

Principal Adverse Impacts Statement

1 Summary

Söderberg & Partners Asset Management S.A. (the “**Company**”), LEI 529900AH2YKSBWK93Q89, considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of the Company as per Article 4 of Regulation (EU) 2019/2088 (the “**SFDR**”).

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

The Company considers principal adverse impacts of its investment decisions on sustainability factors in each fund managed by the Company (the “**Fund**” or “**Funds**” collectively). The sustainability factors considered to be material are in the field of environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. Principal adverse impacts should be understood as those impacts of investment decisions that result in negative effects on sustainability factors. This statement will be reviewed at least annually, or whenever needed due to regulatory or operational changes.

2 Description of the principal adverse impacts on sustainability factors

Nearly all types of economic activity have the potential to impact sustainability factors, both positively and negatively. Principal adverse impact indicators are a way of measuring how investment decisions adversely affect sustainability factors.

The primary focus of the Funds’ investments is other funds and exchange traded derivatives (“**Target funds**”), but the Company also makes investments in listed equities (“**Target equities**”). This statement encompasses the companies in which the Target funds invest as well as the Company’s direct investments in Target equities (“**Investee companies**” collectively).

The Company addresses adverse impacts with the same approach as for sustainability risks and excludes any investments that may significantly harm any environmental, social or governance (“**ESG**”) factors. The Company’s main principle is to use its influence to bring about positive changes in its investments, rather than to exclude and divest. However, the Company conducts exclusion when the ability to influence the Target fund or Investee company to align its operations with sustainable development is limited, or when an investment has a high sustainability risk. Should the monitoring show that the management of a Target fund or Target equity is not sufficiently addressing an ESG issue within one year of first being identified, i.e., no progress is made, or no action plan is in place, the Fund in question shall divest following a discussion with the Company’s Responsible Investment Committee (“**RI Committee**”).

The Company has a history of ESG integration and engagement with underlying holdings, some of which is detailed in the annual Climate Report. Moreover, the Company conducts voting activities, summarized in the annual Vote Summary. These reports are available on the Company’s website www.soderbergpartners.lu/sustainability.

In addition, the Company monitors and evaluates a range of principal adverse impact indicators, listed below:

Adverse sustainability indicator		Metric
<i>Table 1</i>		
Climate and other environment-related indicators		
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions
		Scope 2 GHG emissions
		Scope 3 GHG emissions
		Total GHG emissions
	Carbon footprint	Carbon footprint
	GHG intensity of investee companies	GHG intensity of investee companies
	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector
Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	
	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
Biodiversity	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
Water	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average
Waste	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
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters		
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises

	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies
	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members
	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
Indicators applicable to investments in sovereigns and supranationals		
Environmental	GHG intensity	GHG intensity of investee countries
Social	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
<i>Table 2</i>		
Additional climate and other environment-related indicators		
Water, waste and material emissions	Water usage and recycling	Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies
		Weighted average percentage of water recycled and reused by investee companies
	Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy
<i>Table 3</i>		
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters		
Human Rights	Lack of a human rights policy	Share of investments in entities without a human rights policy

3 Description of policies to identify and prioritise principal adverse impacts on sustainability factors

3.1 Policies on identification of principal adverse impacts

The policy for responsible investments (“**Policy for Responsible Investments**”) and the policy for shareholder engagement (“**Policy for Shareholder Engagement**”), both approved by the Board of Directors on the 5th of December 2022, are policies applied for the assessment of principal adverse impacts. The process of managing the overall responsible investing activities is coordinated internally with an active input from the Company’s RI Committee. The RI Committee is responsible for the ongoing management of sustainability risks and operates in a both reactive and proactive way. Furthermore, the RI Committee develops and organizes work around responsible investing, including updating and overseeing related policies and procedures adhering to the ESG management, and keeps the organisation informed about developments relating to sustainability.

3.2 Methodology for addressing principal adverse impacts

The Company will identify and prioritise the mandatory indicators related to principal adverse impacts on sustainability factors referred to in Article 4(6) and (7) of the SFDR. The Company will also identify and prioritise at least one additional indicator related to principal adverse impacts on a climate or other environment related sustainability factor and at least one additional indicator related to principal adverse impacts on a social, employee, human rights, anti-corruption, or anti-bribery sustainability factor. All indicators used to identify and assess principal adverse impacts on sustainability factors are detailed in the table above and have been aligned with the Söderberg & Partners Group.

The Company monitors and evaluates indicators that are deemed to indicate the presence of a principal adverse impact throughout the lifecycle of the Funds. As the Funds are fund-of-funds, the Company requires that Target funds consider principal adverse impacts on sustainability factors. The Company has a process in place to measure the principal adverse impacts on sustainability factors of the Target funds and Target equities ("**PAI process**"). For Target funds, this is done on a look-through basis. The Company uses an internal tool based on data provided by external data providers for measuring and comparing principal adverse impacts of the Target funds pre-investment and on an annual basis. If a Target fund shows deterioration of a considered indicator between measurements, the investment will be flagged. The Company will discuss the progress of the indicator with the Target fund, whereafter the flagged investment can be classified as Resolved, Transitioning (clear action plan to improve the indicator in place) or Unresolved (no action is taken or plan in place). If the investment is flagged as Unresolved after the first assessment, it will be discussed with the Company's RI Committee to determine the appropriate action that needs to be taken. The Company monitors and classifies Target equities in the same manner as Target funds.

