



NEWALPHA ASSET MANAGEMENT

2022 Principal Adverse Impact Report

June 30, 2023

Table of contents

Summary	4
Description of the main negative impacts on sustainability.....	4
Description of policies to identify and prioritize the main negative impacts on sustainability.....	6
Commitment policies	8
References to international standards	8
Historical comparison	9

IMPORTANT DISCLAIMER

NewAlpha Asset Management ("NewAlpha"), incorporated in Paris in October 2003, is regulated by the Autorité des marchés financiers (AMF) as an alternative asset management company under AMF registration No. GP-05000001. This presentation is for information and illustrative purposes only, and should not be construed as a solicitation or offer to buy or sell funds. Such sales or offers may only be made through private placement memoranda of which this document is not a part. This presentation is provided on a confidential basis for user use and discussion purposes only. It may be amended and/or supplemented without notice and should not be used to conclude any transaction. Certain customers may be mentioned in the document. It is not known whether these clients approve or disapprove of NewAlpha or the advisory and portfolio management services provided. Some of the information provided herein has been obtained from sources, including public and private information, that NewAlpha believes to be accurate; however, NewAlpha makes no representation and accepts no liability as to the accuracy, completeness or fairness of the information included herein. Information is valid on the date(s) indicated and is subject to change. All material is the exclusive property of NewAlpha. Documents may not be reproduced, redistributed or copied in any form, in whole or in part, or transmitted to any other person for any purpose, without the prior written consent of NewAlpha. All rights to trademarks, trade names, copyrights, patents and other intellectual property rights in the material or its web site are reserved to NewAlpha.

Summary

Financial market player : NEW ALPHA ASSET MANAGEMENT (LEI : 9695004JBXBCUOSM8238)

NEW ALPHA ASSET MANAGEMENT (LEI: 9695004JBXBCUOSM8238) considers the main negative impacts of its investment decisions on sustainability factors. This document is NEW ALPHA ASSET MANAGEMENT's consolidated statement of material adverse impacts on sustainability factors.

This statement of major negative impacts on sustainability factors covers a reference period from January 1, 2022 to December 31, 2022.

It should be noted that the calculations are made on equity multi-management funds, since for the year 2022, for alternative and private equity multi-management funds, we do not yet have the methodologies, transparency or data needed to calculate the PAI indicators.

Description of the main negative impacts on sustainability

The policies relating to the identification and prioritization of PAIs were approved by the management body of New Alpha Asset Management (New Alpha AM) on June 15, 2023.

NewAlpha AM has calculated the 14 PAIs (Principal Adverse Impact) for the first year, as required by the SFDR regulation.

In addition to the mandatory 14 PAIs, the SFDR regulation also requires financial market players to add at least two additional indicators, one related to the environment, and one on social issues. To select these indicators, NewAlpha AM relied on two criteria: the level of coverage; and the importance of the themes and their link with the responsible investment approach.

The two indicators chosen are :

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

Contributing to climate change mitigation is an important pillar of NewAlpha's ESG approach. In addition to tracking the carbon intensity of our portfolios, NewAlpha believes it is important to have a transitional perspective, and to also consider companies that have set emission reduction targets. The coverage of this measure was also an important factor in the choice of this optional indicator.

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

The social pillar is a key element of NewAlpha's ESG approach. In addition to excluding companies that do not

comply with the principles of the Global Compact (UNGC), NewAlpha considered it relevant to closely monitor serious human rights issues and incidents by selecting this optional PAI. The coverage of this measure was also an important factor in the choice of this optional indicator.

