Annex

Pre-contractual 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

Product name: Responsible Horizons Euro Corporate Bond Fund

Legal entity identifier: 2138009IC4PGITKRBI83

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**	●○ ☑ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes:

- A minimum environmental and/or social standard that seeks to mitigate or avoid practices that the Investment Manager deems environmentally and/or socially detrimental. Exclusion criteria are used to achieve this minimum standard. For example, issuers that derive a certain percentage of revenue as determined by the Investment Manager from tobacco, defence, gambling, coal extraction and controversial weapons production are excluded. Issuers will also be excluded where, in the opinion of the Investment Manager, the issuers are deemed to have violated the minimum standards of business practices represented in widely accepted global conventions.
- A focus on higher scoring issuers in terms of their ESG profile, as determined by the Investment Manager
- A focus on targeting a carbon intensity below the level of the benchmark.

A reference benchmark has not been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

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

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following sustainability indicators will be used to measure whether the Sub-Fund is attaining the environmental and/or social characteristics it promotes:

UN SDGs: (1) An assessment of whether the Sub-Fund has successfully and consistently invested a minimum of 10% of its NAV in aggregate in Use of Proceeds Impact Bonds, Impact Issuers and/or Improving Issuers, each of which qualify as "Sustainable Investments" pursuant to SFDR. (2) An assessment of whether, as applicable:

- such Impact Issuers demonstrate that at least 20% of their revenue streams are aligned to help realising one or more of the 17 UN SDGs or at least 20% of their economic activities are compliant with the EU Taxonomy Regulation
- such Improving Issuers demonstrate that their core investment plans (affecting at least 20% of their revenue streams, capital expenditure and/or operating expenditure including non-capitalised costs that represent research and development) are compliant with the EU Taxonomy Regulation, and
- in the case of Use of Proceeds Impact Bonds, the proceeds raised are aimed to be exclusively applied to finance or re-finance in part or in full projects that demonstrate a clear alignment to helping realise one or more of the 17 UN SDGs and/or are defined as "environmentally sustainable economic activities" by the EU Taxonomy Regulation

ESG Rating: An assessment of whether the Sub-Fund's asset weighted overall ESG rating has successfully and consistently been better than the asset weighted overall ESG rating of the Bloomberg Barclays Euro Aggregate Corporate Total Return Index (the "Benchmark")

Carbon Intensity: An assessment of whether the Sub-Fund's asset weighted average carbon intensity has successfully and consistently been at least 25% lower than the asset weighted average carbon intensity of the Benchmark.

Exclusion Policy: An assessment of whether the Sub-Fund has successfully and consistently executed its exclusion policy (details of which are set out below).

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The objective of the sustainable investments that the Sub-Fund partially intends to make is to aim to achieve positive environmental and/or social impacts.

The Sub-Fund will invest in three types of SFDR Sustainable Investments:

- Use of Proceeds Impact Bonds: These SFDR Sustainable Investments contribute to the sustainable investment objective as their proceeds are aimed to be exclusively applied to finance or re-finance in part or in full projects with positive environmental and/or social impacts using the UN SDGs as a guide to environmental targets and/or are defined as "environmentally sustainable economic activities" by the EU Taxonomy Regulation
- Debt securities issued by Impact Issuers: These SFDR Sustainable Investments contribute to the sustainable investment objective as at least 20% of their revenue streams are linked to positive environmental and/or social impacts using the UN SDGs as a guide to environmental targets or where at least 20% of their economic activities are compliant with the EU Taxonomy Regulation
- Debt securities issued by Improving Issuers: These SFDR Sustainable Investments contribute to the sustainable investment objective as their core investment plans (affecting at least 20% of their revenue streams, capital expenditure and/or operating expenditure including non-capitalised costs that represent research and development) are compliant with the EU Taxonomy Regulation.

SFDR Sustainable Investments may include investments which aim to achieve positive environmental impacts by contributing to:

- climate change mitigation;
- climate change adaptation;
- the sustainable use and protection of water and marine resources;
- the transition to a circular economy;
- pollution prevention and control; and/or
- the protection and restoration of biodiversity and ecosystems.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The SFDR Sustainable Investments do not cause significant harm to any environmental or social sustainable investment objective because they are not categorised by external data provider(s) as "strongly misaligned'' to the UN SDGs, nor are they in breach of the principal adverse impacts ("PAIs") thresholds set by the Investment Manager, or where assessed under the EU Taxonomy, they must be compliant with the EU Taxonomy.

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, anticorruption and antibribery matters.

