managers of the investee company.
- Meet with the Investor Relations Departments of investee companies.
- Present resolutions and speak at shareholders' meetings.
- Reduce or dispose of its interest in, or otherwise adjust its exposure to, the investee.
- Voting against or abstaining from voting on resolutions at shareholders' meetings.
- Take any other action, it deems appropriate under the circumstances.

I) Designated benchmark

For the management of this financial product, no specific benchmark has been established to measure the alignment of the portfolio with the environmental or social characteristics it promotes.

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