



Söderberg  
& Partners

# Principal Adverse Impacts Statement

**Financial Market Participant**

**Legal entity name:** Söderberg & Partners Asset Management S.A.

**LEI:** 529900AH2YKSBWK93Q89

## Statement on principal adverse impacts of investment decisions on sustainability factors

### 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 2023 to 31 December 2023.

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, summarised in the annual Vote Summary. These reports are available on the Company’s website [www.soderbergpartners.lu/sustainability](http://www.soderbergpartners.lu/sustainability).

In addition, the Company monitors and evaluates a range of principal adverse impact indicators, listed on the following pages.

### 1. Sammanfattning

Söderberg & Partners Asset Management S.A. (“Bolaget”), LEI 529900AH2YKSBWK93Q89, beaktar de huvudsakliga negativa konsekvenserna av sina investeringsbeslut för hållbarhetsfaktorer. Föreliggande redogörelse är den konsoliderade redogörelsen för huvudsakliga negativa konsekvenser för hållbarhetsfaktorer för Bolaget i enlighet med Artikel 4 i förordning (EU) 2019/2088.

Denna redogörelse för de huvudsakliga negativa konsekvenserna för hållbarhetsfaktorer omfattar referensperioden från 1 januari 2023 till den 31 december 2023.

Bolaget beaktar huvudsakliga negativa konsekvenser för hållbarhetsfaktorer av sina investeringar i varje fond som förvaltas av Bolaget. Hållbarhetsfaktorerna som anses vara väsentliga är miljörelaterade, sociala och personalrelaterade frågor, respekt för mänskliga rättigheter samt bekämpning av korruption och bestickning. Huvudsakliga negativa konsekvenser ska tolkas som de konsekvenser av investeringsbeslut som resulterar i negativa effekter på hållbarhetsfaktorer. Denna redogörelse kommer att granskas årligen, eller närhelst det behövs på grund av regulatoriska eller operativa förändringar.

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period	
<i>Table 1</i>						
<b>Climate and other environment-related indicators</b>						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	5 007.42	8 774.59	<p><i>Coverage</i><sup>1</sup>: 72%</p> <p><i>Definition</i>: Emissions generated from sources controlled by the Investee companies (tCO<sub>2</sub>e).</p> <p>In the dataset for this indicator, 93% of all values are self-reported, while the rest are estimated values.</p>	<p><i>General approach</i><sup>2</sup>: Continuous dialogues with the Target funds and Target equities that account for a substantial deterioration of the indicator between measurements are conducted.</p> <p><i>Prioritised principal adverse impacts</i><sup>3</sup>: In 2022, the Söderberg &amp; Partners Group commissioned a meta study on what sustainability factors pay off. The paper explores the expected financial impact of the principal adverse impacts on investors and companies and found a positive relationship between several. From this, the Company selected both targeted Sustainable Development Goals and prioritised principal adverse impact indicators, of which this is one. Through the Company's PAI process, detailed in section 3.2, the Company aims to engage in dialogue with Target funds to reduce the GHG emissions of their underlying holdings, as well as improve their reporting on emissions, climate risks, and activities that affect the climate.</p>
		Scope 2 GHG emissions	2 694.07	4 416.39	<p><i>Coverage</i>: 72%</p> <p><i>Definition</i>: Emissions from the consumption of purchased electricity, steam, or other sources of energy generated upstream from the Investee companies (tCO<sub>2</sub>e).</p> <p>In the dataset for this indicator, 93% of all values are self-reported, while the rest are estimated values.</p>	
		Scope 3 GHG emissions	98 553.40	79 166.92	<p><i>Coverage</i>: 72%</p> <p><i>Definition</i>: All indirect emissions that are not covered by Scope 1 and Scope</p>	

<sup>1</sup> The coverage is based on both reported data collected from the investee companies, and estimated data generated by a third-party data provider. This applies to all adverse sustainability indicators for which any values have been indicated in this section.

<sup>2</sup> The general approach applies to all adverse sustainability indicators for which an impact has been indicated in this section.

<sup>3</sup> The same information and methodology apply to table 1, adverse sustainability indicators 1-5 on greenhouse gas emissions.

