ASSET MANAGEMENT

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Reporting Energy-Climate Law (2025)

*The French version prevails

SUSTAINABILITY INFORMATION OF THE ANNUAL REPORT IN ACCORDANCE WITH THE PROVISIONS SET FORTH IN ARTICLE V OF D.533-16-1 OF THE MONETARY AND FINANCIAL CODE FOR ORGANIZATIONS WITH LESS THAN 500 MILLION EUROS IN TOTAL BALANCE SHEET OR OUTSTANDING AMOUNTS

A. Information on the entity's general approach

A.1. Brief overview of the entity's general approach for taking account of environmental, social and governance quality criteria and, in particular, in the investment policy and strategy

ABC Arbitrage Asset Management SA (hereinafter "ABAM") develops alternative strategies known as arbitrage strategies using quantitative and systematic models and operates in the world's major listed markets. The strategies implemented consist of a combination of transactions designed to capitalize on potential inefficiencies that may arise between different financial markets. This approach ensures complete neutrality in the selection of traded products.

- **<u>Philosophy</u>**

Data is at the heart of ABAM's systems, which rely on sophisticated trading techniques and a quantitative scientific approach. In this context, environmental, social, and governance (ESG) data is now an integral part of the market signals to be considered and can be material.

ESG issues have a dual materiality: they can both affect ABAM's operations and be influenced by them. With this in mind, ABAM aims to strengthen the integration of these issues into its investment decisions in order to assess the social and environmental contributions of its operations and promote positive impacts on these issues. However, the traditional pillars and principles of responsible investing are not necessarily relevant to strategies based on quantitative and systematic models, which can adjust exposures very quickly and over very short cycles.

In these areas, ABAM leverages its expertise to identify approaches that enable it to continue contributing to global market liquidity and protecting capital, while fully incorporating relevant ESG factors into its systematic and quantitative strategies.

- **<u>Resources and Governance</u>**

The Executive Committee has tasked the Responsible Investment Committee (RIC) with discussing these issues and is kept informed of significant developments. The RIC was formed with a focus on diversity in experience, professional backgrounds, and gender to reflect ABAM's values and identity, to benefit from a wide range of perspectives, and to integrate these considerations into all business operations. Its members thus span various functions and hierarchical levels—including ABAM's CEO and the Group's Chief Compliance Officer (CCO).

In addition, most members of the "Management Committee" (COGE), which has the final say on investment decisions, participate in the RIC and are thus fully informed of the discussions and their conclusions, enabling the systematic integration of relevant ESG factors. An ESG manager is dedicated to these issues (UNPRI dialogue, investment analysis, employee training, regulatory monitoring, etc.). She works in collaboration with all teams involved in the investment process. Consequently, many employees are also engaged in matters related to non-financial performance, which is essential to ensuring that these considerations are integrated at every stage of the investment process. At the group level, it is estimated that approximately 2.5 full-time equivalents are dedicated to these issues.

Finally, specific resources can also be allocated to targeted projects related to ESG issues, such as the development of internal tools, such as to calculate the carbon footprint of portfolios.

Several tools and safeguards are in place to ensure that the responsible investment policy is fully implemented:

- Pre- and post-trade tools;
- The "three lines of defense" (3 LoD) model;
- Codes of conduct and rules;
- Real-time controls and daily monitoring performed by the Execution Support and Risk teams.

- **Concrete actions**

ABAM's approach is currently structured around several key areas, including:

- Internal awareness-raising and training on non-financial performance issues: by fostering a shared understanding, these considerations can be incorporated at all levels of operations to ensure overall consistency and greater long-term resilience. Several channels are used to train and raise awareness among teams on these topics: internal messaging, newsletters, the "ABC University" training, internal working groups, etc. By the end of 2025, 40% of employees had received training on these topics, and nearly 100% of trading teams.
- A commitment to contributing to the dialogue by participating in various collective initiatives to work with relevant stakeholders, thereby promoting a coordinated and consistent approach to ESG issues (see A3).
- Due to the nature of the alternative strategies employed (short-term positions, rapid portfolio turnover, use of synthetic instruments, and short selling), the exercise of voting rights is neither operationally feasible nor compatible with ABAM's investment model; however, the company reserves the right to exercise its voting rights on an ad hoc basis when feasible and appropriate, particularly on ESG issues.
- Exclusion of transactions in countries at the highest risk of corruption, money laundering, and terrorist financing. ABAM uses the public lists of the Financial Action Task Force (FATF), the global oversight body for combating money laundering and terrorist financing, which identifies jurisdictions where measures are insufficient. The company also uses Transparency

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International's Corruption Perceptions Index, which ranks countries based on perceived levels of corruption in the public sector.

