

## Principal Adverse Impacts Statement

Nord Est Asset Management S.A. (the “**Company**” or “**NEAM**”) considers principal adverse impacts of its investment decisions on sustainability factors in each sub-fund managed by the Company. The sustainability factors considered material are in the field of environmental, social and governance matters. Principal adverse impacts should be understood as those impacts of investment decisions that might result in negative effects on sustainability factors.

This statement applies to NEAM as management company of NEF (“**NEF**” or the “**Fund**”), an umbrella and multi manager fund which consists in several sub-funds (each a “**Sub-Fund**”).

The concept of principal adverse impact is described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “**SFDR**”).

This principal adverse impacts statement covers the period from 30 June 2021 to 31 December 2021. This statement will be reviewed at least annually, or whenever needed due to regulatory or operational changes.

### 1. Description of policies to identify principal adverse sustainability impacts

The Company implemented a Sustainable Risk Policy which applies for the assessment of principal adverse impacts. The Company assesses and monitors, before and during an investment, indicators that are deemed to indicate the presence of a principal adverse impact.

The mandatory indicators related to principal adverse impacts on sustainability factors in accordance with the applicable Regulatory Technical Standards in relation to Article 4(6) and (7) in Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector will be reported started January 2022. NEAM might also identify and work on one or more additional indicators related to principal adverse impacts on a climate or other environment related sustainability, social, employee, human rights, anti-corruption or anti-bribery sustainability factor.

The adverse impacts can affect the underlying holdings and hence indirectly the sub-funds and the Company; that’s why several controversial sectors, that are considered to have a major contributor to adverse impacts are either completely or partially excluded from the investment universe.

Additionally our approach to assess principal adverse impacts is also based on identifying companies with poor ESG practices and performance, such as large scale and persistent human rights violations, labour rights violations, environmental pollution or corruption.

The Company identifies principal adverse impacts on sustainability factors through various means, such as data providers, our delegated investments managers research and analysis on sustainable matters and publicly available information. Where information relating to any of the indicators used is not readily available, a best effort will be used to assess the adverse impacts, including a description of any reasonable assumptions used and cooperation with third party data providers.

When evaluating principal adverse impacts, NEAM relies on information and data sources provided by both internal and external research, which might be incomplete or inaccurate, leading to potential risk,

notably when assessing an adverse impact. This principal adverse impact report will be the result of the Company's own view on sustainable risk and eventually not assess every principal adverse impact.

## **2. Description of actions to address principal adverse sustainability impacts**

We tackle adverse impacts with the same approach as for sustainability risks and discourage any investments that may significantly harm any environmental, social or governance ("ESG") matter. We automatically exclude investing in companies working in specific sectors that present high sustainability risk and very likely to generate adverse impact or to influence negatively the sub-funds and NEAM's sustainable development.

We also monitor all the investments made by our delegated investment managers in terms of ESG scoring and investing in sub-rated ESG score companies and in controversial sectors, for which we have set different thresholds based on the sub-funds sustainability profile that are daily monitored.

Should the monitoring show that the sub-funds need to take some actions on issues related to ESG, NEAM will engage in a discussion with the delegated investment manager concerned to take one or several of the following measures: (1) to engage with the investee's management to reduce the origin of the adverse impact or (2) divest its holdings.

## **3. Engagement policies**

NEAM is involved in the continuous process of increasing the sustainability value of its sub-funds by showing engagement in ESG issues in the underlying holdings and through its relation with its delegated investment managers.

NEAM implemented a voting rights policy which foresees the delegation of the exercise of voting rights for NEF sub-funds to the delegated investment managers who are required to comply with the provisions of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (the "SRD II"). We encourage our delegated investment managers to take part in the active and responsible role as shareholder in the companies the sub-funds invest in with emphasis on sustainability, activity and responsibility.

## **4. Adherence to international standards**

The Company recognises the importance of participating in international initiatives that support businesses to operate in a more sustainable manner. In this respect, whether the delegated investment manager is a signatory of the United Nations Principles for Responsible Investment (the "UNPRI") is taken into consideration in the selection process. This is a key criteria for NEAM while assessing the commitment towards sustainability risk management of the investment managers.

NEAM's appointed investment managers, or via their parent companies, are signatories to the UNPRI.

## **5. Reporting**

Details of the assessment of principal adverse sustainability impacts will be published annually on the Company's website. The first reporting period will cover 1 January 2022 – 31 December 2022.