

## Statement on the Principal Adverse Impacts of Investment Decisions on Sustainability Factors 2024

<b>Financial Market Participant :</b>	Cadelux S.A. (LEI 52990034SBR4ZZA11U86)
<p><b>Summary</b></p> <p>Cadelux S.A. (LEI 52990034SBR4ZZA11U86), through the delegation to the investment managers of the funds under management, takes into account the main adverse impacts of its investment decisions on sustainability factors. This document is the consolidated statement on the principal adverse impacts on the sustainability factors of Cadelux S.A. via its delegates.</p> <p>This statement on the principal adverse effects of sustainability factors covers the reference period from 1 January to 31 December 2024.</p> <p>In 2024, Cadelux had a negative impact on the climate as well as on society through the investments of the funds under management. However, through the responsible investment policy, as last year, all the main impact indicators (PAIs) have been taken into account: by excluding certain companies, by integrating non-financial data into the management process and by engaging in a dialogue with companies (engagement).</p> <p>Overview of the evolution of the indicators:</p> <ol style="list-style-type: none"> <li>1. In absolute terms, scope 1 and 2 issuance from the portfolios of funds under management decreased compared to previous years. On the other hand, scope 3 emissions have increased. CO<sub>2</sub> emissions per million euros invested (carbon footprint) decreased, while CO<sub>2</sub> emissions per million euros of turnover (carbon intensity) increased. However, significant efforts have been made through commitments to address climate challenges in companies: more than 20% of commitments in 2024 were climate-related.</li> <li>2. The share of non-renewable energy consumption and production decreased compared to last year.</li> <li>3. In terms of social impacts, violations of international social principles have been limited and closely monitored. In this area too, engagement was again an important tool.</li> <li>4. Controversial weapons were again excluded entirely.</li> </ol>	

Table 1 : Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken, planned actions and targets identified for the next reporting period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	Scope 1 (tCO2eq)	718.268,68	970.719,05	983.486,89	<b>Exclusion</b> : Companies with an ESG risk score above 40 are excluded. Companies that make more than a certain percentage of their revenue in activities such as extracting coal, oil from oil sands, etc. are excluded. <b>ESG integration</b> : Sustainalytics' ESG Risk Score reflects climate and emissions risks, as well as how companies manage them. It is ensured that the ESG risk score of the funds is kept under control. <b>Engagement and Voting</b> : Dialogues with portfolio companies on topics related to reducing carbon emissions. EOS encourages companies to set climate targets in accordance with international standards (SBTi), report in accordance with recognised standards (TCFD), develop and implement concrete sustainability strategies in the medium and long term.	The current responsible investment policy is maintained, with the aim of reducing negative impacts on long-term sustainability. In terms of engagement, the focus is on efforts to combat climate change (see EOS's engagement plan).
	Scope 2 (tCO2eq)	215.403,55	230.232,35	211.969,44		
	Scope 3 (tCO2eq)	10.348.251,10	9.445.630,03	7.046.222,74		
	Total scope 1 + 2 (tCO2eq)	933.672,23	1.200.951,40	1.195.456,33		
	Total scope 1 + 2 + 3 (tCO2eq)	11.281.923,33	10.646.581,43	8.241.679,07		
Carbon footprint	Total scope 1 + 2 (tCO2eq/EURm)	35,02	55,47	74,83	<b>Engagement and Voting</b> : Dialogues with portfolio companies on topics related to reducing carbon emissions. EOS encourages companies to set climate targets in accordance with international standards (SBTi), report in accordance with recognised standards (TCFD), develop and implement concrete sustainability strategies in the medium and long term.	The current responsible investment policy is maintained, with the aim of reducing negative impacts on long-term sustainability. In terms of engagement, the focus is on efforts to combat climate change (see EOS's engagement plan).
	Total Scope 1 + 2 + 3 (tCO2eq/EURm)	422,26	502,99	516,49		
GHG intensity of investee companies	Total scope 1 + 2 (tCO2eq/EURm)	104,93	119,58	143,01	<b>Engagement and Voting</b> : Dialogues with portfolio companies on topics related to reducing carbon emissions. EOS encourages companies to set climate targets in accordance with international standards (SBTi), report in accordance with recognised standards (TCFD), develop and implement concrete sustainability strategies in the medium and long term.	The current responsible investment policy is maintained, with the aim of reducing negative impacts on long-term sustainability. In terms of engagement, the focus is on efforts to combat climate change (see EOS's engagement plan).
	Total Scope 1 + 2 + 3 (tCO2eq/EURm)	1.068,16	994,14	892,28		
Exposure to companies active in the fossil fuel sector	(% exposed)	6,79	7,18	7,48		
Share of non-renewable energy consumption and production	Non-renewable energy consumption (%)	56,00	58,87	59,91	<b>Exclusion</b> : Companies with an ESG risk score above 40 are excluded. Companies that make more than a certain percentage of their revenue in activities such as extracting coal, oil from oil sands, etc. are excluded. <b>ESG integration</b> : Sustainalytics' ESG Risk Score reflects climate and emissions risks, as well as how companies manage them. It is ensured that the ESG risk score of the funds is kept under control. <b>Engagement and Voting</b> : Dialogues with portfolio companies on topics related to reducing carbon emissions. EOS encourages companies to set climate targets in accordance with international standards (SBTi), report in accordance with recognised standards (TCFD), develop and implement concrete sustainability strategies in the medium and long term.	The current responsible investment policy is maintained, with the aim of reducing negative impacts on long-term sustainability. In terms of engagement, the focus is on efforts to combat climate change (see EOS's engagement plan).
	Non-renewable energy production (%)	21,43	24,55	25,06		
Energy consumption intensity per high impact climate sector	Agriculture, forestry and fisheries (GWh/EURm)	4,01	2,70	4,61	<b>ESG integration</b> : Sustainalytics' ESG Risk Score reflects climate and emissions risks, as well as how companies manage them. It is ensured that the ESG risk score of the funds is kept under control. <b>Engagement and Voting</b> : Dialogues with portfolio companies on topics related to reducing carbon emissions. EOS encourages companies to set climate targets in accordance with international standards	
	Construction (GWh/EURm)	0,14	0,14	0,17		
	Supply of electricity, gas, steam and air conditioning (GWh/EURm)	4,09	3,03	3,01		
	Production (GWh/EURm)	0,30	0,71	0,44		