- For countries with higher rankings but that may pose a high risk of corruption or money laundering and terrorist financing, an alert is sent to the "Management Committee" (COGE), which is responsible for deciding whether or not to continue operations in that country. Furthermore, for each new country in which ABAM wishes to conduct transactions, ESG data (geopolitical risks, money laundering and terrorist financing risks, corruption levels, or the Human Development Index) is included in the analysis. Consequently, more than 96% of ABAM's business (in terms of total volumes processed or gross profits) is conducted in jurisdictions deemed safe from the perspective of anti-money laundering, counter-terrorist financing, and corruption; 0% takes place in countries with the highest risks; and the remaining fewer than 4% are conducted only with the explicit approval of the Management committee.
- Where possible and appropriate, ABAM seeks to promote greater integration of ESG factors into the activities of its stakeholders. Financial intermediaries are selected with the utmost care to ensure they meet stringent requirements regarding sound management practices. ABAM conducts a thorough analysis of their practices based on a due diligence questionnaire. As part of this process, information regarding their ESG policies is systematically collected.
- Through its activities, ABAM contributes to the smooth functioning of the financial industry. Alternative strategies based on quantitative and systematic models help align prices for the same asset across different markets, ensure market fluidity, and contribute to market liquidity. In this way, ABAM contributes to maintaining the relevance and efficiency of the markets, as well as ensuring compliance with established rules. It also enables "small investors" to access the market and acquire securities at their fair value.
- Since data is at the heart of ABAM's systems, it plays a key role in the integration of ESG factors. Following a thorough review of suppliers, ABAM selected a leading provider to supply ESG data to power its non-financial monitoring and analysis tools.
- A "management committee" (COGE) may be convened as part of a process aimed at adjusting the positions of the alternative strategy in response to emerging opportunities or risks, thereby ensuring that limits are adjusted accordingly. A specific risk or opportunity may be ESG-related and be considered by the COGE in the same way as other risks. In general, exogenous risks, including sustainability risks, are taken into account in risk mapping.
- ABAM is committed to understanding any additional ESG considerations its clients may have and to doing its utmost to incorporate them into the investment decision-making process, provided they do not conflict with the investment objectives of the fund or the fair treatment of all investors.
- Finally, ABAM has calculated key greenhouse gas (GHG) metrics for the portfolios it manages and publishes them - on a voluntary basis - in its responsible investment policy and its annual report, which compiles voluntarily disclosed sustainability information. Specifically, ABC

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arbitrage Asset Management (ABAM) acts as the portfolio manager for the following investment vehicles:

- A management mandate for the sister company Quartys Ltd, as part of a dedicated management mandate. The associated results were included in the calculation of the group's Scope 3-15 emissions ("investments") published on its website.
- The ABCA Opportunities Fund, whose key greenhouse gas (GHG) metrics are outlined in ABAM's publicly available responsible investment policy.
- ABCA Reversion Fund, for which no information could be calculated due to the methodological constraints detailed in the responsible investment policy.

The general principles guiding this analysis apply equally to all three vehicles. The calculations are based on a rigorous methodology that has been published in the interest of accountability, transparency, and comparability.

In the medium term, ABAM aims to expand its exclusion list, track more non-financial performance indicators, assess the feasibility of other responsible investment approaches for alternative strategies while taking structural constraints into account, better integrate long-term sustainability impacts, risks, and opportunities, and conduct research and development on generating alpha linked to ESG factors. ABAM will also continue to explore available solutions for finding relevant, high-quality data. Several of these initiatives are currently underway.

Finally, this move toward responsible investing is consistent with ABAM's mission to embody the group's motto, "Positive Finance," with the group's double materiality analysis, and with its CSR policy, which is structured around three main pillars:

- A dynamic approach to recruitment and support of its employees, its primary asset, in order to create the conditions conducive to their professional development and fulfillment. The Group also relies on an incentive-based compensation policy linking each individual to collective performance and results. Although its business is inherently international, the Group also maintains a strong presence in France, by conviction.
- A focus on diversity and inclusion, in all their forms, in this effort to develop talent, in order to value all personalities and skills. Gender equality issues receive particular attention due to the specific challenges in the finance and technology sectors.
- A willingness to take environmental aspects into account in its decisions. The Group strives to reduce its direct environmental impact through various initiatives and seeks to raise awareness among its employees and stakeholders regarding environmental protection. Measuring the Group's carbon footprint, in order to identify the most relevant levers for action, is an integral part of this approach.

Further details on this matter are available in the dedicated report.

A.2. The content, frequency and means used by the entity to inform subscribers, affiliates, contributors, beneficiaries and clients about the environmental, social

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and governance quality criteria which are factored in to the investment policy and strategy

ABAM addresses environmental, social, and governance (ESG) criteria in its responsible investment policy, which is published on its website. These elements are consistent with the ABC Arbitrage Group's corporate social responsibility (CSR) approach, which it reports on publicly in its annual report and on a dedicated webpage. ABAM also responds to requests from its clients and prospects who are conducting due diligence.

The responsible investment policy is updated whenever significant changes occur in these areas and, at a minimum, once a year.

