

Product name: Capital Group Global High Income Opportunities (LUX)
Legal entity identifier: 5493003T9JGEHH5RHHV09

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: ____% ☐ 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	☐ 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 ____% of sustainable investments ☐ with an environmental objective in economic activities that 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 Fund promotes environmental and social characteristics, provided that the companies in which investments are made follow good governance practices.

Carbon constraint: The Fund aims to maintain a Weighted Average Carbon Intensity (WACI) for its investments in corporate issuers that is lower than 50% Bloomberg US Corp HY 2% Issuer Capped Total Return, 20% JPM EMBI Global Total Return, 20% JPM GBI-EM Global Diversified Total Return, 10% JPM CEMBI Broad Diversified Total Return indexes. The WACI is based on GHG emissions (Scope 1 and 2) divided by the revenue of the investee companies. Should the WACI of the Fund not be lower than the aforementioned indexes, the Investment Adviser will consider what action is in the best interest of the Fund, its Shareholders and in line with the relevant Fund investment objective to bring the Fund back above the threshold in a reasonable period of time.

Negative screening policy. In addition, the Investment Adviser evaluates and applies ESG and norms-based exclusions to implement a Negative Screening Policy to the Fund's investments at the time of purchase.

For corporate issuers, the Investment Adviser relies on third-party providers who identify an issuer's participation in or the revenue which they derive from activities that are inconsistent with these screens with respect to certain sectors such as tobacco, fossil fuel and weapons, as well as companies violating the principles of the United Nations Global Compact (UNGC).

For sovereign issuers, the Investment Adviser conducts an eligibility assessment leveraging its proprietary sovereign ESG framework, which covers a range of ESG indicators to evaluate how well a country manages its ESG risk. The Investment Adviser uses its proprietary sovereign ESG framework to assess the ESG score of a sovereign issuer against predetermined thresholds.

The Investment Adviser selects investments to the extent they do not trigger a breach of the carbon target and are in line with the Negative Screening Policy. There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

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

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, anti-corruption and anti-bribery matters.

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

The sustainability indicators used by this Fund to measure the attainment of each of the environmental or social characteristics it promotes are the following:

The WACI is the metric used to report the Fund's carbon emissions. It helps show the carbon footprint of the portfolio compared to the index, and is based on Scope 1 and 2 emissions:

- Scope 1: direct emissions from the investee company's facilities;
- Scope 2: indirect emissions linked to the investee company's energy consumption

The Investment Adviser applies ESG and norms-based exclusions to implement a Negative Screening Policy to the Fund's investments. The Fund will monitor:

- percentage of corporate issuers failing a screen under the Negative Screening Policy; and
- percentage of sovereign issuers failing the Investment Adviser's process for assessing sovereigns.

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?

Not applicable as this Fund does not commit to make sustainable investments.

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?

Not applicable as this Fund does not commit to make sustainable investments.

The EU Taxonomy sets out a "do not 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



No

This Fund considers the following principal adverse impacts (PAIs) on sustainability factors:

- Principal Adverse Impact 1 on greenhouse gas emissions.
- Principal Adverse Impact 4 on exposure to companies active in the fossil fuel sector.
- Principal Adverse Impact 10 on UNGC violators.
- Principal Adverse Impact 14 on controversial weapons.

The above-listed principal adverse impacts on sustainability factors are considered as follows:

PAI 1 on greenhouse gas emissions is considered as part of the Fund's management of its carbon footprint (WACI) for its investments in corporate issuers, which is lower than 50% Bloomberg US Corp HY 2% Issuer Capped Total Return, 20% JPM EMBI Global Total Return, 20% JPM GBI-EM Global Diversified Total Return, 10% JPM CEMBI Broad Diversified Total Return indexes.

PAI 4 on exposure to companies active in the fossil fuel sector, PAI 10 on UNGC violators and PAI 14 on controversial weapons are considered when the Investment Adviser evaluates and applies ESG and norms-based screening to implement exclusions on corporate issuers. To support this screening, it relies on third party provider(s) who identify an issuer's participation in or the revenue which they derive from activities that are inconsistent with the ESG and norms-based screens.

Further information on how the financial product did consider principal adverse impacts (PAIs) on sustainability factors will be available in the Company's annual report.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Investment Adviser applies the following investment strategy to attain the environmental and/or social characteristics promoted:

Carbon constraint. The Investment Adviser aims to manage a carbon footprint lower than the Fund's selected index level. Therefore, it will aim to manage a carbon footprint (WACI) for its investments in corporate issuers that is lower than the Fund's selected indexes level (50% Bloomberg US Corp HY 2% Issuer Capped Total Return, 20% JPM EMBI Global Total Return, 20% JPM GBI-EM Global Diversified Total Return, 10% JPM CEMBI Broad Diversified Total Return). Should the WACI of the Fund not be lower than the level of the aforementioned indexes, the Investment Adviser will consider what action is in the best interest of the Fund, its Shareholders and in line with the relevant Fund investment objective to bring the Fund back above the threshold in a reasonable period of time. The Investment Adviser carries out ongoing monitoring of WACI at the Fund level, and may reduce or eliminate exposures to certain companies as necessary.