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	Industries extractives (GWh/EURm)	1,20	1,73	2,22	(SBTi), report in accordance with recognised standards (TCFD), develop and implement concrete sustainability strategies in the medium and long term.	
	Real estate activities (GWh/EURm)	0,63	0,60	0,74		
	Transport and storage (GWh/EURm)	0,92	1,26	1,44		
	Water supply, wastewater treatment, waste management and sanitation (GWh/EURm)	0,51	0,54	0,62		
	Wholesale and retail trade and vehicle repair (GWh/EURm)	0,06	0,07	0,15		
Activities negatively affecting biodiversity sensitive areas	(% exposé)	7,26	6,52	8,85	<b>ESG integration:</b> Sustainalytics' ESG Risk Score reflects risks related to biodiversity impact, as well as how companies manage them. It is ensured that the ESG risk score of the funds is kept under control. <b>Engagement and voting :</b> EOS is hosting several dialogues specifically on biodiversity. The focus is on companies involved in food production and trade, with issues such as deforestation, regenerative agriculture, chemical waste disposal, and more.	The current responsible investment policy is maintained, with the aim of reducing negative impacts on long-term sustainability. In terms of commitment, the focus is on stemming and reversing the loss of marine and terrestrial biodiversity (see EOS Engagement Plan).
Emissions to water	(t/EURm)	0,00	0,00	0,11	<b>ESG integration :</b> Cadelam examines the controversies that companies are linked to when it comes to waste discharges into water. <b>Engagement and Voting :</b> EOS has specific commitments with companies regarding the discharge of waste into water.	The current responsible investment policy is maintained, with the aim of mitigating the negative effects on long-term sustainability.
Hazardous waste and radioactive waste ratio	(t/EURm)	1,02	42,64	217,90	The difference in the impact is partly explained by the change in data used by the external service provider. <b>ESG Integration :</b> Cadelam Examines Controversies That Companies Are Tied to When It Relates to Hazardous Waste Generation <b>Engagement and Voting :</b> EOS Has Specific Engagements with Companies Regarding Hazardous Waste Generation.	The current responsible investment policy is maintained, with the aim of mitigating the negative effects on long-term sustainability.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Violations of UN Global Compact principles and Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.	(% involved)	0,59	0,41	0,31	<b>Exclusion :</b> All companies that Sustainalytics deems to be in breach of the UN Global Compact Principles, provided that engagement through EOS does not reveal any improvement after the business has been found to be in breach, or if Sustainalytics itself has no positive expectations. <b>Engagement and voting:</b> It is ensured that a dialogue is initiated with companies in the event of a violation of a principle of the United Nations Global Compact (according to Sustainalytics). If no positive developments are observed regarding the problem, the company is excluded from the portfolioe.	The current responsible investment policy is maintained, with the aim of reducing negative impacts on sustainable development in the long term. In terms of engagement, the focus is on human capital and human and labour rights. (see EOS's Engagement Plan)