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period
				<p>2 that occur in the value chain of the reporting Investee companies, including both upstream and downstream emissions, in particular for sectors with a high impact on climate change and its mitigation (tCO<sub>2</sub>e).</p> <p>In the dataset for this indicator, 91% of all values are self-reported, while the rest are estimated values.</p> <p>The increased impact from 2022 to 2023 is due to the increase in coverage.</p>	<p><a href="http://www.soderbergpartners.se/insikt/artiklar/hallbarhet/vilka-hallbarhetsfaktorer-lonar-sig/">www.soderbergpartners.se/insikt/artiklar/hallbarhet/vilka-hallbarhetsfaktorer-lonar-sig/</a></p> <p>The carbon footprint of the Funds is continuously measured and reported in the Company's annual Climate Report, informed by the Task Force on Climate-related Financial Disclosures ("TCFD"). One metric used wherein is weighted average carbon intensity ("WACI"), as recommended by the TCFD and used as the industry standard in Sweden, which includes Scope 1 and Scope 2. The Company monitors and evaluates all the underlying factors of the WACI, and considers this metric as a commitment for adjustments, divestments, and new investments where funds with a low WACI are preferred.</p> <p><a href="http://www.soderbergpartners.lu/sustainability/">www.soderbergpartners.lu/sustainability/</a></p> <p>In one of the strategy's the Company manages, focus is on active engagement within various themes, selected based on a vote amongst investors. One such theme is reduce carbon emissions, which was initiated in the end of 2023. The engagement project will be conducted in collaboration with an external expert, specifically chosen for their capability to conduct climate analyses, perform climate impact calculations, and ability to develop tailored action plans for companies.</p>
	Total GHG emissions	106 220.97	93 037.95	<p><i>Coverage:</i> 72%</p> <p><i>Definition:</i> The total carbon emissions (Scope 1, 2 and 3) of the Investee companies (tCO<sub>2</sub>e).</p> <p>In the dataset for this indicator, 91% of all values are self-reported, while the rest are estimated values.</p> <p>The increased impact from 2022 to 2023 is due to the increase in coverage.</p>	

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period
	2. Carbon footprint	Carbon footprint	197.49	143.49	<p><i>Coverage:</i> 72%</p> <p><i>Definition:</i> Provides a basis for assessing certain climate-related financial risks, such as the price of carbon dioxide, and facilitates the impact on Investee companies to reduce their emissions, for example through requirements for emission reduction targets, risk management, business strategies, and transparency (tCO<sub>2</sub>e/M€).</p> <p>In the dataset for this indicator, 91% of all values are self-reported, while the rest are estimated values.</p> <p>The increased impact from 2022 to 2023 is due to the increase in coverage.</p>	<p>See the <i>general approach</i> and information on <i>prioritised principal adverse impacts</i> in table 1, indicator 1.</p> <p>The carbon footprint of the Funds is continuously measured and reported in the Company's annual Climate Report, informed by the TCFD. This includes information on the tools used for forward-looking climate scenarios, to measure the degree of alignment of the Funds with the objectives of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change.</p> <p><a href="http://www.soderbergpartners.lu/sustainability/">www.soderbergpartners.lu/sustainability/</a></p>
	3. GHG intensity of investee companies	GHG intensity of investee companies	523.80	327.51	<p><i>Coverage:</i> 69%</p> <p><i>Definition:</i> The intensity of total greenhouse gas emissions (Scope 1, 2 and 3) of the Investee companies (tCO<sub>2</sub>e/M€).</p> <p>In the dataset for this indicator, 91% of all values are self-reported, while the rest are estimated values.</p>	<p>See the <i>general approach</i> and information on <i>prioritised principal adverse impacts</i> in table 1, indicator 1.</p>

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period
				The increased impact from 2022 to 2023 is due to the increase in coverage.	
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.70%	0.97%	<p>Coverage: 54%</p> <p><i>Definition:</i> Investee companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels, i.e. non-renewable carbon-based energy sources such as solid fuels, natural gas and oil.</p> <p>The Funds have a small exposure to fossil fuels, which is not in violation of the Company's exclusion criteria.</p>	<p>See the <i>general approach</i> and information on <i>prioritised principal adverse impacts</i> in table 1, indicator 1.</p> <p>No more than 10% of an Investee company's turnover may be derived from activities involving thermal coal.</p> <p>The threshold of this indicator was reduced from 30% to 10% at the end of 2023.</p>
5. 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, ex-	<p><i>Consumption:</i> 27.47%</p> <p><i>Production:</i> 2.69%</p>	<p><i>Consumption:</i> 20.69%</p> <p><i>Production:</i> 1.83%</p>	<p>Coverage: 47% and 16%</p> <p><i>Definition:</i> Investee companies' usage of fossil energy sources in consumption and production compared to non-fossil sources, i.e. wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas.</p>	<p>See the <i>general approach</i> and information on <i>prioritised principal adverse impacts</i> in table 1, indicator 1.</p> <p>Companies with energy production from thermal coal are excluded from the Funds in accordance with the Company's criteria for fossil fuels.</p>

