



New Alpha  
Asset Management

# **2024 Report on Major Negative Impacts (MNI)**

**June 30, 2025**

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# Summary of the main negative impacts

**Actor in the financial markets:** NEW ALPHA ASSET MANAGEMENT SAS  
**LEI:** 695004JBXBCUOSM8238

NEW ALPHA ASSET MANAGEMENT SAS, referred to in this report as NewAlpha AM, takes into account the significant negative impacts of its investment decisions on sustainability factors.

This document serves as the consolidated statement regarding the major negative impacts on sustainability factors for NewAlpha AM, covering the period from January 1, 2024, to December 31, 2024.

The key negative impacts identified are as follows:

Category	Indicators of negative impact on sustainability
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
	Exposure to controversial weapons (landmines, cluster munitions, chemical weapons, or biological weapons)

## Description and prioritization

NewAlpha AM has identified 14 mandatory Principal Adverse Impacts (PAIs). In addition to these 14 PAIs, the SFDR regulation 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 aspect of NewAlpha AM's ESG approach. In addition to monitoring the carbon intensity of its portfolios, NewAlpha AM believes it's essential to adopt a transition perspective and to consider companies that have set targets for reducing their carbon emissions. The inclusion 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 crucial part of NewAlpha AM's ESG approach. In addition to excluding companies that do not adhere to the principles of the UN Global Compact (UNGC), NewAlpha AM has deemed it important to closely monitor serious issues and incidents related to human rights by selecting this optional Principal Adverse Impact (PAI). The scope of this measure has also played a significant role in the decision to include this optional indicator.

### Hierarchization

NewAlpha AM incorporates PAI indicators into its investment processes in three distinct ways:

- **Exclusion policy:** PAI 4, 10, 14
- **Analyze ESG** by tracking portfolios using 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 PAI not mentioned above, NewAlpha AM considers them relevant, but they have not yet been taken into account during the reference period due to limited coverage or restrictions imposed by the fund of funds, over which we do not have control of investment decisions.

### Scope

It's important to note that calculations are performed for all equity multi-management funds, as NewAlpha AM does not have the transparency or necessary data to calculate PAI indicators for other asset classes for the year 2024.

### Coverage

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

Coverage	Coverage rate
<b>Very good</b>	60 - 100%
<b>Average</b>	30 - 60%
<b>Low</b>	<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				
Indicators of negative impact on sustainability		Coverage	Consideration	Source
<b>Greenhouse gas emissions</b>	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 exclusion policy, dialogue and engagement	Sustainalytics (Morningstar)
	5. Share of non-renewable energy consumption and production	Average	-	Sustainalytics (Morningstar)
	6. Energy consumption intensity by sector with high climate impact	Low	-	Sustainalytics (Morningstar)
<b>Biodiversity</b>	7. Activities having a negative impact on biodiversity-sensitive areas	Very good	ESG analysis, dialogue, and engagement	Sustainalytics (Morningstar)

<b>Water</b>	8. Discharges into water	Low	-	Sustainalytics (Morningstar)
<b>Waste</b>	9. Ratio of hazardous waste and radioactive waste	Very good	-	Sustainalytics (Morningstar)
<b>Indicators related to social issues, personnel matters, human rights compliance, and the fight against corruption and corrupt practices.</b>				
<b>Social and personnel issues</b>	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)
	Exposure to controversial weapons (landmines, cluster munitions, chemical weapons, or biological weapons)	Very good	Exclusion policy, dialogue, and engagement	Sustainalytics (Morningstar)
<b>Optional indicators</b>				
<b>Emissions</b>	15. Investments in companies that have not taken steps to reduce their carbon emissions.	Very good	ESG analysis, dialogue, and engagement	Sustainalytics (Morningstar)
<b>Social</b>	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 has noticed a 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:

<b>Indicators applicable to investments in companies</b>				
<b>Climate indicators and other environmental indicators</b>				
Indicators of negative impact on sustainability	Measurement element	Indicator 2024	Indicator 2023	
<b>Greenhouse gas emissions</b>	1. GHG emissions	GHG emissions level 1 in tons of CO2 equivalents	2 847.22	3 330.51
		GHG emissions level 2 in tons of CO2 equivalents	1 209.58	1,894.21
		GHG emissions level 3 in tons of CO2 equivalents	51 580.05	42 755.06
	2. Carbon footprint	Carbon footprint in tons of CO2 equivalents per million euros invested	43.87	45.13
	3. Intensity of GHG of companies benefiting from investments	Intensity of GHG of companies benefiting from investments	66.89	67.77