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

The Sub-Fund takes into account the following PAIs from:

Table 1 of Annex I of the Commission Delegated Regulation:

- 1) GHG Emissions: Scope 1, 2 and 3
- 2) Carbon Footprint: Scope 1, 2 and 3
- 3) GHG Intensity of Investee Companies: Scope 1, 2 and 3
- 4) Exposure to companies active in the fossil fuel sector
- 5) Share of non-renewable energy consumption and production
- 6) Energy consumption intensity per high impact climate sector: NACE A, B, C, D, E, F, G, H and L
- 7) Activities negatively affecting biodiversity-sensitive areas
- 8) Emissions to water
- 9) Hazardous waste and radioactive waste ratio
- 10) Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- 11) Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- 12) Unadjusted gender pay gap
- 13) Board gender diversity
- 14) Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons).

It should also be noted that while each indicator in Table 1 of Annex I of the Commission Delegated Regulations is considered, it is currently not possible to calculate the carbon footprint of each potential SFDR Sustainable Investment as envisaged in Annex I.

The Sub-Fund's investment in an issuer is screened against the PAIs at the time of investment. Further, the PAIs are measured against certain defined thresholds which may then trigger an additional qualitative review by the Investment Manager to determine if they have been breached. Following this process, if a PAI is considered to have been breached the relevant investment will be excluded from the Sub-Fund's allocation to SFDR Sustainable Investments.

PAI Data Availability

The Investment Manager is dependent upon information and data from third party data providers in order to be able to consider principal adverse impacts on sustainability factors. The availability and quality of such data impacts the extent to which each such PAI can be taken into account. In particular, the lack or incomplete reporting of metrics by some issuers means that there is currently only limited data on some adverse indicators. As such for some of the mandatory PAIs listed above, data coverage may be very low. The Investment Manager's analysis of adverse indicators relies on this third-party information and data, and where such information is not available or is incomplete, the Investment Manager's analysis of adverse indicators is necessarily limited. As the data availability improves over time, it is expected that PAIs can be applied to a greater portion of the Investment Manager's investable universe. This will allow for enhanced insight into the adverse impacts caused by issuers.

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

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights (the “Responsible Business Practices”) collectively cover a very broad range of areas of responsible business, encompassing everything from labour rights to consumer protection to support for internationally recognised human rights within a company’s or issuer’s sphere of influence.

SFDR Sustainable Investments are considered aligned with the Responsible Business Practices unless the issuer does not pass a broad controversy screen provided by a third party which either directly covers one or more of the Responsible Business Practices or is considered an appropriate proxy for one or more of the Responsible Business Practices. In should be noted that, in the absence of relevant data, SFDR Sustainable Investments will be assumed to be aligned with the Responsible Business Practices.

However, where the issuers invested in do not pass the screen referred to above, the Investment Manager retains discretion to establish alignment with the Responsible Business Practices solely on the basis of its own review of the issuer.

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU 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.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes, the Sub-Fund considers the PAI as outlined in the response to the question “How have the indicators for adverse impacts on sustainability factors been taken into account?”, plus the following additional PAI:

Table 2 of Annex I of the Commission Delegated Regulation: 4. Investments in companies without carbon emission reduction initiatives

Table 3 of Annex I of the Commission Delegated Regulation: 16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery.

The PAIs are measured against defined thresholds which may then trigger an additional qualitative review by the Investment Manager to determine if they have been breached. Following this process, if a PAI is considered to have been breached the Investment Manager may take any of the following actions including (but not limited to):

- The exclusion of the issuer from within the Sub-Fund;
- A reduction in % allocation to the issuer within the Sub-Fund
- Mitigation of the impact on a security and/or Sub-Fund; and/or
- Engagement with the relevant issuer in an attempt to mitigate the impact at source. If data the Investment Manager receives indicates a PAI threshold has been crossed and the Investment Manager decides to engage, the relevant issuer has one year from the time the Investment Manager raises the issue with them to take reasonable steps to resolve it after which time the Investment Manager will make reasonable endeavours to remove the allocation to the relevant security;
- No action, with justification. In such cases this particular issuer or holding will not be categorised as within the SFDR Sustainable Investment allocation.
- Reporting on consideration of PAIs will be available in an annex to the annual report of the Sub-Fund.

Where the Sub-Fund invests in a broad market index, PAIs are not considered as the Investment Manager does not look-through to the underlying constituents of these indices.

Please see ‘PAI Data Availability’ for further information on the PAI data sources and limitations.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such

As set out in the Supplement, the Sub-Fund aims to generate a total return comprised of income and capital growth by investing primarily in a broad range of Euro-denominated debt and debt-related securities and related FDI, whilst taking environmental, social and governance (ESG) factors into account. Further details on the Sub-Fund's strategy are set out in the "Investment Strategy" section of the Supplement.

as investment objectives and risk tolerance.

When making investment decisions, the Investment Manager also uses a combination of external and/or internal ESG research to evaluate an investment and assesses the overall suitability of an issuer based on the Investment Manager's proprietary ESG ratings. External ESG research is sourced from third-party data providers.