Indicators applicable to investments in companies			
Climate and other environmental indicators			
Indicators of negative impact on sustainability		Measuring element	Indicator 2022
Greenhouse gas emissions	1. GHG emissions	Tier 1 GHG emissions in tonnes of CO2 equivalent	4770.85
		Level 2 GHG emissions in tonnes of CO2 equivalent	1424.44
		Level 3 GHG emissions in tonnes of CO2 equivalent	21363.71
	2. Carbon footprint	Carbon footprint in tonnes of CO2 equivalent per million euros invested	74.3
	3. GHG intensity of investee companies	GHG intensity of investee companies	132.12
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector (%)	3.95%
	5. Share of non-renewable energy consumption and production	Share of investee companies' energy consumption and production from non-renewable versus renewable energy sources, expressed as a percentage of total energy sources (%)	63.85%
Biodiversity	6. Energy consumption intensity by sector with high climate impact	Energy consumption in GWh per million euros of sales of investee companies, by sector with high climate impact	N/A*
	7. Activities with a negative impact on biodiversity-sensitive areas	Share of investments made in companies with sites/establishments located in or near biodiversity-sensitive areas, if the activities of these companies have a negative impact on these areas (expressed as a %)	4.06%
Water	8. Discharge into water	Tons of water discharges from investee companies, per million euros invested, weighted average	0.15
Waste	9. Ratio of hazardous and radioactive waste	Tons of hazardous and radioactive waste produced by investee companies, per million euros invested, weighted average	0.6

<i>Indicators relating to social issues, personnel, respect for human rights and the fight against corruption and bribery</i>			
Social and personnel issues	10. Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	Share of investments in companies involved in violations of the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises (expressed in %)	0.07%
	11. Lack of compliance processes and mechanisms to monitor adherence to the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.	Share of investments in companies that do not have a policy for monitoring compliance with the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises, or mechanisms for handling complaints or remedying such violations (expressed as a %)	37.29%
	12. Unadjusted gender pay gap	Average unadjusted pay gap between men and women in investee companies (expressed as a monetary amount converted into euros)	N/A*
	13. Gender diversity in governing bodies	Average ratio of women to men in the governance bodies of the companies concerned, as a percentage of the total number of members	39.05
	14. Exposure to controversial weapons (landmines, cluster munitions, chemical or biological weapons)	Share of investment in companies involved in the manufacture or sale of controversial weapons (expressed as a %)	0%
<i>Optional indicators</i>			
Emissions	15. Investments in companies that have not taken initiatives to reduce their carbon emissions	Share of investments in companies that have not taken initiatives to reduce their carbon emissions in order to comply with the Paris Agreement (%)	44.84%
Social	16. Number of serious human rights issues and incidents identified	Number of serious human rights issues and incidents related to investee companies, based on a weighted average.	0.39

**These indicators are not published due to a very low coverage rate (<10%).*

Description of policies to identify and prioritize the main negative impacts on sustainability

Generally speaking, we note the poor availability of data for PAI indicators, which results in unsatisfactory coverage rates for some of them. The data source used by NewAlpha AM to report on these indicators is Sustainalytics (Morningstar).

NewAlpha AM takes PAI indicators into account in its investment processes in 3 different ways:

- **Exclusion policy** : PAI 4, 10, 14
- **ESG analysis (portfolio monitoring through key performance indicators)** : PAI 1, 2, 3, 4, 13, 15
- **Dialogue and engagement** : PAI 1, 2, 3, 4, 10, 13, 14, 15, 16

NewAlpha AM considers the other KPIs not mentioned above to be relevant, but they have not yet been taken into account during the reference period, due to low coverage or limitations imposed by funds of funds, over which we have no control over investment decisions.

Indicators applicable to investments in companies				
Climate and other environmental indicators				
Indicators of negative impact on sustainability		Coverage	Consideration	Source
Greenhouse gas emissions	1. GHG emissions	Very good	ESG analysis, dialogue and commitment	Sustainalytics (Morningstar)
	2. Carbon footprint	Very good	ESG analysis, dialogue and commitment	Sustainalytics (Morningstar)
	3. GHG intensity of investee companies	Very good	ESG analysis, dialogue and commitment	Sustainalytics (Morningstar)
	4. Exposure to companies active in the fossil fuel sector	Very good	ESG analysis, exclusion policy, dialogue and commitment	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)
Biodiversity	7. Activities with a negative impact on biodiversity-sensitive areas	Very good	-	Sustainalytics (Morningstar)
Water	8. Discharge into water	Low	-	Sustainalytics (Morningstar)
Waste	9. Ratio of hazardous and radioactive waste	Average	-	Sustainalytics (Morningstar)

