2025 Report on Principal Adverse Impacts (PAI)

30 June 2026

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Summary of principal adverse impacts

Actor in the financial markets: NEW ALPHA ASSET MANAGEMENT SAS
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NEW ALPHA ASSET MANAGEMENT SAS, referred to in this report as NewAlpha AM, takes into account the principal adverse impacts of its investment decisions on sustainability factors.

This document is NewAlpha AM's consolidated statement on principal adverse impacts on sustainability factors, covering the reference period from 1 January 2025 to 31 December 2025.

The principal adverse impacts selected are as follows:

Category	Adverse sustainability indicators
Environment	1. GHG emissions
	2. Carbon footprint
	3. Intensity of GHG of companies benefiting from investments
	4. Exposure to companies active in the fossil fuel sector
	5. Share of non-renewable energy consumption and production
	6. Energy consumption intensity by sector with high climate impact
	7. Activities having a negative impact on biodiversity-sensitive areas
	8. Discharges into water
	9. Ratio of hazardous waste and radioactive waste
Social	10. Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises
	11. Lack of processes and compliance mechanisms to ensure adherence to the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises
	12. Unadjusted pay gap between men and women
	13. Diversity within governance bodies
	14. Exposure to controversial weapons (landmines, cluster munitions, chemical weapons, or biological weapons)

Description and prioritization

NewAlpha AM has calculated the 14 mandatory PAIs (Principal Adverse Impacts). In addition to these 14 mandatory PAIs, the SFDR regulation also requires financial market participants to include at least two additional indicators, one related to environmental issues and the other concerning social matters.

To select these two optional indicators, NewAlpha AM relied on two criteria: (i) the level of coverage and (ii) the significance and connection of the themes to the company's responsible investment approach.

The two indicators chosen by NewAlpha AM are as follows:

- **Environment: Investments in companies that have not taken steps to reduce their carbon emissions**

Contributing to climate change mitigation is a key pillar of the ESG approach of NewAlpha AM. In addition to monitoring the carbon intensity of its portfolios, NewAlpha AM believes it is important to adopt a transition perspective and to also consider companies that have set targets for reducing their carbon emissions. The coverage of this measure has also played a significant role in the selection of this optional indicator.

- **Social: Number of serious problems and incidents recorded regarding human rights**

The social pillar is a key component of NewAlpha AM's ESG approach. In addition to excluding companies that do not comply with the principles of the UN Global Compact (UNGC), NewAlpha AM has deemed it relevant to closely monitor serious issues and incidents related to human rights by selecting this optional PAI. The coverage of this measure has also played a significant role in the selection of this optional indicator.

Prioritization
NewAlpha AM takes PAI indicators into account in its investment processes in three different ways:
- **Exclusion policy**: PAI 4, 10, 14
- **ESG analysis** (portfolio monitoring through key performance indicators): PAI 1, 2, 3, 4, 7, 13, 15
- **Dialogue and engagement**: PAI 1, 2, 3, 4, 7, 10, 13, 14, 15, 16

Regarding the other PAIs not mentioned above, NewAlpha AM considers them relevant, but they have not yet been taken into account during the reference period, due to low coverage or restrictions imposed by the funds of funds, over which we do not have control of investment decisions.

Scope
It should be noted that calculations are performed for all equity multi-management funds, as for the year 2025 NewAlpha AM does not have the transparency or the necessary data to calculate PAI indicators for the other asset classes.

Coverage
NewAlpha AM has categorized the coverage rate of PAI data into three categories:

Coverage	Coverage rate
Very good	60 - 100%
Average	30 - 60%
Low	<30%

Below is the coverage for each PAI, along with the data source and how the indicator is incorporated into the investment process:

Indicators applicable to investments in companies				
Climate indicators and other environmental indicators				
Adverse sustainability indicators		**Coverage**	**Consideration**	**Source**
Greenhouse gas emissions	1. GHG emissions	Very good	ESG analysis, dialogue and engagement	Sustainalytics (Morningstar)
	2. Carbon footprint	Very good	ESG analysis, dialogue and engagement	Sustainalytics (Morningstar)
	3. Intensity of GHG of companies benefiting from investments	Very good	ESG analysis, dialogue and engagement	Sustainalytics (Morningstar)
	4. Exposure to companies active in the fossil fuel sector	Very good	ESG analysis, exclusion policy, dialogue and engagement	Sustainalytics (Morningstar)
	5. Share of non-renewable energy consumption and production	Very good	-	Sustainalytics (Morningstar)
	6. Energy consumption intensity by sector with high climate impact	Low	-	Sustainalytics (Morningstar)
Biodiversity	7. Activities having a negative impact on biodiversity-sensitive areas	Very good	ESG analysis, dialogue and engagement	Sustainalytics (Morningstar)

