NO CONSIDERATION OF ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Degroof Petercam Asset Services

October 2024

Contents

1. Regulatory context

Under Article 4 of 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, Financial Market Participants shall publish and maintain on their website if they do or if they do not consider adverse impacts.

Article 4 (b) further states the if adverse impacts of investment decisions on sustainability factors are not considered, it must be clearly stated why those adverse impacts are not considered and if the Financial Market Participants intends to consider them.

2. Scope of application

Degroof Petercam Asset Services ("DPAS") acts as Alternative Investment Fund Manager and Management Company under chapter 15 of the Law of 17 December 2010 concerning Undertakings for Collective Investments.

DPAS is a subsidiary of Banque Degroof Petercam Luxembourg, part of Belgium's premier independent private and investment bank named Bank Degroof Petercam ("The Group"). Being part of a larger Group, DPAS does not have a derogation under SFDR Article 4. The PAI of DPAS should be reported at the Group level.

DPAS delegates most investment decisions to third-party managers which may apply different investment strategies with different approaches on the integration of sustainability risks. DPAS aims to accompany its clients to enhance their practices towards ESG integration.

The two intra-group investment delegates of DPAS directly report Principal Adverse Impact at the Group level. DPAS needs to avoid double counting so does not directly report on those.

Most other investment strategies of DPAS are delegated to third-party data providers which have their own approach towards sustainability.

3. Statement on adverse impacts

DPAS does not consider adverse impact of investment decisions on sustainability factors.

4. Sustainability at DPAS

DPAS has built a Global Sustainable Investment Policy to determine how to interpret sustainability in the management of funds. This policy is on DPAS' website: www.dpas.lu

5. Why adverse impacts of investment decisions are not considered

The integration of Principal Adverse Impacts is being reported by the intra-group investment delegates. Those PAI reflect how sustainability is incorporated within the investment decision process of the Group. DPAS needs to avoid double counting intra-Group.

DPAS is not considering adverse impact of investment decisions when it delegates investment decisions to third parties as:

1. It needs to avoid a mismatch in the different sustainable approaches of its investment delegates which can vary significantly from one delegate to another

2. The reliability of estimates from third-party data providers still makes it difficult for asset managers to fully integrate those impacts into their investment decision

3. It is still impossible to define a set of minimum principal adverse criteria's that all delegated managers should use

DPAS welcomes initiatives from delegated managers to integrate the adverse impacts into their investment decision process. Nevertheless, aggregating the different approaches towards sustainability into a Principal Adverse Impact report would provide misleading results. Therefore, DPAS has decided not to consider adverse impacts.

6. Review of the Statement on PAI

The consideration of principal adverse impacts can be reassessed at any time once availability of data's (following CSRD) improves or if any other objective reasons require DPAS to publish the report.