

Statement on Principal Adverse Impacts on Sustainability 2022

Financial Market Participant:	Cadelux S.A. (LEI 52990034SBR4ZZA11U86)
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Summary

Cadelux S.A. (LEI 52990034SBR4ZZA11U86) takes into account the main adverse impacts of its investment decisions on sustainability factors. This document is the consolidated statement on the main adverse impacts on the sustainability factors of Cadelux S.A.

This statement on the main adverse effects of sustainability factors covers the reference period from 1 January to 31 December 2022.

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Indirect negative effects on sustainability	Parameters	Effects 2023	Notes	Actions taken, planned and targets set for the next reporting period
Company level				
CO₂ emissions				
Greenhouse gas emissions	Scope 1 (tCO ₂ eq)	983.486,89	Exclusion: Companies that generate more than a certain percentage of their turnover in activities such as coal extraction, oil sands extraction, etc. are excluded. ESG Integration: Sustainalytics' ESG Risk Score reflects climate and emissions risks, as well as how companies manage them. Engagement and voting: Dialogues with portfolio companies on topics related to reducing carbon emissions. EOS encourages companies to set climate targets in line with international standards (SBTi), report in accordance with recognized standards (TCFD), develop and implement concrete medium- and long-term sustainability strategies.	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 Engagement Plan).
	Scope 2 (tCO ₂ eq)	211.969,44		
	Scope 3 (tCO ₂ eq)	7.046.222,74		
	Total Range 1 + 2 (tCO ₂ eq)	1.195.516,42		
	Total Scope 1 + 2 + 3 (tCO ₂ eq)	8.227.314,31		
Carbon Footprint	Total scope 1 + 2 (tCO ₂ eq/EURm)	74,83		
	Total Scope 1 + 2 + 3 (tCO ₂ eq/EURm)	516,49		
GHG intensity of recipient companies	Total scope 1 + 2 (tCO ₂ eq/EURm)	143,01		
	Total Scope 1 + 2 + 3 (tCO ₂ eq/EURm)	892,28		
Exposure to companies active in the fossil fuel sector	(% exposed)	7,48		
Energy performance				
Share of non-renewable energy consumption and production	Non-renewable energy consumption (%)	59,91	Exclusion: Companies with an ESG risk score above 40 are excluded. In the energy sector, companies with high scores also have higher rates of non-renewable energy generation and are more likely to be excluded. ESG integration: Companies with clear sustainability strategies and transition plans are prioritized over other companies. Engagement and voting: Companies for which the challenge of reducing the consumption and production of non-renewable energy (e.g., oil and gas companies) is a priority for EOS. The number of engagements and moments of contact with these companies is high.	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 Engagement Plan).
	Non-renewable energy generation (%)	25,06		
Energy intensity (energy consumed divided by turnover) of companies by high-impact sector	Agriculture, forestry and fisheries (GWh/EURm)	4,61	ESG integration: Cadelam prefers companies that are the best in their industry in terms of ESG. Engagement and voting: When it comes to climate target and reporting commitments, EOS prioritizes companies that consume a lot of energy.	
	Construction (GWh/EURm)	0,17		
	Supply of electricity, gas, steam and air conditioning (GWh/EURm)	3,01		
	Production (GWh/EURm)	0,44		
	Mining and quarrying (GWh/EURm)	2,22		
	Real estate activities (GWh/EURm)	0,74		
	Transport and storage (GWh/EURm)	1,44		
	Water supply, waste water treatment, waste management and sanitation (GWh/EURm)	0,62		
Wholesale and retail trade and repair of vehicles (GWh/EURm)	0,15			

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Biodiversity					
Activities with a negative impact on biodiversity-vulnerable areas	(% exposed)		8,85	Engagement and voting: EOS organizes several dialogues specifically related to biodiversity. The focus here is on companies involved in the production and trade of foodstuffs, with issues such as deforestation, regenerative agriculture, chemical waste disposal, etc.	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 stemming and reversing the loss of marine and terrestrial biodiversity (see EOS Engagement Plan).
Water					
Emissions to water	(t/EURm)		0,11	ESG integration: Cadelam examines the controversies that companies are linked to when it comes to waste discharges into water. Engagement and voting: 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 negative effects on long-term sustainability.
Rubbish					
Share of hazardous and radioactive waste	(t/EURm)		217,90	ESG integration: Cadelam examines controversies that companies are linked to in relation to the generation of hazardous waste Engagement and voting: EOS has specific commitments with companies in relation to the generation of hazardous waste.	The current responsible investment policy is maintained, with the aim of mitigating negative effects on long-term sustainability.
Social & Workers					
Violations of the principles of the United Nations Global Compact or the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.	(% involved)		0,31	Exclusion: All companies that Sustainalytics' analysis deems to be in breach of the UN Global Compact principles, provided that engagement through EOS does not reveal any improvement until one (1) year after the company was found to be in violation, or if Sustainalytics itself has no positive expectations.	The current responsible investment policy is maintained, with the aim of reducing negative impacts on long-term sustainable development. In terms of engagement, the focus is on human capital and human and labour rights. (see EOS Engagement Plan)
Lack of procedures and mechanisms to monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises	(% involved)		36,95	Exclusion: All companies that Sustainalytics' analysis deems to be in breach of the UN Global Compact principles, provided that engagement through EOS does not reveal any improvement until one (1) year after the company was found to be in violation, or if Sustainalytics itself has no positive expectations.	
Unadjusted gender pay gap	(%)		16,46	Engagement and voting: EOS has specific commitments with companies with respect to pay equity.	
Gender Diversity Board of Directors	(% female)		36,63	Engagement and voting: EOS has specific commitments with companies regarding gender diversity in governance.	

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Controversial weapons				
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	(% involved)	0,00	Exclusion: 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 negative effects on long-term sustainability.
(Supra)national				
CO ₂ emissions				
Greenhouse Gas Intensity	(KtonCO ₂ eq/EURm)	0,14	Exclusion: Countries are excluded if their government is subject to sanctions by the United Nations.	The current responsible investment policy is maintained, with the aim of mitigating negative effects on long-term sustainability.
Social				
Social Crimes	(#)	0,00	Exclusion: Countries are excluded if their government is subject to sanctions by the United Nations.	The current responsible investment policy is maintained, with the aim of mitigating negative effects on long-term sustainability.

Description of the Policy for Identifying and Prioritizing the Main Adverse Effects on Sustainability Factors

On 15/12/2022, the Policy for Identifying and Prioritizing the Main Adverse Effects of Investment Decisions on Sustainability Factors was approved by the Board of Directors. The Principal Adverse Impact Statement is available on the website.

Data from Sustainalytics was used to determine negative effects on sustainability factors.

Engagement Policy

In collaboration with the EOS partner, the priorities of the engagement program are set each year, based on the urgency of the issues, the willingness of the organizations to work together, and the potential impact we can generate.

EOS then engages with a large portion (71% by 2021) of its portfolio companies. The work is carried out on the 3 ESG pillars:

- 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.
- 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.
- 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.

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

Detailed information regarding the engagement policy can be found in the SRI policy and the EOS engagement plan.

References to international standards

Responsible investment policies are reported on annually to be assessed against the principles of the UN PRI.

Historical Comparison

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