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period	
		pressed as a percentage of total energy sources			The increased impact from 2022 to 2023 is due to the increase in coverage.	
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	<p><i>Sector A – Agriculture, forestry and fishing: N/A</i></p> <p><i>Sector B – Mining and quarrying: N/A</i></p> <p><i>Sector C – Manufacturing: 0.099</i></p> <p><i>Sector D – Electricity, gas, steam and air-conditioning supply: 0.007</i></p> <p><i>Sector E – Water supply; sewage, waste management and remediation activities: N/A</i></p> <p><i>Sector F – Construction: 0.0004</i></p> <p><i>Sector G – Wholesale and retail trade; repair of motor vehicles and motorcycles: 0.005</i></p>	<p><i>Sector A – Agriculture, forestry and fishing: N/A</i></p> <p><i>Sector B – Mining and quarrying: N/A</i></p> <p><i>Sector C – Manufacturing: 4.90</i></p> <p><i>Sector D – Electricity, gas, steam and air-conditioning supply: N/A</i></p> <p><i>Sector E – Water supply; sewage, waste management and remediation activities: N/A</i></p> <p><i>Sector F – Construction: N/A</i></p> <p><i>Sector G – Wholesale and retail trade; repair of</i></p>	<p>Coverage: 0%, 0%, 27%, 1%, 0%, 1%, 3%, 0% and 3%</p> <p><i>Definition:</i> The ratio of energy consumption per unit of activity, output or any other metric of the Investee companies to the total energy consumption of that Investee company (GWh/M€).</p> <p>The value is conditional on coverage greater than 0% (rounded).</p>	<p>See the <i>general approach</i> in table 1, indicator 1.</p> <p>The availability and coverage of data on energy consumption intensity of Investee companies, per high impact climate sector, is low. In general, this is due to the fact that reported data is scarce compared to estimated data, but the Company expects this to improve over time. In the meantime, the Company is actively working to ensure access to data and improve data coverage.</p>

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period
			<i>Sector H Transportation and storage:</i> N/A  <i>Sector L – Real estate activities:</i> 0.015	<i>motor vehicles and motorcycles:</i> 0.01  <i>Sector H Transportation and storage:</i> N/A  <i>Sector L – Real estate activities:</i> 0.01		
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	1.54%	3.19%	Coverage: 74%	<p>See the <i>general approach</i> in table 1, indicator 1.</p> <p>In one of the strategy's the Company manages, focus is on active engagement within various themes, selected based on a vote amongst investors. Since the fall of 2022, one such theme is biodiversity, wherein the Company is working with one Target equity. The project is two-faceted, with one part focused on developing the Target equity's pre-existing sustainability work and targets for 2023, exemplified at a physical location, and the other on implementing Science Based Targets for Nature (SBTN), launched in 2023.</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed	7.45	13.31	Coverage: 5%  <i>Definition:</i> Investee companies' direct emissions of priority substances, as	<p>See the <i>general approach</i> in table 1, indicator 1.</p> <p><i>Prioritised principal adverse impacts<sup>4</sup>:</i> In 2022, the Söderberg &amp; Partners Group commis-</p>

<sup>4</sup> The same information and methodology apply to table 2, adverse sustainability indicators 6 and 8 on water.



Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period
		as a weighted average			well as nitrates, phosphates and pesticides.	<p>sioned a meta study on what sustainability factors pay off. The paper explores the expected financial impact of the principal adverse impacts on investors and companies and found a positive relationship between several. From this, the Company selected both targeted Sustainable Development Goals and prioritised principal adverse impact indicators, of which this is one. Through the Company's PAI process, detailed in section 3.2, the Company aims to engage in dialogue with Target funds to reduce the emissions to water of their underlying holdings, as well as improve their reporting on emissions, climate risks, and activities that affect the climate.</p> <p><a href="http://www.soderbergpartners.se/insikt/artiklar/hallbarhet/vilka-hallbarhetsfaktorer-lonar-sig/">www.soderbergpartners.se/insikt/artiklar/hallbarhet/vilka-hallbarhetsfaktorer-lonar-sig/</a></p> <p>The availability and coverage of data on emissions to water of Investee companies is low. In general, this is due to the fact that reported data is scarce compared to estimated data, but the Company expects this to improve over time. In the meantime, the Company is actively working to ensure access to data and improve data coverage.</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated	238.33	82.54	Coverage: 60%	<p>See the <i>general approach</i> in table 1, indicator 1.</p> <p><i>Prioritised principal adverse impacts:</i> In 2022, the Söderberg &amp; Partners Group commissioned a meta study on what sustainability factors pay</p>

