

North–East

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial Market Participant: North-East Asset Management

Summary:

North-East Asset Management considers principal adverse impacts of our investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of North-East Asset Management

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Climate and Other Environment-Related Indicators

Adverse sustainability indicator		Metric	Explanation	Actions taken, planned and targets set for the next reference period
GHG Emissions	1. GHG Emissions	Scope 1	2022 is the first year that North-East started collecting E and S data on the companies our different sub-funds are invested in. As this is the	North-East is currently working with our investment managers to improve data reliability and increase coverage around carbon emissions with the overall objective of improving climate
		Scope 2		
		Scope 3		
		Total GHG Emissions		

IN AN EVER-CHANGING WORLD

	2. Carbon Footprint	Carbon Footprint	first year, data reliability on this PAI is still quite low, especially for our non-listed assets. Consequently, confidence to disclose publicly is not optimal.	performance amongst our investee companies. Beyond quantifying carbon emissions, the overall objective of North-East is to determine whether our portfolios are in line with the 1.5 degree scenario agreed upon in COP 15 in Paris. This also means considering qualitative information (when relevant) such as corporate strategy, climate policy throughout their supply chain, etc. and taking them into consideration with historical climate quantitative information.
	3. GHG Intensity of investee companies	GHG Intensity of investee companies		
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	Current investment strategy doesn't consider companies active in fossil fuels.	Investment strategy is not likely to deviate from the current one with regards to companies active in fossil fuels. However, should this change, North-East will work with the relevant investment managers on how to engage with such companies to transition to a low carbon economy.

	<p>5. Share of non-renewable energy consumption and production</p>	<p>Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources</p> <p>compared to renewable energy sources, expressed as a percentage of total energy sources</p>	<p>2022 is the first year that North-East started collecting E and S data on the companies our different sub-funds are invested in. As this is the first year, data reliability is still quite low, especially for our non-listed assets. Consequently, confidence to disclose publicly is not optimal.</p> <p>Furthermore, current investment strategy doesn't consider energy-producing companies.</p>	<p>While it is important to ensure that companies increase the use of renewable energy sources in their electric consumption, it is equally important to note that not all of the companies have the same ability and resources to do so as access to renewable energy varies greatly from different markets and could have significant impacts on the company's business.</p> <p>Renewable energy will only become widely consumed when it becomes the default option for households and industry. As such, a more effective approach would be to engage energy producers and see how they can transition to providing renewable energy at a greater scale.</p>
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	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	Current investment strategy doesn't consider companies in high impact climate sectors.	Investment strategy is not likely to deviate from the current one with regards to companies in high impact climate sectors. However, should this change, North-East will work with the relevant investment managers on how to engage with such companies to transition to a low carbon economy.
Biodiversity	7. Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	2022 is the first year that North-East started collecting E and S data on the companies our different sub-funds are invested in. Data specifically for this PAI is very scarce or difficult to interpret consistently and in a meaningful way. Consequently, confidence to disclose publicly is not optimal.	Negative impact on biodiversity is considered when the company has a high exposure because of their industry or geography. Data around impacts on biodiversity sensitive areas remains scarce especially when looking at the supply chain. Until reliable and consistent quantitative data is available, qualitative data around biodiversity is considered on whether determining the company is in the risk of having negative impact on biodiversity sensitive areas.

Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	2022 is the first year that North-East started collecting E and S data on the companies our different sub-funds are invested in. Data specifically for this PAI is very scarce or difficult to interpret consistently and in a meaningful way. Consequently, confidence to disclose publicly is not optimal.	Negative impact on water is considered when the company has a high exposure because of industry or geography. Data around impacts on water emissions remains scarce especially when looking at the supply chain. Until reliable and consistent quantitative data is available, qualitative data around biodiversity is considered on whether determining the company is in the risk of having negative impact on water supply and/or quality.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	Current investment strategy doesn't consider companies that produce high levels of hazardous waste and radioactive waste.	Investment strategy is not likely to deviate from the current one with regards to companies producing hazardous waste and radioactive waste. However, should this change, North-East will work with the relevant investment managers on how to minimize and carefully dispose

				of their hazardous waste and radioactive waste.
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Indicators for Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters

Adverse sustainability indicator		Metric	Explanation	Actions taken, planned and targets set for the next reference period
Social and Employee Matters	10. Violations of UN Global Compact (UNGC) Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises		Adherence to UNGC Principles and OECD's Guidelines for MNCs is a minimal expectation North-East has for our investment managers for consideration of a company into their investment universe.

	Multina- tional En- terprises			
	11.Lack of processes and com- pliance mecha- nisms to monitor compli- ance with UNGC Principles and OECD Guide- lines	Share of in- vestments in investee com- panies without policies to monitor com- pliance with the UNGC prin- ciples or OECD Guidelines for Multinational Enterprises or grievance/com- plaints han- dling mecha- nisms to ad- dress violations of the UNGC principles or OECD Guide- lines for Multi- national Enter- prises	Companies have in place policies and com- pliance mechanisms to monitor compliance to the UNGC Principles and/or OECD Guide- lines.	Should a company not have a process or compliance mecha- nism in place, a holistic analysis will be done to consider the level of risk this would pose to the likelihood of the company incur- ring social violations.
	12.Unad- justed	Average unad- justed gender	2022 is the first year that North-East started	North-East discusses equal gen- der pay with the investment

	gender pay gap	pay gap of investee companies	collecting E and S data on the companies our different sub-funds are invested in. Data specifically for this PAI is very scarce or difficult to interpret consistently and in a meaningful way. Consequently, confidence to disclose publicly is not optimal.	managers particularly in companies where this could be a major issue.
	13.Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	2022 is the first year that North-East started collecting E and S data on the companies our different sub-funds are invested in. Data reliability on this PAI is still quite low, especially for our non-listed assets. Consequently, confidence to disclose publicly is not optimal.	While gender diversity at the Board level is important. It is even more important to see the workforce diversity at different levels of seniority to ensure a pipeline of high-quality female leaders. North-East discusses with investment managers on workforce diversity particularly in companies where this is an issue.

	14.Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	Current investment strategy doesn't consider companies that produce controversial weapons.	This aspect of our investment strategy is unlikely to change in the foreseeable future.
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Indicators Applicable to Investments in Sovereigns and Supranationals

Adverse sustainability indicator		Metric	Explanation	Actions taken, planned and targets set for the next reference period
Environmental	15.GHG Intensity	GHG intensity of investee countries	2022 is the first year that North-East started collecting E and S data on the companies our different sub-funds are invested in. Data reliability on this PAI is still quite low, especially for our non-listed assets.	When considering sovereign bonds, North-East considers a variety of environmental factors, including GHG intensity, overall policies around climate and historical track record around climate.

			Consequently, confidence to disclose publicly is not optimal.	
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Current investment strategy focuses on OECD countries where such social violations are less frequent.	This aspect of our investment strategy is unlikely to change in the foreseeable future.

Description of Policies to Identify and Prioritise Principal Adverse Impacts on Sustainability Factors

Please see Policy on the integration of sustainability risks.