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Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	(% involved)	45,70	42,64	36,95	<b>Exclusion</b> : All companies that Sustainalytics considers to be in breach of the UN Global Compact Principles, provided that engagement through EOS does not reveal any improvement after the company has been found to be in violation, or if Sustainalytics itself has no positive expectations.	
Unadjusted gender pay gap	(%)	14,73	16,39	16,46	<b>Engagement and Voting</b> : EOS has specific commitments with companies regarding pay equity.	
Board gender diversity	(% women)	37,91	36,96	36,63	<b>Engagement and Voting</b> : EOS has specific engagements with companies regarding gender diversity on the board.	
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons or biological weapons)	(%involved)	0,00	0,00	0,00	<b>Exclusion</b> : All companies related to controversial weapons (anti-personnel mines, nuclear weapons, cluster weapons, biological and chemical weapons, depleted uranium and white phosphorus munitions), as defined by Sustainalytics.	The current responsible investment policy is maintained, with the aim of mitigating the negative effects on long-term sustainability.
INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS						
Environmental						
GHG intensity	(KtonCO2eq/EURm)	0,17	0,16	0,14	<b>Exclusion</b> : Countries whose governments are subject to United Nations sanctions are excluded.	The current responsible investment policy is maintained, with the aim of mitigating the negative effects on long-term sustainability.
Social						
Investee countries subject to social violations	(#)	0,00	2,00	0,00	<b>Exclusion</b> : Countries whose governments are subject to United Nations sanctions are excluded.	The current responsible investment policy is maintained, with the aim of mitigating the negative effects on long-term sustainability.
INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS						
Fossil fuels						
Exposure to fossil fuels through real estate assets	(KtonCO2eq/EURm)	0,00	0,00	0,00	NA – no investment in real estate assets.	NA – no investment in real estate assets.
Energy efficiency						

Exposure to energy-inefficient real estate assets	(KtonCO2eq/EURm)	0,00	0,00	0,00	NA – no investment in real estate assets.	NA – no investment in real estate assets.
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Table 2 : Additional climate and other environmental-related indicators

Adverse sustainability impact	Metric	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken, planned actions and targets identified for the next reporting period
CLIMATE AND OTHER ENVIRONMENTAL INDICATORS						
INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES						
Water use and recycling	Average amount of water consumed by investee companies (in cubic metres), per million euros of turnover	15.235.703,00	201.045,49	52.306,93	<b>Commitment:</b> EOS has specific commitments with companies regarding their water footprints and sustainable water management. The difference in data is partly explained by the change in the data used by the external provider	The current responsible investment policy is maintained, with the aim of reducing negative impacts on long-term sustainability.
	Weighted average percentage of water recycled and reused by investee companies (%)	65,85	60,68	194,34		

Table 3 : Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability impact	Metric	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken, planned actions and targets identified for the next reporting period
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
INDICATORS APPLICABLE TO INVESTMENT IN INVESTEE COMPANIES						

Lack of anti-corruption and anti-corruption policy	(% involved)	0,04	Not measured	Not measured	<p><b>Exclusion</b> : All companies that Sustainalytics' analysis considers to be in breach of the principles of the United Nations Global Compact (including Principle 10), provided that engagement through EOS does not reveal any improvement until one (1) year after the company has been found to be in violation, or if Sustainalytics itself has no positive expectations.</p> <p><b>Engagement and Voting</b> : EOS has specific engagements with companies regarding anti-corruption.</p>	The current responsible investment policy is maintained, with the aim of reducing negative impacts on long-term sustainability.
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**Description of the policy for identifying and prioritizing the main negative effects on sustainability factors.**

On 15/12/2022, the policy for identifying and prioritising the main adverse effects of investment decisions on sustainability factors was approved by the Group's Board of Directors. The statement on the main adverse impacts is available on the Cadelux website.

As a management company, Cadelux S.A. delegates responsibility for the implementation of these policies to the investment managers of the funds. However, Cadelux organises periodic meetings with them to review their activities.

Investment fund managers shall select the indicators referred to in points (a), (b) and (c) of Article 6(1) that are most relevant to be monitored in the investment strategies of the funds. These take into account the main negative impacts of investment decisions on sustainability factors through a combination of integrating ESG parameters into management decisions, active ownership activities and the exclusion of issuers associated with controversial behaviour or activities.