Indicators relating to social issues, personnel, respect for human rights and the fight against corruption and bribery

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 commitment	Sustainalytics (Morningstar)
	11. Lack of compliance processes and mechanisms to monitor adherence to the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.	Very good	-	Sustainalytics (Morningstar)
	12. Unadjusted gender pay gap	Average	-	Sustainalytics (Morningstar)
	13. Gender diversity in governing bodies	Very good	ESG analysis, dialogue and commitment	Sustainalytics (Morningstar)
	14. Exposure to controversial weapons (landmines, cluster munitions, chemical or biological weapons)	Very good	Exclusion policy, dialogue and commitment	Sustainalytics (Morningstar)
<i>Optional indicators</i>				
Emissions	15. Investments in companies that have not taken initiatives to reduce their carbon emissions	Very good	ESG analysis, dialogue and commitment	Sustainalytics (Morningstar)
Social	16. Number of serious human rights issues and incidents identified	Very good	Dialogue and commitment	Sustainalytics (Morningstar)

Commitment policies

NewAlpha AM considers engagement to be an integral part of its responsible approach.

Over the course of 2022, commitments with invested management companies have focused on compliance with the exclusion policy (PAI 4, 10, 14), controversy monitoring (PAI 10, 16), and dialogue on fossil fuel emissions (PAI 1, 2, 3, 4, 15) and gender parity (PAI 13).

Further details are available in our report on Climate and Responsibility Strategy 2022 (Article 29 LEC), available on our website.

References to international standards

Together with the responsible investment community, NewAlpha AM is committed to supporting the development and standardization of methodologies and approaches.

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
- United Nations Global Compact
- OECD Guiding Principles
- The Ottawa Convention and the Oslo Treaty

As a fund-of-funds manager, NewAlpha AM encourages invested management companies to commit to various initiatives and charters that we consider essential, such as :

- TCFD
- CDP
- Climate Action 100+
- NZAMi
- SBTi
- Finance for Biodiversity Pledge

Historical comparison

A historical comparison of the period under consideration with the previous period will be carried out from 2024 onwards.

NEWALPHA ASSET MANAGEMENT

128 boulevard Raspail

75006 Paris, France

Phone : +33 1 44 56 10 00

Fax : +33 1 44 56 11 00

Email : info@newalpha.com

www.newalpha.com

This publication is confidential.

This publication is intended for your personal use only. NewAlpha Asset Management believes that the information contained in this document is reliable, but cannot guarantee its accuracy or completeness given its various sources.

The information and opinions contained in this document are provided for information purposes only and are subject to change according to market conditions and the general circumstances to which they relate.

This document does not constitute and should not be construed as an offer or solicitation by NewAlpha Asset Management to enter into any transaction in any jurisdiction. NewAlpha Asset Management makes no representation or warranty as to the accuracy, reliability or completeness of this document or its suitability for any purpose. NewAlpha Asset Management shall not be liable for any damages, including lost profits, arising directly or indirectly from reliance on this document.

Before committing to any investment, it is recommended that you carefully examine all the conditions, assess the risks and determine whether it is suitable in all respects for your financial needs and objectives. It is also advisable to consult financial, legal and/or tax advisors before committing to an investment.

Past performance is no guarantee of future results. The value of your investment may go down as well as up.

NewAlpha Asset Management does not guarantee in any way that the strategies, funds or investment vehicles mentioned in this document are currently, or will be in the future, available for investment or, if applicable, that they will be implemented within the timeframes indicated in this document.

NewAlpha Asset Management does not provide legal, tax or accounting advice. The information contained herein is provided for informational purposes only and does not constitute, nor should it be construed as, tax or professional advice. Clients of NewAlpha Asset Management should obtain their own independent tax advice based on their particular circumstances. NewAlpha Asset Management accepts no liability for any loss suffered as a result of reliance on this information. This document is not intended for distribution and is the property of NewAlpha Asset Management. Any person receiving this information (other than the intended recipients) undertakes not to use or permit the use by others of this information (or any part thereof) and further undertakes to keep this information confidential and not to disclose, copy or distribute it or permit it to be disclosed, copied or distributed by others.