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period
		by investee companies per million EUR invested, expressed as a weighted average			The increased impact from 2022 to 2023 is due to the increase in coverage.	<p>off. The paper explores the expected financial impact of the principal adverse impacts on investors and companies and found a positive relationship between several. From this, the Company selected both targeted Sustainable Development Goals and prioritised principal adverse impact indicators, of which this is one. Through the Company's PAI process, detailed in section 3.2, the Company aims to engage in dialogue with Target funds to reduce the hazardous and radioactive waste of their underlying holdings, as well as improve their reporting on emissions, climate risks, and activities that affect the climate.</p> <p><a href="http://www.soderbergpartners.se/insikt/artiklar/hallbarhet/vilka-hallbarhetsfaktorer-lonar-sig/">www.soderbergpartners.se/insikt/artiklar/hallbarhet/vilka-hallbarhetsfaktorer-lonar-sig/</a></p>
<b>Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters</b>						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.35%	0.15%	<p>Coverage: 74%</p> <p><i>Definition:</i> Violations of any of the ten Principles of the United Nations Global Compact.</p> <p>The Funds have a small exposure to Investee companies in violation of the UNGC or OECD, which is not in violation of the Company's Screening process, detailed in section 3.2.</p>	<p>See the <i>general approach</i> in table 1, indicator 1.</p> <p>The Funds exclude companies that violate international norms and conventions related to the environment, human rights, labour rights and business ethics, e.g., the UN Global Compact and the OECD guidelines for multinational companies. However, as stated in the Company's Screening process, detailed in section 3.2, the Company can accept deviations from the exclusion criteria if an Investee company is deemed as transitioning following discussions</p>

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period
	for Multinational Enterprises				The increased impact from 2022 to 2023 is due to the increase in coverage.	with the Company's RI Committee. All Investee companies found to be in violation of the UNGC principles or OECD guidelines have been reviewed and are being closely monitored as well as regularly reassessed.  <a href="http://www.soderbergpartners.lu/Documents/Sustainability/screening_review_may_2023.pdf">www.soderbergpartners.lu/Documents/Sustainability/screening_review_may_2023.pdf</a>
11.	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	33.23%	11.92%	<i>Coverage: 60%</i>  The increased impact from 2022 to 2023 is due to the increase in coverage.	See the <i>general approach</i> in table 1, indicator 1.  Companies with violations are excluded from the Funds in accordance with the Company's criteria for international norms and conventions.
12.	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0.30%	0.27%	<i>Coverage: 2%</i>  <i>Definition:</i> The difference between average gross hourly earnings of male paid employees and of female	See the <i>general approach</i> in table 1, indicator 1.  The availability and coverage of data on gender pay gap of Investee companies is low. In general, this is due to the fact that reported data is

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period
					paid employees as a percentage of average gross hourly earnings of male paid employees.	scarce compared to estimated data, but the Company expects this to improve over time. In the meantime, the Company is actively working to ensure access to data and improve data coverage.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	22.60%	20.06%	Coverage: 69%	See the <i>general approach</i> in table 1, indicator 1.
	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	0.02%	0.04%	Coverage: 73%  The Funds have a small exposure to controversial weapons, which is not in violation of the Company's exclusion criteria.	See the <i>general approach</i> in table 1, indicator 1.  No more than 5% of an Investee company's turnover may be derived from activities in manufacturing, modernising, selling, or buying products that are specially designed for controversial weapons or nuclear weapons.
<b>Indicators applicable to investments in sovereigns and supranationals</b>						
Environmental	15. GHG intensity	GHG intensity of investee countries	N/A	N/A	Coverage: 0%  <i>Definition:</i> The intensity of total greenhouse gas emissions (Scope 1, 2 and 3) of the investee countries (tCO <sub>2</sub> e/M€).	See the <i>general approach</i> in table 1, indicator 1.  The availability and coverage of data on GHG intensity of investee countries is low. In general, this is due to the fact that reported data is scarce compared to estimated data, but the

