



TMF
GROUP

Sustainability Risk Policy

TMF Fund Management S.A.

July 2025 | Version 3



Table of Contents

Table of Contents

1.	VERSION CONTROL	3
2.	INTRODUCTION	4
3.	PURPOSE	5
4.	SUSTAINABILITY RISK MONITORING	6
4.1	Risk Identification	6
4.2	Key Risk Indicators	6
4.3	Data collection and Quality Assurance	8
4.4	Integration into investment decision-making process	8
4.4.1	Portfolio Management function retained internally	8
4.4.2	Portfolio Management function delegated	9
4.5	Risk monitoring	9
4.6	Reporting and escalation	9
5.	WEBSITE DISCLOSURES	10
6.	POLICY REVIEW AND UPDATES	11

1. Version control

This document is subject to document controls, for any enquiries or suggestions please contact the Risk and Compliance teams.

Version no.	In force from	Main changes
01	7 th July 2021	New procedure and/or guidance
02	1 st September 2021	Company rename in TMF Fund Management S.A. ("TMF")
03	1 st August 2025	Global reshape of the policy

Sustainability	Frequency	Responsibility
Review required	Annually from the date of approval and/or effectivity	Policy Owner

	Department/ Position
Preparer	Risk Management
Reviewers/ Stakeholders	Conducting Officers Board of Directors
In Scope	All Funds under management

	Position	Name	Date of approval
Owner	Conducting Officer in charge of Risk Management	Florian Rassel	
Approver	Conducting Officers	Maelle Lenaers Florian Rassel Diana Mihailova Olivier Piquemal	July 24th, 2025
	Board of Directors		July 25th, 2025

	Owner	Approver	Reviewers	Stakeholders	In scope
Policy RACI	R Responsible	A Accountable	C Consulted	C Consulted	I Informed



2. Introduction

This Sustainability Risk Policy (“**Policy**”) sets out the principles and procedures by which the Management Company identifies, assesses, monitors and manages sustainability risks in its portfolios of UCITS and AIFs.

This Policy is prepared in accordance with 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 (OJ L 317, 9.12.2019, pp. 1–16).

TMF Fund Management S.A. (the “Company”) is a Management Company authorized under Chapter 15 of the Law of 17 December 2010, as amended and as an alternative investment fund managers (AIFM) according to Article 5 of the Law of 12 July 2013, as amended and.

The Company is therefore considered as a financial market participant under article 2 of the SFDR. and, according to the regulatory requirements, has developed the present policy to illustrate the management of risks linked to sustainability (i.e. Sustainability Risk Policy). This procedure is designed for handling complaints received from TMF’s customers.



3. Purpose

The purpose of this Policy is to ensure that sustainability risks—defined as environmental, social or governance (“ESG”) events or conditions that could have a material negative impact on the value of investments—are systematically integrated into our risk management framework.

The Policy aims to promote transparency, mitigate greenwashing and support informed decision-making by investment teams, senior management and external stakeholders.

This Policy applies to all investment strategies and all funds managed by the Management Company, including UCITS and AIFs, as well as to any sub-funds, share-classes that the Management Company oversees. It also covers pre-investment due diligence, ongoing monitoring and periodic reporting/disclosures to investors and regulators.

The Policy aims to describe the general principles on how the sustainability risks are integrated in the Company’s investment decision-making process and how it is monitored on an on-going basis.

Ultimately, the Policy aims to reflect and implement at the level of the Company the requirements on transparency of sustainability risk and on transparency of adverse sustainability impacts.

Under SFDR, funds have to be classified in one of the following categories:

- Funds with sustainable investment objective (article 9);
- Funds promoting environmental or social characteristics (article 8); and
- Funds which either only integrate or do not take into account environmentally sustainable economic activities (article 6).

The Company can either perform the portfolio management function internally or delegate it to a third-party portfolio manager. However, for both the described scenario, the Company remains the ultimate responsible for the performance of portfolio management function. The delegation is subject to supervision and monitoring from the Company, which has implemented a robust control framework.

4. Sustainability Risk Monitoring

This section details how sustainability risks are continuously identified, measured, tracked and reported, ensuring timely escalation and remediation.

4.1 Risk Identification

The first step is to maintain a comprehensive universe of ESG risk factors aligned with Regulation (EU) 2019/2088 and its Regulatory Technical Standards.

- Maintain an ESG risk taxonomy covering:
 - Environmental (climate change, water stress, biodiversity loss);
 - Social (labor standards, human rights, community impact); and
 - Governance (board structure, executive pay, corruption).
- Perform periodic horizon scans of:
 - Regulatory updates (SFDR RTS, MiFID II ESG amendments);
 - Industry best-practice publications (TCFD, SASB); and
 - Media, NGO and stakeholder reports.
- Flag emerging themes for inclusion in monitoring framework via periodic review and participation to risk workshops.

4.2 Key Risk Indicators

The matrix below lists indicators which can be used but is not exhaustive.

