

Luxembourg, 18 October 2024

## Statement on principal adverse impacts of investment decisions on sustainability factors

### 1. Financial market participant:

Banque et Caisse d'Épargne de l'État, Luxembourg, LEI: R7CQUF1DQM73HUTV1078 ("Spuerkeess")

### 2. Summary:

Spuerkeess, LEI: R7CQUF1DQM73HUTV1078, considers principal adverse impacts ("PAI") of its investment decisions on sustainability factors.

The present statement is the consolidated statement on PAI on sustainability factors of Spuerkeess. This statement has been produced in accordance with article 4 of regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR").

This statement on PAI on sustainability factors covers the reference period from 1 January to 31 December 2023<sup>1</sup>.

In accordance with SFDR, Spuerkeess considers the mandatory indicators<sup>2</sup> and the following additional indicators concerning the PAI of its investment decisions on sustainability factors: additional indicator "4. Investments in companies without carbon emission reduction initiatives" concerning environmental aspects<sup>3</sup>; and additional indicators "1. Investments in companies without workplace accident prevention policies" and "14. Number of identified cases of severe human rights issues and incidents" concerning social aspects<sup>4</sup>.

In order to do so, Spuerkeess has mainly defined an ESG exclusion policy that is part of its strategy as a "Transition Enable" and is based on the principle of double materiality.

This policy allows the application of sectoral and/or controversy-based exclusions within the definition of the investment universe from which the investment solutions relating to Spuerkeess's portfolio management service are built.

It is specified that this document is not applicable to Spuerkeess's own-account activities.

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<sup>1</sup> It is specified that not all quarterly data points for the reference period covered by this statement could be collected and included in the calculation of the quantitative elements set out in the below section "Description of the principal adverse impacts on sustainability factors". Spuerkeess will ensure that all four quarterly data points are collected by 31 March, 30 June, 30 September and 31 December 2024 for the production of the next annual statement.

<sup>2</sup> Listed in Table 1 of Annex 1 of delegated regulation (EU) 2022/1288 of 6 April 2022.

<sup>3</sup> Selected among the indicators listed in Table 2 of Annex 1 of delegated regulation (EU) 2022/1288 of 6 April 2022.

<sup>4</sup> Selected among the indicators listed in Table 3 of Annex 1 of delegated regulation (EU) 2022/1288 of 6 April 2022.

### 3. Description of the principal adverse impacts on sustainability factors:

#### 3.1. Mandatory indicators for principal adverse impacts on sustainability factors:

Indicators applicable to investments in investee companies									
Adverse sustainability indicator	Metric	2023 Impact	Coverage <sup>5</sup>	Reported <sup>6</sup>	Estimated <sup>7</sup>	Explanation	Actions taken <sup>8</sup> , and actions planned and targets set for the next reference period		
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>									
Greenhouse gas (GHG) emissions	1. GHG emissions	Scope 1 GHG emissions	58,358.15	tCO <sub>2</sub> e	85.86%	63.08%	4.25%	Sum of portfolio companies' GHG emissions - Scope 1, Scope 2 and estimated Scope 3 - weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash ("EVIC").  The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available EVIC).  The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions per million EUR invested. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available EVIC).  The portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions).	Spuerkeess's ESG exclusion policy targets and excludes: 1) companies active in <b>sectors with high GHG emissions</b> : <ul style="list-style-type: none"> <li>coal production or electricity generated from coal &gt; <b>10% of revenues</b>;</li> <li>production of non-conventional <b>hydrocarbons</b> (extraction and processing of oil sands; combustion and thermal processing of oil shale; extraction of shale gas) &gt; <b>5% of revenues</b>.</li> </ul> The aim is to reduce exposure to companies that have a negative impact on the environment, particularly through their GHG emissions; and 2) companies that are subject to <b>controversies</b> . The "Energy and Climate Change" theme is one of the issues covered by MSCI with regard to controversies.
		Scope 2 GHG emissions	14,091.24	tCO <sub>2</sub> e	85.86%	61.27%	6.06%		
		Scope 3 GHG emissions	493,170.83	tCO <sub>2</sub> e	85.11%	0.00%	85.11%		
	Total GHG emissions	564,604.14	tCO <sub>2</sub> e	85.04%	0.00%	85.04%			
2. Carbon footprint	Carbon footprint	422.67	tCO <sub>2</sub> e/€M	85.04%	0.00%	85.04%			
3. GHG intensity of investee companies	GHG intensity of investee companies	884.38	tCO <sub>2</sub> e/€M	95.81%	0.00%	95.81%			

<sup>5</sup> The proportion of portfolio assets covered by MSCI. Coverage is considered as soon as: (i) MSCI has access to the necessary data directly disclosed by a company; or (ii) MSCI can estimate the necessary data.