ESG restrictions, which includes the Investment Manager's proprietary ESG ratings and third-party data, aim to prevent or permit investment in issuers that dependent on sustainability-related characteristics. These controls which are based on the below are coded against the Sub-Fund and updated after new information is absorbed:

– SFDR Sustainable Investments aligned to the UN SDGs
– ESG Rating
– Carbon Intensity
– Exclusion Policy

The investment strategy is implemented in the investment process on a continuous basis by requiring the investments to comply with the binding elements described below both at time of purchase and on an ongoing basis.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The binding elements of the investment strategy used to select investments to attain each of the environmental and social characteristics promoted by the Sub-Fund are:

The Sub-Fund invests a minimum of 10% of NAV in aggregate in SFDR Sustainable Investments by making investments that promote the 17 UN SDGs;

The Investment Manager excludes issuers with weaker ESG scores or where revenue is, in the opinion of the Investment Manager significantly derived from products that are not aligned with the ESG focus of the Sub-Fund (for example, tobacco, defence, gambling and coal extraction). Therefore the Sub-Fund shall exclude issuers that, in the opinion of the Investment Manager:

– Derive more than 5% of their revenue from the manufacture of tobacco
– Derive more than 5% of revenues from unconventional oil and gas, unless a) the exposure is achieved via use of proceeds environmental bonds; b) the investment manager believes the issuer has a clearly defined, long-term plan to address its environmental impact; and c) the investment manager considers the instrument issued meets its ESG criteria
– Are involved in the production or manufacture of controversial weapons
– Derive more than 5% of their revenue from coal mining and more than 10% of revenue from coal power generation or more than 30% revenue in coal fuel mix, unless: a) The issue purchased is a use-of-proceeds impact bond which passes the Investment Manager’s own assessment framework; and/or b) the issuer has a robust and clearly defined path to reduce emissions in line with the Paris agreement goals, within the assessment of the Investment Manager; and/or c) the issuer has a clearly defined plan to exit coal mining and/or generation before (i) 2030 in the case of developed market domiciled issuers or (ii) 2040 in the case of emerging market domiciled issuers.
– In the opinion of the Investment Manager, are deemed to be involved in severe environmental, social or governance controversies (including significant violations of UN Global Compact Principles).
– Derive more than 5% of revenues from gambling
– At least 90% of the instruments held in the Sub-Fund must meet the criteria set out in the supplement at time of purchase and on an ongoing basis and no investment will be made in an instrument that is deemed to have material unresolvable environmental issues. Instruments which do not continue to meet these criteria after purchase may either be sold or be retained by the Sub-Fund provided that the Investment Manager has engaged with the issuer to discern the risks identified by the change in ESG score.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no commitment to reduce the scope of the investments by a minimum rate.

Good governance practices include sound management structures, employee

- **What is the policy to assess good governance practices of the investee companies?**

Whilst the SFDR regulation references 4 key areas of good governance (sound management structures, employee relations, remuneration of staff and tax compliance), the Investment Manager considers that a good governance assessment should cover a broad range of factors in relation to relations, remuneration of staff and tax compliance.

the system by which companies undertake their activities. The Investment Manager primarily considers this system through two processes. Firstly, and where relevant data is available, the Investment Manager will assess whether there are any known controversies in relation to a corporate entity's practices which demonstrate a severe violation of established norms thereby indicating a failure of broader governance mechanisms. External data providers will be used to support this assessment with governance oversight from relevant internal groups and companies deemed to fail this assessment will be excluded from investment. Secondly, the Investment Manager will also exclude any issuer which has the lowest overall fund-relevant ESG rating using the Investment Manager's own proprietary rating system. These ratings aim to provide an overall view of the controls and processes that a company employs to govern its business and the lowest overall ESG rating typically indicates a company with an insufficient framework to mitigate key ESG risks and a failure to meet baseline expectations for corporate governance.

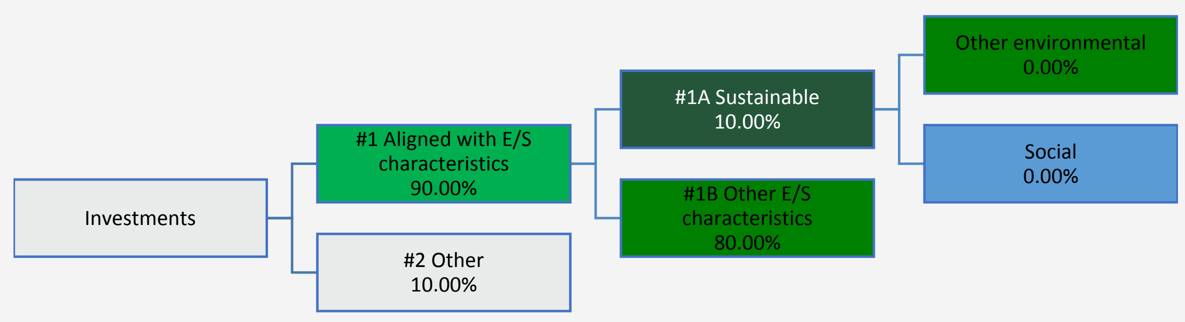
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

A minimum of 90% of Net Asset Value will be used to meet the environmental or social characteristics promoted by the Sub-Fund in accordance with the binding elements of the investment strategy.