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS	
Greenhouse gas emissions	Carbon emissions (broken down by scope 1, 2 and 3 carbon emissions - including agriculture, forestry and other land use (AFOLU) emissions - and in total)
	Carbon footprint
	Weighted average carbon intensity
	Solid fossil fuel sector exposure
Energy performance	Total energy consumption from non-renewable sources and share of non-renewable energy consumption
	Breakdown of energy consumption by type of non-renewable sources of energy

	Energy consumption intensity
	Energy consumption intensity per sector
Biodiversity	Biodiversity and ecosystem preservation practices
	Natural species and protected areas
	Deforestation
Water	Water emissions
	Exposure to areas of high water stress
	Untreated discharged waste water
Waste	Hazardous waste ratio
	Non-recycled waste ratio
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS	
Social and employee matters	Implementation of fundamental ILO Conventions
	Gender pay gap
	Excessive CEO pay ratio
	Board gender diversity
	Insufficient whistleblower protection
	Investment in investee companies without workplace accident prevention policies
Human rights	Human rights policy
	Due diligence
	Processes and measures for preventing trafficking in human beings
	Operations and suppliers at significant risk of incidents of child labour
	Operations and suppliers at significant risk of incidents of forced or compulsory labour
	Number and nature of identified cases of severe human rights issues and incidents
	Exposure to controversial weapons (land mines and cluster bombs)
	Anti-corruption and anti-bribery policies

Anti-corruption and anti-bribery	Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery
	Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws
	Description of policies to assess principal adverse sustainability impacts
GOVERNANCE, I.E. FACTORS RELATED TO CORPORATE GOVERNANCE	
Governance	Description of actions to address principal adverse sustainability impacts
	Engagement policies
	Adherence to international standards
	Historical comparison

4.3 Data collection and Quality Assurance

Ensuring data integrity and completeness is critical for a reliable monitoring. The Permanent Risk Management Function will collect, perform and review on a best effort basis and if applicable

- Data Sources:
 - Third-party ESG vendors (e.g., MSCI, Sustainalytics);
 - Company-reported metrics; and
 - Satellite and geospatial data for environmental factors
- Validation Processes:
 - Cross-provider triangulation to detect outliers;
 - Flagging of stale data; and
 - Review of Data Quality for critical metrics
- Data Governance (on a best effort basis):
 - Maintain a Data Catalog with: source, refresh cycle, owner; and
 - Potential implementation of data-quality scorecards.

4.4 Integration into investment decision-making process

4.4.1 Portfolio Management function retained internally

In order to identify the potential sustainability risks faced by the UCIs, a dedicated Environmental, Sustainability and Governance (“ESG”) investment process has been implemented and integrated within the portfolio management process, covering both scenarios when the portfolio management function is retained as well as when it is delegated to a third party.

With reference to UCIs under article 8 and article 9 of the SFDR for which portfolio managers activities



are not delegated, TMF performs ex-ante ESG asset due diligence activities.

In this regard, prior of any investment, the Portfolio Manager and the Risk Management function, shall pre-assess each single target investment via the ESG Score Card, which takes into account qualitative and quantitative metrics for the relevant ESG segments.

The assessment will be done usually by obtaining an ESG due diligence from a relevant ESG service provider.

After analysis of ESG criteria and metrics, 3 scenarios are envisaged:

- Accept: if ESG risk is in line with strategy and can be managed or hedged.
- Reject: if “Severe” unmitigable risks exist.
- Conditional: if further due diligence or engagement commitments are required or a detailed action plan is already forecasted at target level. In this case, a proper follow-up will have to be performed on a regular basis.

4.4.2 Portfolio Management function delegated

When delegating the portfolio management function to a third-party, the Company shall ensure the performance of the delegated activities in accordance to the investment strategy and the applicable law and regulations, with particular reference to each managed fund falling under the scope of the article 8 of the SFDR (i.e. promoting environmental and social characteristic) and funds under the scope of article 9 of the SFDR (i.e. promoting sustainable investments).

For this purpose, the Company shall periodically monitor that during the ongoing / periodical Due Diligence process - as defined in the Company’s Oversight framework - the correct and proper application of the sustainability risk management approach.

Among others, the Company performs the ex-post analysis through the investment products classification by typology of sustainability risk (see paragraph 4.5 Risk Monitoring).

4.5 Risk monitoring

Data from all UCIs’ investments are monitored and reviewed on a periodical basis, the Risk Management Function will:

- Monitor ESG compliance and limits at portfolio level on an ongoing basis;
- Monitor the timeframe for the resolution of breaches;
- Include periodic reports to the Senior Management with regard to the ESG compliance and limits at the level of the portfolio.

4.6 Reporting and escalation

Monitoring and reporting represent an important part of the ESG risk management. Based on the monitoring frequency applied to each specific ESG risks and funds, the Risk Officer will prepare reports for regular meetings of the Senior Management and Board, or if material will escalate an identified issue on an ad-hoc basis.



5. Website disclosures

The disclosures related 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") are made available to the public on the Company's website: www.tmf-group.com.



6. Policy Review and updates

This Policy is reviewed at least annually by the Risk Management Function. Any significant regulatory changes, technological advances or organizational developments will trigger an ad-hoc review and update.