<sup>6</sup> The proportion of portfolio assets covered by MSCI for which the necessary data has been directly disclosed by a company.

<sup>7</sup> The proportion of portfolio assets covered by MSCI for which an estimation of the necessary data has been made.

<sup>8</sup> It is specified that for certain investment solutions, additional criteria, in particular more restrictive ones, may apply. These are detailed in the sustainability-related documentation of those investment solutions.

4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	7.61	%	96.30%	96.30%	0.00%	The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including exploration, extraction, mining, storage, distribution and trading of oil and gas, production and distribution of thermal coal, and production, distribution, storage, and reserves of metallurgical coal, rebalanced by the sub-portfolio of corporate holdings.
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	65.36%	%	80.06%	80.06%	0.00%	The portfolio's weighted average of issuers' energy consumption and/or production from non-renewable sources as a percentage of total energy used and/or generated.
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, climate sector A	0.59	GWh/€ M	87.79%	87.79%	0.00%	The portfolio's weighted average of Energy Consumption Intensity for issuers classified within NACE Code A (Agriculture, Forestry and Fishing)
	Energy consumption in GWh per million EUR of revenue of investee companies, climate sector B	1.37	GWh/€ M	87.79%	87.79%	0.00%	The portfolio's weighted average of Energy Consumption Intensity for issuers classified within NACE Code B (Mining and Quarrying)
	Energy consumption in GWh per million EUR of revenue of investee companies, climate sector C	0.39	GWh/€ M	87.79%	87.79%	0.00%	The portfolio's weighted average of Energy Consumption Intensity for issuers classified within NACE Code C (Manufacturing)
	Energy consumption in GWh per million EUR of revenue of investee companies, climate sector D	4.52	GWh/€ M	87.79%	87.79%	0.00%	The portfolio's weighted average of Energy Consumption Intensity for issuers classified within NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply)

		Energy consumption in GWh per million EUR of revenue of investee companies, climate sector E	3.20	GWh/€ M	87.79%	87.79%	0.00%	The portfolio's weighted average of Energy Consumption Intensity for issuers classified within NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities)	
		Energy consumption in GWh per million EUR of revenue of investee companies, climate sector F	0.22	GWh/€ M	87.79%	87.79%	0.00%	The portfolio's weighted average of Energy Consumption Intensity for issuers classified within NACE Code F (Construction)	
		Energy consumption in GWh per million EUR of revenue of investee companies, climate sector G	0.13	GWh/€ M	87.79%	87.79%	0.00%	The portfolio's weighted average of Energy Consumption Intensity for issuers classified within NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles)	
		Energy consumption in GWh per million EUR of revenue of investee companies, climate sector H	2.07	GWh/€ M	87.79%	87.79%	0.00%	The portfolio's weighted average of Energy Consumption Intensity for issuers classified within NACE Code H (Transportation and Storage)	
		Energy consumption in GWh per million EUR of revenue of investee companies, climate sector L	0.60	GWh/€ M	87.79%	87.79%	0.00%	The portfolio's weighted average of Energy Consumption Intensity for issuers classified within NACE Code L (Real Estate Activities)	