Water	8. Discharges into water	Low	-	Sustainalytics (Morningstar)
Waste	9. Ratio of hazardous waste and radioactive waste	Very good	-	Sustainalytics (Morningstar)
Indicators related to social issues, personnel matters, human rights compliance, and the fight against corruption and corrupt practices				
Social and personnel issues	10. Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	Very good	Exclusion policy, dialogue and engagement	Sustainalytics (Morningstar)
	11. Lack of processes and compliance mechanisms to ensure adherence to the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	Very good	-	Sustainalytics (Morningstar)
	12. Unadjusted pay gap between men and women	Low	-	Sustainalytics (Morningstar)
	13. Diversity within governance bodies	Very good	ESG analysis, dialogue and engagement	Sustainalytics (Morningstar)
	14. Exposure to controversial weapons (landmines, cluster munitions, chemical weapons, or biological weapons)	Very good	Exclusion policy, dialogue and engagement	Sustainalytics (Morningstar)
Optional indicators				
Emissions	15. Investments in companies that have not taken steps to reduce their carbon emissions	Very good	ESG analysis, dialogue and engagement	Sustainalytics (Morningstar)
Social	16. Number of serious human rights issues and incidents recorded	Very good	Dialogue and engagement	Sustainalytics (Morningstar)

Measures taken and historical comparison

The data source used by NewAlpha AM to report on these indicators is Sustainalytics (Morningstar). Generally speaking, NewAlpha AM observes the limited availability of data for the PAI indicators, which results in insufficient coverage rates for some of them in this analytical review. Below is the historical comparison:

Indicators applicable to investments in companies				
Climate indicators and other environmental indicators				
Adverse sustainability indicators		**Measurement element**	**Indicator 2024**	**Indicator 2025**
Greenhouse gas emissions	1. GHG emissions	GHG emissions level 1 in tons of CO2 equivalents	2 847.22	4 137.07
		GHG emissions level 2 in tons of CO2 equivalents	1 209.58	1 324.60
		GHG emissions level 3 in tons of CO2 equivalents	51 580.05	75 010.54
	2. Carbon footprint	Carbon footprint in tons of CO2 equivalents per million euros invested	43.87	38.09
	3. Intensity of GHG of companies benefiting from investments	Intensity of GHG of companies benefiting from investments	66.89	76.35

	4. Exposure to companies active in the fossil fuel sector	Investment share in companies active in the fossil fuel sector (in %)	3.90%	4.23%
	5. Share of non-renewable energy consumption and production	Share of the energy consumption and production of investee companies that comes from non-renewable energy sources, compared to that from renewable energy sources, expressed as a percentage of total energy sources (in %)	57.89%	55.59%
	6. Energy consumption intensity by sector with high climate impact	Energy consumption in GWh per million euros of revenue of investee companies, by sector with high climate impact	0.34	0.36
Biodiversity	7. Activities having a negative impact on biodiversity-sensitive areas	Share of investments made in companies with sites/facilities located in or near biodiversity-sensitive areas, where the activities of these companies have a negative impact on those areas (expressed in %)	1.73%	1.43%
Water	8. Discharges into water	Tons of discharges into water from investee companies, per million euros invested, as a weighted average	0.00	0.00
Waste	9. Ratio of hazardous waste and radioactive waste	Tons of hazardous waste and radioactive waste produced by investee companies, per million euros invested, as a weighted average	1.53	0.71