For the combination of ESG integration, investment managers integrate not only the financial aspects, but also the non-financial parameters (ecology, social responsibility and good governance) of the respective company. Any company that does not pay (enough) attention to its ESG risks is indeed exposing itself to problems, which will arise sooner or later. As consumers and investors pay more and more attention to sustainability and regulators make legislation ever stricter, the risk of reputational damage increases. Companies that consider their ESG risks and try to manage them have a long-term view, and we believe this quality is essential when investment managers are considering whether or not to invest in a company. A company that is fully aware of ESG issues can also better identify new opportunities and exploit a competitive advantage that will have a positive impact on its financial profitability.

Thus, by constantly paying attention to ESG parameters, the investment manager can identify risks and opportunities, but also detect potential future value, all of which will dictate long-term returns. To do this, investment managers use the data provider Sustainalytics to integrate these non-financial parameters into its investment process. As a global player in the field of sustainability studies, Sustainalytics analyzes and publishes detailed reports on almost all publicly traded companies worldwide. The investment managers draw inspiration from Sustainalytics' ESG risk scores but also use detailed information on controversies surrounding companies' activities and their involvement in unsustainable activities.

**ESG Risk Score**

Sustainalytics' ESG Risk Score gives an indication of the extent to which a company's economic value is threatened by these ESG factors. These ratings are specifically designed to help investors identify and understand material ESG risks, as well as their impact on long-term investment performance within their portfolio.

The score is two-dimensional: on the one hand, it looks at a company's exposure to ESG risks, and on the other hand, how it manages those risks.

Several steps are necessary to determine this score. The first is to identify exposure to material ESG issues at the sub-sector level. An ESG issue will be considered "material" if it can have a significant impact on the financial value of companies and therefore on investors' decisions. Calculating exposure at the sub-sector level leads to differences in the contribution of certain ESG issues to companies' final scores. Companies in the energy sector, for example, will generally be more exposed to the risks associated with CO<sub>2</sub> emissions than those in the healthcare sector.

The second step is to look at exposure to material ESG issues at the company level. The score obtained can then deviate from the average of the sub-sector depending on several factors:

1. The company's exposure to products and/or production compared to peers in the subsector;
2. The financial strength of the company compared to other companies in the subsector. A company in financial difficulty will thus have less chance of surviving the transition to a so-called "low-carbon" economy and will have a higher exposure score here;
3. The company's history of controversial events compared to peers in the subsector;
4. The geographic presence of a company relative to peers in the subsector. A company with a relatively large activity in the country where water is scarce, for example, will be more exposed.

Once this company-specific score has been calculated, it is important to check the extent to which the company can manage the ESG risks to which it is exposed. To this end, Sustainalytics examines a range of management indicators (policy, management systems, certifications, etc.) and results-based indicators, which reflect management performance at the ESG level quantitatively (e.g. CO<sub>2</sub> intensity) and qualitatively (e.g. involvement in controversies).

Finally, the two dimensions (exposure and management) are combined to obtain the company-specific ESG risk score, which can range from 100 to 0. The lower the score, the less the economic value of the company is threatened by ESG risks. A score between 0 and 10 is considered very low, between 10 and 20 as low, between 20 and 30 as average, between 30 and 40 as high, and above 40 as very high.

The scores are also calculated at the national level. In its credit risk analyses, Sustainalytics examines the wealth and wealth management of countries "under the ESG magnifying glass"; These are two aspects that are not always explicitly reflected in credit ratings. It also conducts an analysis of events in countries and provides an early warning signal that helps manage emerging risks.

These scores, but especially the underlying information on which they are based, are examined in depth in the investment analysis of investment managers. Their analysts are then able to identify a company's long-term risks and get an indication of the strength of management. They combine this information with financial analysis to paint the most detailed picture possible of a company's health. Finally, the scores pinned at the national



level allow them to map the financial health of a country when analysing its purchases of government bonds.

Companies with a very high score (> 40) are excluded from the investment universe in advance, as indicated in the exclusion policy. Companies that are already in the portfolio and whose score fluctuates between 20-30 (medium) and 30-40 (high) are monitored more closely. Sustainalytics regularly adjusts its scores, which provides insight into the ESG dynamics of companies. If the manager notices that a score is moving in the wrong direction in the short term, it can carry out a more in-depth analysis, before possibly deciding to replace the company in question with another in the same sector. Sustainalytics also provides comprehensive updates on controversies involving companies. Here, the data provider assesses the severity of the controversy, as well as the sentiment on the outlook and support.