Biodiversity	7. Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity	0.18	%	96.34%	0.00%	96.34%	<p>The percentage of the portfolio's market value exposed to issuers' that either have operations located in or near biodiversity sensitive areas, are assessed to potentially negatively affect local biodiversity, and have no impact assessment; or they are involved in controversies with severe impact on local biodiversity, rebalanced by the sub-portfolio of corporate holdings.</p>	<p>Spuerkeess's ESG exclusion policy targets and excludes:</p> <ol style="list-style-type: none"> <li>1) companies that produce <b>palm oil</b> (not certified "<i>Roundtable on Sustainable Palm Oil – RSPO</i>") if <b>&gt; 10% of revenues</b>. These companies are considered to have negative impact on biodiversity;</li> <li>2) <b>forestry and paper</b> companies without sustainable offsetting practices; and</li> <li>3) companies that are subject to <b>controversies</b>. The "Biodiversity and Land use" theme is one of the issues covered by MSCI with regard to controversies.</li> </ol>
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Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	29.85	t/€M	1.06%	1.06%	0.00%	The total water emissions (metric tons) per million EUR invested. It is calculated as the weighted average of Water Emissions (metric tons) per company divided by the company's most recently available EVIC.	Spuerkeess's ESG exclusion policy targets and excludes: <ol style="list-style-type: none"> <li>1) companies that produce <b>palm oil</b> (not certified "<i>Roundtable on Sustainable Palm Oil – RSPO</i>") if <b>&gt; 10% of revenues</b>. These companies are considered to consume lots of water and have a high impact on biodiversity;</li> <li>2) <b>forestry and paper</b> companies without sustainable offsetting practices; and</li> <li>3) companies that are subject to <b>controversies</b>. The "Water" and "Emissions and Toxic Waste" themes are among the issues covered by MSCI with regard to controversies.</li> </ol>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	16.04	t/€M	31.63%	31.63%	0.00%	The total annual hazardous waste (metric tons reported) per million EUR invested. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based on the most recently available EVIC).	Spuerkeess's ESG exclusion policy targets and excludes companies that are subject to <b>controversies</b> . The "Operational Waste" and "Emissions and Toxic Waste" themes are among the issues covered by MSCI with regard to controversies.

**INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS**

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.38	%	58.72%	0.00%	58.72%	The percentage of the portfolio's market value exposed to issuers that fail to align with the OECD Guidelines for Multinational Enterprises based on MSCI methodology.	Spuerkeess's ESG exclusion policy targets and excludes companies that have violated the <b>principles of the United Nations Global Compact</b> .
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	30.63	%	96.11%	96.11%	0.00%	The percentage of the portfolio's market value exposed to issuers that do not have at least one policy covering some of the UNGC principles or OECD Guidelines for Multinational Enterprises (e.g. human rights, labor due diligence, or anti-bribery policy) and either a monitoring system evaluating compliance with such policy or a grievance/complaints handling mechanism.	

	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	14.83	%	28.03%	28.03%	0.00%	The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees.	Spuerkeess's ESG exclusion policy targets and excludes companies that are subject to <b>controversies</b> . The "Employee Discrimination and Diversity" theme is one of the issues covered by MSCI with regard to controversies.
	13. Board gender diversity	Average ratio of female to male board members in investee companies	38.45	%	94.55%	94.55%	0.00%	The portfolio holdings' weighted average of the percentage of female board members to total board members.	Spuerkeess's ESG exclusion policy targets and excludes companies that are subject to <b>controversies</b> . The "Governance structures" theme is one of the issues covered by MSCI with regard to controversies.



	<p>14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)</p>	<p>Share of investments in investee companies involved in the manufacture or selling of controversial weapons</p>	<p>0.02</p>	<p>%</p>	<p>96.43%</p>	<p>96.43%</p>	<p>0.00%</p>	<p>The percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons.</p> <p>Note: Industry ties includes ownership, manufacturing and investments.</p>	<p>Spuerkeess's ESG exclusion policy targets and excludes companies linked to <b>controversial weapons</b>.</p>
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Indicators applicable to investments in sovereigns and supranationals									
Adverse sustainability indicator		Metric	2023 Impact		Coverage <sup>9</sup>	Reported <sup>10</sup>	Estimated <sup>11</sup>	Explanation	Actions taken <sup>12</sup> , and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	282.41	tCO <sub>2</sub> e/€ M	67.94%	67.94%	0.00%	The portfolio's weighted average of sovereign issuers' GHG intensity.	No specific action relating to this indicator has been taken to date.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	5 (4.67%)	Investee countries subject to social violations	67.94%	0.00%	67.94%	The portfolio's number of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports	No specific action relating to this indicator has been taken to date. However, the application of the internal framework relating to sanctions contributes to the consideration and reduction of PAI of investment decisions in this field.

<sup>9</sup> The proportion of portfolio assets covered by MSCI. Coverage is considered as soon as: (i) MSCI has access to the necessary data directly disclosed by a company; or (ii) MSCI can estimate the necessary data.