The asset allocation diagram below is intended to illustrate the planned asset allocation of this Sub-Fund. The Sub-Fund is committed to investing a minimum of 10% of NAV in aggregate in SFDR Sustainable Investments which have an environmental objective and/or a social objective, but the asset allocation between environmental and social objectives is not fixed and as such, the Sub-Fund does not commit to invest a minimum percentage of NAV in SFDR Sustainable Investments which have specifically an environmental objective or specifically a social objective.

The Sub-Fund promotes environmental or social characteristics using both an exclusionary approach and allocations to certain SFDR Sustainable Investments, best-in-class issuers and lower carbon intensity issuers. The figure in #1 represents a combination of both approaches. The minimum allocation to SFDR Sustainable Investments is referenced in #1A. The figure in #1B below represents the proportion of the portfolio that has excluded certain types of investments as further detailed in 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' above and therefore such proportion of the portfolio is aligned with the environmental or social characteristics promoted by the Sub-Fund through the absence of those investments.



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

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives (FDI) can be used to attain the environmental or social characteristics promoted by the Sub-Fund by providing indirect exposure to, better scoring ESG names in line with the Sub-Fund's investment strategy. For the avoidance of doubt, FDI are not used to gain exposure to SFDR Sustainable Investment.

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

0%. There is no minimum extent to which SFDR Sustainable Investments with an environmental objective held by the Sub-Fund are aligned with the EU Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy [1]?**

☐ Yes:

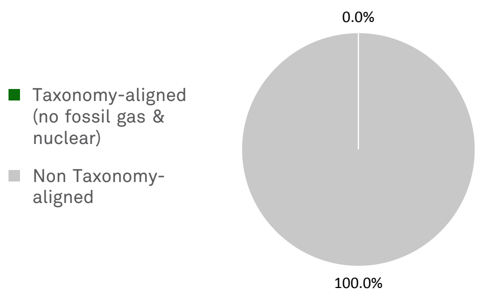
☐ In fossil gas ☐ In nuclear energy

☑ No

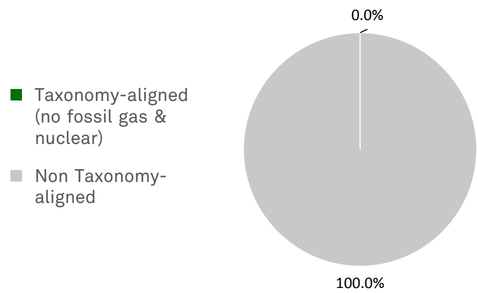
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are 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*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents 100% of the total investments

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

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.

- **What is the minimum share of investments in transitional and enabling activities?**

Transitional activities: 0.00%

Enabling activities: 0.00%

[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.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

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

While the Sub-Fund is committed to investing a minimum of 10% of Net Asset Value in SFDR Sustainable Investments which may include SFDR Sustainable Investments with an environmental objective, there is no commitment to invest a minimum percentage of Net Asset Value in SFDR Sustainable Investments with an environmental objective that are not aligned with the EU Taxonomy.

Where the Sub-Fund invests in SFDR Sustainable Investments with an environmental objective, such investments will not be Taxonomy-aligned. This is because the Investment Manager does not currently take into account the EU Criteria for Environmentally Sustainable Economic Activities in determining whether economic activities contribute to an environmental objective or not.

What is the minimum share of socially sustainable investments?

While the Sub-Fund is committed to investing a minimum of 10% of Net Asset Value in SFDR Sustainable Investments which may include SFDR Sustainable Investments with a social objective, there is no commitment to invest a minimum percentage of Net Asset Value in SFDR Sustainable Investments with a social objective.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included under "#2 Other" are:

Liquid and near-cash assets including cash held are used for ancillary liquidity purposes

Collective Investment Schemes (CIS) that are used for liquidity purposes

Derivatives (FDI) that are used for hedging purposes.

No minimum environment or social safeguards are considered for these investments.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

  Not applicable.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

  Not applicable.

- **How does the designated index differ from a relevant broad market index?**

  Not applicable.

- **Where can the methodology used for the calculation of the designated index be found?**

  Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.bnymellonim.com