	4. Exposure to companies active in the fossil fuel sector	Investment share in companies active in the fossil fuel sector (in %)	3.90%	3.42%
	5. Share of non-renewable energy consumption and production	The percentage of energy consumption and production by investment-recipient companies that comes from non-renewable energy sources, compared to that from renewable energy sources, expressed as a percentage of the total energy sources.	57.89%	57.23%
	6. Energy consumption intensity by sector with high climate impact	Energy consumption in GWh per million euros of revenue for companies receiving investments, categorized by sectors with a significant climate impact.	0.34	0.61
<b>Biodiversity</b>	7. Activities having a negative impact on biodiversity-sensitive areas	Percentage of investments made in companies with sites or facilities located in or near areas that are sensitive for biodiversity, if the activities of these companies negatively impact those areas (expressed as a percentage).	1.73%	2.57%
<b>Water</b>	8. Discharges into water	Tons of water pollution from companies receiving investments, averaged per million euros invested.	0.00	0.07
<b>Waste</b>	9. Ratio of hazardous waste and radioactive waste	Average weighted tons of hazardous and radioactive waste produced by companies receiving investments, per million euros invested:	1.53	0.70

**Indicators related to social issues, personnel matters, human rights compliance, and the fight against corruption and corrupt practices.**

<b>Social and personnel issues</b>	10. Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.	Percentage of investments in companies that have violated the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises:	0.10%	0.04%
	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.	Percentage of investments in companies that do not have policies to ensure compliance with the United Nations Global Compact principles or the OECD Guidelines for Multinational Enterprises, nor do they have mechanisms for addressing complaints or disputes related to such violations (expressed as a percentage)	35.37%	29.25%
	12. Unadjusted pay gap between men and women	Average unadjusted pay gap between men and women in companies receiving investments (expressed in monetary amounts converted to euros)	13.46	9.64
	13. Diversity within governance bodies	Average ratio of women to men in the governing bodies of the relevant companies, expressed as a percentage of the total number of members.	40.83	36.53

	Exposure to controversial weapons (landmines, cluster munitions, chemical weapons, or biological weapons)	Investment in companies involved in the manufacturing or sale of controversial weapons (expressed as a percentage)	0%	0%
<b>Optional indicators</b>				
<b>Emissions</b>	15. Investments in companies that have not taken steps to reduce their carbon emissions.	Percentage of investments in companies that have not taken steps to reduce their carbon emissions in line with the Paris Agreement.	26.74%	29.44%
<b>Social</b>	16. Number of serious human rights issues and incidents recorded	Number of serious human rights issues and incidents reported related to companies benefiting from investments, based on a weighted average.	0.16	0.22

In terms of carbon emission metrics, both carbon **intensity and the carbon footprint (scope 1 and 2) have decreased compared to last year, although absolute emissions from scope 3 have increased. The overall coverage of carbon indicators has improved, but the coverage for indicator number 6 ("Energy consumption intensity by high climate impact sector") 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 that have seen the largest absolute increase in emissions since last year.

Activities that negatively impact biodiversity **have decreased year over year**, and the coverage rate has seen a slight increase. NewAlpha AM has not yet set specific goals regarding this issue, but they are monitoring the metrics and may engage in discussions with the underlying funds.

For the PAI regarding **water discharges**, the coverage of this indicator is too low (below 10%) to allow for any meaningful interpretation.

Regarding PAI 9, **which deals with the ratio of hazardous and radioactive waste, the coverage rate for this measure has increased**, although the ratio remains very low.

For the PAIs related to **social and personnel issues**, there has been an improvement noted for PAI 13. However, the low coverage rate for PAI 12 (the gender pay gap) makes it difficult to draw any conclusions. As for PAIs 10 and 11, despite a slight decline, their coverage rates have significantly improved.

Concerning the **two optional PAIs**, there has been progress in the right direction for the PAI on "Investments in companies that have not taken initiatives to reduce their carbon emissions." NewAlpha AM closely monitors this issue, particularly through the percentage of companies that have set targets with the Science Based Targets initiative (SBTi). Similarly, for the PAI on "The number of serious human rights issues and incidents reported," there has also been positive progress, and NewAlpha AM is actively tracking this by looking for serious controversies in its portfolios and identifying companies that have violated UN Global Compact guidelines.

## Engagement Policy

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

In 2024, our focus on responsible investment and PAI analysis involved engaging with the management companies we invest in. We concentrated on ensuring compliance with our exclusion policy (PAI 4, 10, 14), monitoring controversies (PAI 10, 16), and engaging in discussions about emissions and fossil fuels (PAI 1, 2, 3, 4, 15), biodiversity (PAI 7), and gender parity (PAI 13).

For more details, you can check the 2024 Climate and Responsible Strategy Report (Article 29 LEC), which is available on the Management Company's website at the following link: [https://www.newalpha.com/wp-content/uploads/10\\_Rapport-Art-29\\_2024\\_NewAlpha\\_FR.pdf](https://www.newalpha.com/wp-content/uploads/10_Rapport-Art-29_2024_NewAlpha_FR.pdf).

## International standards

NewAlpha AM is committed to promoting sustainable finance and supporting initiatives that align with its values.

In October 2017, NewAlpha AM signed the "**Principles for Responsible Investment**" (UN PRI). In addition to the PRI, the management company adheres 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 overseeing the selected investment vehicles to participate in various initiatives and charters that it considers essential, such as:

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

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