The selected index is representative of the investment universe of the Fund. The Investment Adviser assesses the portfolio WACI data on an ongoing basis to help the Fund remain within the target level. This allows the Investment Adviser to measure the carbon footprint and carbon intensity of the portfolio compared to the selected index, and to understand the attribution of the emission results. From an investment perspective, carbon footprint analysis can serve as a tool to engage with the investee company and better understand the investee company's business. In the event that reported carbon emissions data is not available for a particular issuer, the third party provider may provide estimates using their own methodologies. Issuers that do not have any carbon emissions data available (reported or estimated) are excluded from the WACI calculation. This will not apply to sovereign issuers. It is not the intention of the Investment Adviser to automatically exclude higher carbon emitters on an individual basis as the carbon intensity is monitored at the total portfolio level rather than at the individual holding level.

Negative screening policy. The Investment Adviser also evaluates and applies ESG and norms-based screening to implement a Negative Screening Policy to the Fund's investments at the time of purchase.

To support this screening on corporate issuers, the Investment Adviser relies on third party provider(s) who identify an issuer's participation in or the revenue which they derive from activities that are inconsistent with the ESG and norms-based screens. In this way, third party provider data is used to support the application of ESG and norms-based screening by the Investment Adviser. In the event that exclusions cannot be verified through third-party providers or if the Investment Adviser believes that data and/or assessment is incomplete or inaccurate, the Investment Adviser reserves the right to identify business involvement activities through its own assessment (including by using other third-party data sources). If an eligible corporate issuer held in a Fund subsequently fails a screen, the issuer will not contribute towards the environmental and/or social characteristics of the Fund and will generally be sold within six months from the date of such determination, subject to the best interests of investors in the Fund.

For sovereign issuers, the Investment Adviser conducts an eligibility assessment leveraging its proprietary sovereign ESG framework, which covers a range of ESG indicators to evaluate how well a country manages its ESG risk. To be eligible for investment, sovereigns must score above pre-determined thresholds for their proprietary ESG score on both an absolute and GNI-adjusted basis. If the Investment Adviser believes that the third-party data and/or assessment is incomplete or inaccurate, the Investment Adviser reserves the right to identify exclusions for sovereign issuers through its own assessment. The Investment Adviser also periodically reviews sovereign issuers and if a previously eligible sovereign issuer held in the Fund becomes ineligible, the sovereign issuer will not contribute towards the environmental and/or social characteristics of the Fund and the sovereign issuer will generally be sold within six months from the date of such determination, subject to the best interests of investors in the Fund (save that if the Investment Adviser believes that a score is below a pre-defined threshold for a temporary or a transitory reason, the Investment Adviser may, from time to time, exercise its discretion to keep holding or purchase securities issued by the sovereign issuer).

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 Fund has the following binding elements:

1) Carbon constraint. The Fund aims to manage a carbon footprint (WACI) for its investment in corporate issuers that is lower than the Fund's selected indexes level (50% Bloomberg US Corp HY, 20% JPM EMBI Global Total Return 2% Issuer Capped Total Return, 20% JPM GBI-EM Global Diversified Total Return, 10% JPM CEMBI Broad Diversified Total Return). This will not apply to sovereign issuers. Should the WACI of the Fund not be lower than the aforementioned index, the Investment Adviser will consider what action is in the best interest of the Fund, its Shareholders and in line with the relevant Fund investment objective to bring the Fund back above the threshold in a reasonable period of time.

2) Negative Screening Policy. The Fund applies investment restrictions rules on a pre-trade basis in portfolio management systems to prohibit investment in corporate and sovereign issuers based on the negative screening criteria. The portfolio also undergoes

post-trade compliance checks.

The Investment Adviser selects investments to the extent they do not trigger a breach of the carbon target and are in line with the Negative Screening Policy.

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

Not applicable.

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

When assessing good governance practices, the Investment Adviser will, as a minimum, have regard to matters it sees relevant to the four prescribed pillars of good governance (i.e., sound management structures, employee relations, remuneration of staff and tax compliance).

As described above, the Investment Adviser applies a Negative Screening Policy to the Fund. As part of this, the Investment Adviser excludes companies that, based on available third-party data, are viewed to be in violation of the principles of the UNGC, which include Principle 10 (anti-corruption) and Principle 3 (employee relations).