In addition, in accordance with its regulatory obligations, ABAM publishes information related to the SFDR on its website. This information is also reviewed and, where necessary, updated annually.

Finally, ABAM issues press releases to report on significant ESG events in its business.

A.3. Adherence of the entity or certain financial products to a charter, code, initiative, or obtaining certification for taking account of environmental, social and governance quality criteria, and a brief description of these, consistent with d) of 2 of Article 4 of the above-mentioned regulation.

ABAM participates in several collaborative initiatives to work closely with relevant stakeholders and contribute to a coordinated and consistent approach to sustainability issues, particularly to understand and measure the non-financial impact and performance of portfolios such as its own, and to engage in the debate on short selling, netting, and derivatives:

- ABAM has joined the UN-supported Principles for Responsible Investment (UNPRI) in 2022. Through this voluntary initiative, ABAM intends to pursue its commitment to contributing to a sustainable financial system that takes extra-financial criteria into account. Indeed, the PRI "work towards the realization of this sustainable financial system by encouraging the adoption of [six] Principles and collaboration on their implementation. [They] promote good governance, integrity and investor responsibility, and address barriers to the emergence of a sustainable financial system, whether in market practices, structures or regulations" (source UNPRI). ABAM has thus subscribed to the following 6 principles:
    - "We will incorporate ESG issues into investment analysis and decision-making processes.
    - We will be active owners and incorporate ESG issues into our ownership policies and practices.
    - We will seek appropriate disclosure on ESG issues by the entities in which we invest.
    - We will promote acceptance and implementation of the Principles within the investment industry.
    - We will work together to enhance our effectiveness in implementing the Principles.

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- We will each report on our activities and progress towards implementing the Principles."

Since 2024, ABAM has been a member of the Hedge Funds Advisory Committee (HFAC), a voluntary body composed of PRI signatory organizations whose role is to support the PRI Executive Committee in the design, delivery, and dissemination of guidance on hedge funds to help asset owners, service providers, and investment managers implement the six principles.

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- ABAM is also a member of the AFG (French Association of Financial Management), which represents and advocates for the interests of professionals in the field of third-party portfolio management. ABAM participates in the AFG's responsible investment plenary and has served on the AFD's "just transition" working group.
- ABAM participates in the Standards Board for Alternative Investments (SBAI) working group on responsible investment. This working group brings together more than 200 representatives from asset managers and institutional investors to discuss, as ESG issues arise, the principles of responsible investment and their application to alternative strategies.
- ABAM joined the Partnership for Carbon Accounting Financials (PCAF) in early 2026 to strengthen its approach to accounting for financed emissions and to contribute to the development of methodologies applicable to alternative strategies.
- ABC Arbitrage has been a signatory to the United Nations Global Compact since early 2026, reaffirming its commitment to the ten principles relating to human rights, labor, the environment, and the fight against corruption.
- Finally, ABC Arbitrage is a member of MiddleNext (an association of mid-cap companies listed on the Paris Stock Exchange), which has a CSR working group.

B. A list of the financial products mentioned in respect of Articles 8 and 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 and the overall proportion, as a percentage, of the outstanding under management taking account of environmental, social and governance quality criteria in the total amount of outstanding managed by the entity

In 2025, the alternative investment funds managed by ABAM did not fall within the definitions of Article 8 and Article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019. With the gradual integration of environmental, social, and governance criteria into the investment strategy, this may evolve in the coming years.

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As of 31/12/25, 100% of the AUM managed by ABAM took into account environmental, social, and governance criteria.

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Reporting Rixain Law

In accordance with Article L533-22-2-4 of the Monetary and Financial Code, as amended by the so-called "Rixain" Act, ABAM intends to set a quantified target for balanced gender representation and report on the results achieved in this document, which outlines its policy on incorporating environmental, social, and governance criteria into its investment strategy in accordance with the Energy and Climate Law.

The teams, bodies, and officials responsible for making investment decisions based solely on assets managed directly or through delegated authority include the Management Committee, as well as the teams consulted prior to and during committee meetings regarding key decision-making factors. As a result, 26 people, including 9 women—representing nearly 35% of the relevant workforce—were involved in investment decisions in 2025.

While not all those involved in investment decisions come from these fields, it is worth noting that approximately 80% of ABAM's employees are technical and financial engineers (developers, quantitative traders, financial operators), fields in which women are significantly underrepresented (they accounted for 30% of engineering school students according to the CDEFI's Gender Scan 2025 survey, the Conference of Directors of French Engineering Schools, a figure close to that of the national survey by IESF (Engineers and Scientists of France), which reported 24% of women among engineers in 2024). The percentage of women involved in investment decisions in 2025 is also higher than the total percentage of women at the group level (21% in 2025).

Given these constraints, ABAM intends to maintain as balanced a gender representation as possible in the teams responsible for making investment decisions in the coming years. ABAM considers that such a balance corresponds to a percentage of women ranging from 30% (initially) to 60%.

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