Indicators related to social issues, personnel matters, human rights compliance, and the fight against corruption and corrupt practices				
Social and personnel issues	10. Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	Investment share in companies that have been involved in violations of the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises (expressed in %)	0.10%	0.19%
	11. Lack of processes and compliance mechanisms to ensure adherence to the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	Investment share in companies that do not have policies to monitor compliance with the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises, nor mechanisms for addressing complaints or disputes to remedy such violations (expressed in %)	35.37%	29.35%
	12. Unadjusted pay gap between men and women	Average unadjusted pay gap between men and women within investee companies (expressed in monetary amounts converted into euros)	13.46	14.49
	13. Diversity within governance bodies	Average female/male ratio in the governance bodies of the relevant companies, as a percentage of the total number of members	40.83	40.31
	14. Exposure to controversial weapons (landmines, cluster munitions, chemical weapons, or biological weapons)	Investment share in companies involved in the manufacture or sale of controversial weapons (expressed in %)	0%	0%
Optional indicators				
Emissions	15. Investments in companies that have not taken steps to reduce their carbon emissions	Investment share in companies that have not taken initiatives to reduce their carbon emissions in line with the Paris Agreement (in %)	26.74%	19.87%
Social	16. Number of serious human rights issues and incidents recorded	Number of serious human rights issues and incidents recorded in connection with investee companies, based on a weighted average	0.16	0.19

In terms of **carbon emission metrics**, the carbon footprint (scope 1 and 2) has decreased compared to last year, which is a positive development. However, absolute emissions have increased across all scopes, particularly scope 3, which has risen significantly. The GHG intensity of investee companies has, for its part, increased slightly. The overall coverage of carbon indicators has improved, but the coverage of indicator no. 6 ("Energy consumption intensity by sector with high climate impact") remains too low for meaningful interpretation. Regarding measures, NewAlpha has not yet set any emission reduction targets, but discussions will be initiated with the funds whose emissions have seen the largest absolute increase since last year.

Activities having a negative impact on **biodiversity** have decreased year over year, which is a favorable development. NewAlpha AM has not yet set specific goals on this issue, but monitors the metric and may engage in discussions with the underlying funds.

For the PAI regarding **discharges into water**, the coverage of this indicator remains too low (below 10%) to allow for any meaningful interpretation.
Regarding PAI 9, the **ratio of hazardous waste** and radioactive waste, the ratio has decreased significantly, which represents a notable improvement.

For the PAIs related to **social** and personnel issues, a slight deterioration is noted for PAI 13 (diversity within governance bodies), which nevertheless remains at a satisfactory level of around 40%. Regarding PAI 12 (the pay gap between men and women), its low coverage rate does not allow for a reliable interpretation, although the value is slightly up. As for PAIs 10 and 11, a significant improvement is noted for PAI 11, while PAI 10 shows a slight deterioration that remains to be monitored.

Concerning the **two optional PAIs**, for the PAI on "Investments in companies that have not taken initiatives to reduce their carbon emissions", notable progress has been made in the right direction; this is an issue that NewAlpha AM monitors closely, mainly through the percentage of companies that have set targets with the SBTi. For the PAI on "Number of serious human rights issues and incidents recorded", a slight deterioration is observed, which remains an issue that NewAlpha AM follows carefully, by screening for serious controversies in its portfolios as well as companies that have violated UNGC guidelines.

Engagement Policy

NewAlpha AM views engagement as an integral part of its responsible approach.

During 2025, in terms of responsible investment and PAI analysis, engagements with the investee management companies focused on compliance with the **exclusion policy** (PAI 4, 10, 14), **monitoring of controversies** (PAI 10, 16), and **dialogue on emissions/fossil fuels** (PAI 1, 2, 3, 4, 15), **biodiversity** (PAI 7) and **gender parity** (PAI 13).

More details are available in the 2025 climate and responsible strategy report (Article 29 LEC), available on the Management Company's website at the following address: https://www.newalpha.com/wp-content/uploads/10_Rapport-Art-29_2024_NewAlpha_FR.pdf

International standards

NewAlpha AM is committed to supporting the development of sustainable finance and backing initiatives aligned with its convictions.

In October 2017, NewAlpha AM signed the "**Principles for Responsible Investment**" (UN PRI). In addition to the PRI, the Management Company refers to the following international standards:

- The Paris Agreement;
- The United Nations Global Compact;
- The OECD Guidelines;
- The Ottawa Convention and the Oslo Treaty.

As a fund of funds manager, NewAlpha AM encourages the management companies managing the selected investment vehicles to commit to various initiatives and charters that it considers essential, for example:

- TCFD;
- CDP;
- Climate Action 100+;
- NZAMi;
- SBTi;
- IIGCC;
- TNFD;
- Nature Action 100;
- Finance for Biodiversity Pledge.

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