For more information on our active ownership activity policy, please refer to the following section.

For more information on the exclusion policy, please refer to the following link:

[ExclusionPolicy FR.pdf](#)

Due to the diversity of issuers — in terms of geography, size and industry — investment fund managers rely on data provided by third-party providers, such as Morningstar Sustainalytics, which is used as the primary source for PAI information. These providers use the data disclosed by the companies themselves when it is available and deemed reliable. However, the quality and availability of this information varies across sectors, regions and indicators, sometimes leading to the use of estimates when reported data are absent or insufficient. Data sources can evolve over time, incorporating rigorous quality controls and direct exchanges with issuers. In addition, methodologies and data are continuously monitored, with adjustments in case of inconsistencies or errors identified. As regulatory requirements for transparency intensify, the share of estimated data is expected to gradually decrease.

Identifying adverse impacts is a methodology that depends on the availability and quality of data and therefore there has been no estimation of the probability of occurrence and severity of adverse impacts. It is necessary to take into account a possible lack of data for some companies. Nevertheless, we are constantly working internally and in collaboration with our data providers to expand our data coverage and gain a better understanding of the full impact of investments.

Cadelux S.A. refers to the [investment policy](#) for detailed information.

### **Engagement Policy**

To exercise our role as an active shareholder, we collaborate with our partner EOS Federated Hermes ("EOS"), which specialises in corporate engagement. We align with their approach to identifying and mitigating key sustainability issues. Engagement program priorities are set annually, based on the urgency of the issues, the willingness of organizations to collaborate, and the potential impact we can generate. EOS then

determines specifically for each company the material issues on which it will focus. In order to set realistic goals, the company's overall strategy as well as other specific characteristics of the company are always taken into account. In order to achieve successful results from its engagements, EOS always seeks the most effective approach. It not only uses its internal expertise and experience, but regularly partners with other institutional parties in its engagements (e.g. Climate Action 100+). Finally, in a final step, votes at general meetings are always carried out in line with commitments.

We are constantly working on various ESG areas:

1. Ecology: aligning business models with the Paris Climate Agreement, in which UN members committed to limiting global warming to no more than 2°C and radically tackling air, land and water pollution.
2. Social responsibility: engaging with companies with global supply chains. The customer may be king, but to be successful in the long run, a company must consider all of its stakeholders, especially its workforce and local society.
3. Corporate governance: the development of a company's organizational controls and balances. A well-functioning board of directors, for example, and a good balance between compensation and sustainable value creation provide the right incentives for thoughtful decision-making.

A three-year plan is drawn up with EOS and saved on the following site:

[EOS Engagement Plan 2023-2025](#)

Similarly, an annual report on the activity of the year under review is published on the following website: [Delen Private Bank](#)

Due to the long-term horizon of the responsible investment philosophy, adjustments are not necessarily made to the engagement policy if the main negative effects have not been reduced over more than one reference period. Indeed, the objective is to see a long-term progression.

Detailed information regarding the engagement policy can be found in the [SRI policy](#) and the [engagement policy and strategy](#).

#### **References to international standards**

In the context of investment management, the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, as well as the underlying treaties, are taken into account. For this purpose, the data provided by Sustainalytics is used: the Global Standards Screening module identifies companies that violate or are at risk of violating international standards, as established in the principles of the United Nations Global Compact. All companies that according to Sustainalytics' analysis contravene the principles of the UN Global Compact are excluded, provided that engagement via EOS does not reveal improvement after the company has become aware of the breach, or if Sustainalytics itself does not have positive expectations.

Cadelux does not use specific indicators to consider the main adverse impacts on sustainability factors that measure alignment with the objectives of the Paris Agreement.

Nevertheless, the targets are used as a standard framework for climate-related commitments.

Cadelux, via portfolio management delegates, does not systematically take climate scenarios into account in the management process. However, whether or not a company has a climate strategy can influence investment decisions (especially for energy-intensive sectors). In addition, EOS uses international standards, targets and initiatives as a framework for climate commitments.

Responsible investment policies are also reported annually to be assessed against the principles of the UN PRIs.

#### **Historical Comparison**

Data providers are continuously refining their collection methodologies and processes. While these improvements allow for a more accurate assessment of issuers' activities, they may result in deviations on some indicators from previous years. This optimization process is ongoing, and we will continue to engage with and challenge data providers throughout 2025. For detailed information on historical comparisons for each indicator, please refer to the table in Section 2, column "Explanation".