In addition, good governance practices are evaluated as part of the Investment Adviser's ESG integration process. Such practices are assessed through a monitoring process based on available third-party indicators relating to corporate governance and corporate behavior. Third-party data may be inaccurate, incomplete or outdated. Where the corporate governance and corporate behavior indicators cannot be verified through the third-party provider, the Investment Adviser will aim to make such determination through its own assessment based on information that is reasonably available. Where relevant, fundamental analysis of a range of metrics that cover auditing practices, board composition, and executive compensation, among others, is also conducted. The Investment Adviser also engages in regular dialogue with companies on corporate governance issues and exercises its proxy voting rights for the entities in which the Fund invests.

If a previously eligible company held in a Fund subsequently fails the Investment Adviser's assessment of good governance practices, the company will generally be sold within six months from the date of such determination, subject to the best interests of investors in the Fund.

Capital Group's ESG Policy Statement provides additional detail on Capital Group's ESG philosophy, integration, governance, support and processes, including proxy voting procedures and principles, as well as views on specific ESG issues, including ethical conduct, disclosures and corporate governance. Information on Capital Group's corporate governance principles can be found in its Proxy Voting Procedures and Principles as well as in the ESG Policy Statement.

Good governance

practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Asset allocation

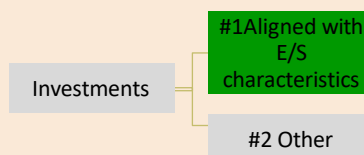
describes the share of investments in specific assets.

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.



What is the asset allocation planned for this financial product?



#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.

At least 60% of the Fund's investments are in category "#1 Aligned with E/S characteristics" and so are used to attain the environmental or social characteristics promoted by the Fund (being subject to the Investment Adviser's binding Negative Screening Policy and carbon constraint). A maximum of 40% of the Fund's investments including investments non-aligned with the E/S characteristics promoted, securitised debt, derivatives and/or cash and cash equivalents are in category "#2 Other".

The Fund does not commit to make any sustainable investments.

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

The Fund can use derivatives for investment, hedging and/or efficient portfolio management purposes but will not use them to attain the environmental or social characteristics it promotes.

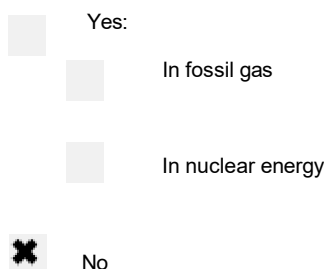
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules. **Enabling activities** directly enable 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.



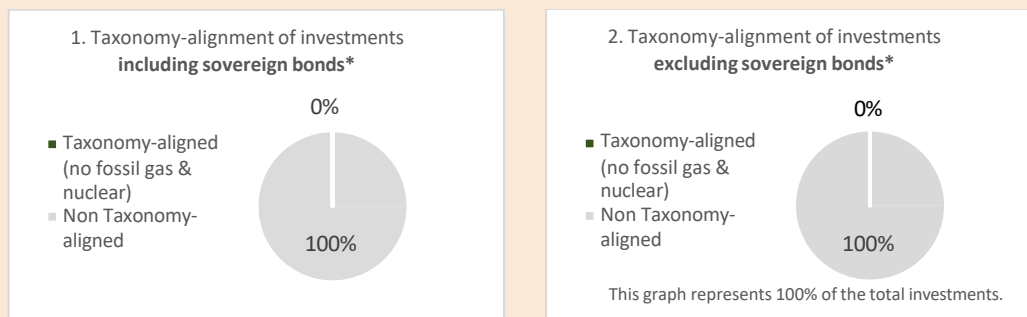
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While this Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, its commitment to make “environmentally sustainable investments” within the meaning of the Taxonomy Regulation is set at 0% (including in transitional and enabling activities).

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?



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.*



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

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

0%. This Fund does not commit on a minimum share of investments in transitional and enabling activities.



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



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

Not applicable as this Fund does not commit on making sustainable investments.



What is the minimum share of socially sustainable investments?

Not applicable as this Fund does not commit on making sustainable investments.



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

The investments included under “#2 Other” are investments (including derivatives, securitised debt and/or cash and cash equivalents) which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments, but are used to attain the investment objective of the Fund. There are no minimum environmental or social safeguards applicable to these investments.

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.



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



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?

No, there is no specific index designated as a reference benchmark to determine whether this Fund is aligned with the environmental and/or social characteristics that it promotes.

Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.capitalgroup.com/individual-investors/lu/en/fund-centre.CGHIOLU.html>

More information can also be found in Capital Group's ESG Policy Statement and Capital Group's proxy voting procedures and principles. These documents can be found on:

https://www.capitalgroup.com/content/dam/cgc/shared-content/documents/policies/02_CR_ESG_Global_Proxy_Policy_FINAL_March_2022.pdf

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