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period
					The value is conditional on coverage greater than 0% (rounded).	Company expects this to improve over time. In the meantime, the Company is actively working to ensure access to data and improve data coverage.
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	<i>Absolute:</i> N/A <i>Relative:</i> N/A	<i>Absolute:</i> N/A <i>Relative:</i> N/A	<i>Coverage:</i> 0% and 0% The value is conditional on coverage greater than 0% (rounded).	See the <i>general approach</i> in table 1, indicator 1. The availability and coverage of data on social violations of investee countries is low. In general, this is due to the fact that reported data is scarce compared to estimated data, but the Company expects this to improve over time. In the meantime, the Company is actively working to ensure access to data and improve data coverage.
<b>Indicators applicable to investments in real estate assets</b>						
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	Not applicable given the Funds' investment universe.	Not applicable given the Funds' investment universe.	-	-
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	Not applicable given the Funds' investment universe.	Not applicable given the Funds'	-	-

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period
			investment universe.		

Table 2

### Additional climate and other environment-related indicators

Water, waste and material emissions	6. Water usage and recycling	Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	3 392.16	603.30	Coverage: 70%  The increased impact from 2022 to 2023 is due to the increase in coverage.	See the <i>general approach</i> in table 1, indicator 1, and information on <i>prioritised principal adverse impacts</i> in table 1, indicator 8.
		Weighted average percentage of water recycled and reused by investee companies	19.96%	52.15%	Coverage: 26%	See the <i>general approach</i> in table 1, indicator 1, and information on <i>prioritised principal adverse impacts</i> in table 1, indicator 8.  In 2023, the data provider changed the methodology to calculate this indicator, which caused the coverage to drop significantly. The current calculation is:  Water Recycling and Reuse (m3 of water) / Water Withdrawal (m3 of water) *100  Further changes might be applied in the future following an already planned regulation update.

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period
	8. 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	16.96%	2.74%	<p>Coverage: 36%</p> <p>Definition: Regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the World Resources Institute's (WRI) Water Risk Atlas tool 'Aqueduct'.</p>	See the <i>general approach</i> in table 1, indicator 1, and information on <i>prioritised principal adverse impacts</i> in table 1, indicator 8.

Table 3

**Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters**

Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	6.54%	7.60%	<p>Coverage: 69%</p> <p>Definition: Lack of a policy commitment approved at board level on human rights, entailing that the economic activities of the Investee companies shall be in line with the UN Guiding Principles on Business and Human Rights.</p>	See the <i>general approach</i> in table 1, indicator 1.
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### 3. Description of policies to identify and prioritise principal adverse impacts on sustainability factors

#### 3.1. Policies on identification and prioritisation 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 12<sup>th</sup> of December 2023, 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 organises 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.

The Company particularly focuses on the inclusion of Target funds with exposures to sustainable companies and on the engagement with those companies in order to continue to support them in their transition towards alignment with the United Nations Sustainable Development Goals (“SDGs”). In 2022, the Söderberg & Partners Group commissioned a meta study on what sustainability factors pay off, published [here](#), which explores the expected financial impact of the principal adverse impacts (“PAI”) on investors and companies. The study found a positive relationship between several, namely carbon emissions, protection and conservation of water, gender and ethnic diversity, waste management, and energy efficiency. From this, the Company selected targeted SDGs, which are partially addressed by opting for and prioritising corresponding PAI indicators. Hence, the following SDGs and PAI indicators are prioritised by the Company:

SDG		PAI indicator		
Goal	Caption	Table	Indicator	Caption
6	Clean Water and Sanitation	1	8	Emissions to water
		2	6	Water usage and recycling
		2	8	Exposure to areas of high-water stress
7	Affordable and Clean Energy	1	4	Exposure to companies active in the fossil fuel sector
		1	5	Share of non-renewable energy consumption and production
11	Sustainable Cities and Communities	1	9	Hazardous waste and radioactive waste ratio
13	Climate Action	1	1	GHG emissions
		1	2	Carbon footprint
		1	3	GHG intensity of investee companies

#### 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.

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](http://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 utilise 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 the 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](http://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 SDGs which will remain a guiding framework for the Company's activities. In keeping with this, the Company has also signed the 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](http://www.soderbergpartners.lu/sustainability).

The organisation 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 covers 1 January 2022 to 31 December 2022.