To mitigate negative externalities, the Company also has a process in place to ensure that Target funds and Target equities follow its rules for the exclusion of Investee companies as stated in the *Policy for Responsible Investments* ("**Screening process**"). This entails that the Company conducts pre-investment and semi-annual screenings on whether the Investee companies follow the exclusion criteria stated in *Appendix 1 of the Policy for Responsible Investments*. The Company can accept deviations from the exclusion criteria if an Investee company is transitioning towards a more sustainable business. If an Investee company is flagged in a screening, the Company will discuss the Investee company's progress with the Target fund or Target equity, whereafter it is classified, using an internal tool based on data provided by external parties, as Resolved, Transitioning (clear action plan to resolve the violation) or Unresolved (in violation of the exclusion criteria). If the investment is classified as Unresolved after the first assessment, it will be discussed with the Company's RI Committee to determine the appropriate action that needs to be taken.

3.3 Data sources used to assess principal adverse impacts

The Company identifies principal adverse impacts on sustainability factors through various means, including the Screening and PAI processes, based on the information collected from the third-party data provider Sustainalytics (www.sustainalytics.com), a Morningstar company. In turn, Sustainalytics collects information from publicly available reports published by the companies, through direct contact with the companies, and from media. Where information relating to any of the indicators prioritised is not available, best effort is used for assessment of the adverse impacts, including a description of any reasonable assumptions made, cooperation with third-party data providers, or use of external experts.

The Company may also utilize information from other service providers, internal analysts, and specialists in the field of sustainable investments, use publicly available information, shared

information from peer networks or engage directly with the Target fund managers or the management of companies.

In evaluating principal adverse impacts, the Company is dependent upon information and data sources provided by internal resources and by external research providers, which may be incomplete, inaccurate, or unavailable. Consequently, there is a risk that the Company may incorrectly assess an adverse impact. Furthermore, an assessment may involve the Company's subjective judgement. As a result, there is a risk that an adverse impact may not be applied correctly. No representation nor warranty is made with respect to the fairness, accuracy, or completeness of such adverse impacts.

For more information on current data sources, see the sustainability-related disclosures for each Fund on the Company's website www.soderbergpartners.lu/our-funds.

4 Engagement policies

The Company shall take an active and responsible role as an investor in the companies in which the Funds invest. In the role as investor, the Company shall always aim for long-term values with emphasis on sustainability, activity, and responsibility.

As aforementioned, the primary focus of the Funds' investments is other funds and exchange traded derivatives. For these investments, the possibilities of shareholder engagement by voting are considered limited. Nevertheless, the Investee companies are continuously monitored by the Company with respect to ESG factors. The Funds will not invest in other funds with severe or systematic ESG controversies. Moreover, the investment in other funds should follow the Company's *Policy for Responsible Investments* and should not be made if the Company deems that the Target funds are not likely to address problematic issues identified in the PAI and/or Screening process within an acceptable amount of time. The level of engagement with the Target funds varies and depends, for example, on the size of the Funds' holdings and anticipated improvement.

Moreover, in addition to investments in other funds, the Company, on behalf of the Funds, invests in Target equities. When acting as a direct shareholder the Company shall assess the possibilities to create financial and/or ESG added values for the shareholders through the investments. Based on these assessments the Company shall be actively engaged in the governance of the relevant Target equity, either independently or together with other shareholders or organisations. The engagement may be exercised by one or several of the following activities: engagement in board recruitment processes, participation and voting at general meetings, various types of constructive dialogues with, among others, the management of the company, ESG-teams, other investors, and partners. The Company shall always act in a way that benefits the investors in the Funds.

For more information on engagement policies, please refer to the Company's *Policy for Shareholder Engagement*. The Company's *Policy for Responsible Investments* and *Policy for Shareholder Engagement* are reviewed annually and will be adapted where there is no reduction of the principal adverse impacts over more than one reported period.

5 References to international standards

The Company monitors how the Investee companies adhere to international norms and conventions through a norm-based screening based on the UN Global Compact and the OECD Guidelines for Multinational Companies. The process for adherence to international standards is incorporated in the Screening process. The principles of the UN Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental

Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. The OECD Guidelines set standards for responsible business conduct across human rights, labour rights, and the environment.

The Company recognises the importance of participating in international initiatives that support companies to operate in a more sustainable manner. The Company has signed the United Nations Principles for Responsible Investment (“**PRI**”), which is the leading international initiative for responsible investment for companies in the financial sector. The Company is committed to contributing to climate change solutions and the goals of the Paris Agreement, as well as the United Nations Sustainable Development Goals (“**SDGs**”) which will remain a guiding framework for the Company’s activities. In keeping with this, the Company has also signed the Task Force on Climate-related Financial Disclosures (“**TCFD**”), which is an agenda on climate change that is comprehensive and focused on accelerating investor action for a net-zero emissions economy. Detailed information on the initiatives the Company has signed can be found on www.soderbergpartners.lu/sustainability.

The organization 2° Investing Initiative has developed a forward-looking scenario analysis tool to help asset managers, central banks, and financial institutions to measure their climate risks: the Paris Agreement Capital Transition Assessment tool (“**PACTA**”). The tool was launched in 2018 in collaboration with PRI.

Our application of principal adverse impacts builds on these commitments. All indicators used to identify and assess principal adverse impacts on sustainability factors are detailed in the table above.

6 Historical comparison

Details of the assessment of principal adverse sustainability impacts will be published annually on the Company’s website. The first reporting period will cover 1 January 2022 to 31 December 2022.