<sup>10</sup> The proportion of portfolio assets covered by MSCI for which the necessary data has been directly disclosed by a company.

<sup>11</sup> The proportion of portfolio assets covered by MSCI for which an estimation of the necessary data has been made.

<sup>12</sup> It is specified that for certain investment solutions, additional criteria, in particular more restrictive ones, may apply. These are detailed in the sustainability-related documentation of those investment solutions.

Indicators applicable to investments in real estate assets									
Adverse sustainability indicator		Metric	2023 Impact		Coverage <sup>13</sup>	Reported <sup>14</sup>	Estimated <sup>15</sup>	Explanation	Actions taken <sup>16</sup> , and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	%	0.00%	0.00%	0.00%	As part of its portfolio management activity, Spuerkeess does not invest in real estate assets.	N/A
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	%	0.00%	0.00%	0.00%	As part of its portfolio management activity, Spuerkeess does not invest in real estate assets.	N/A

<sup>13</sup> The proportion of portfolio assets covered by MSCI. Coverage is considered as soon as: (i) MSCI has access to the necessary data directly disclosed by a company; or (ii) MSCI can estimate the necessary data.

<sup>14</sup> The proportion of portfolio assets covered by MSCI for which the necessary data has been directly disclosed by a company.

<sup>15</sup> The proportion of portfolio assets covered by MSCI for which an estimation of the necessary data has been made

<sup>16</sup> It is specified that for certain investment solutions, additional criteria, in particular more restrictive ones, may apply. These are detailed in the sustainability-related documentation of those investment solutions.

3.2. Other indicators for principal adverse impacts on sustainability factors:

Additional climate and other environment-related indicators									
Indicators applicable to investments in investee companies									
Adverse sustainability indicator	Metric	2023 Impact	Coverage <sup>17</sup>	Reported <sup>18</sup>	Estimated <sup>19</sup>	Explanation	Actions taken <sup>20</sup> , and actions planned and targets set for the next reference period		
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS									
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	27.92	%	94.36%	0.00%	94.36%	The percentage of the portfolio's market value exposed to issuers without a carbon emissions reduction target aligned with the Paris Agreement.	No specific action relating to this indicator has been taken to date. However, the measures mentioned above under indicators 1 to 6 relating to "GHG emissions" contribute to the consideration and reduction of PAI of investment decisions in this field.

<sup>17</sup> The proportion of portfolio assets covered by MSCI. Coverage is considered as soon as: (i) MSCI has access to the necessary data directly disclosed by a company; or (ii) MSCI can estimate the necessary data.

<sup>18</sup> The proportion of portfolio assets covered by MSCI for which the necessary data has been directly disclosed by a company.

<sup>19</sup> The proportion of portfolio assets covered by MSCI for which an estimation of the necessary data has been made

<sup>20</sup> It is specified that for certain investment solutions, additional criteria, in particular more restrictive ones, may apply. These are detailed in the sustainability-related documentation of those investment solutions.

**Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters**
**Indicators applicable to investments in investee companies**

Adverse sustainability indicator	Metric	2023 Impact	Coverage <sup>21</sup>	Reported <sup>22</sup>	Estimated <sup>23</sup>	Explanation	Actions taken <sup>24</sup> , and actions planned and targets set for the next reference period		
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>									
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	9.32	%	96.01%	96.01%	0.00%	The percentage of the portfolio's market value exposed to issuers without a health & safety/workplace accident prevention policy that applies to all direct operations, including subsidiaries.	No specific action relating to this indicator has been taken to date. Spuerkeess's ESG exclusion policy targets and excludes companies that are subject to <b>controversies</b> . The "Health and Safety" theme is one of the issues covered by MSCI with regard to controversies, which contributes to the consideration and reduction of PAI of investment decisions in this field.
Human Rights	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0.00	Cases of severe human rights issues and incidents	87.72%	0.00%	87.72%	The total number of severe and very severe human rights concerns controversies in the last three years per million EUR invested. It is calculated as the weighted average of Number of Severe and Very Severe Human Rights Concerns Controversies per company divided by the company's most recently available EVIC.	No specific action relating to this indicator has been taken to date. Spuerkeess's ESG exclusion policy targets and excludes companies that are subject to <b>controversies</b> . The "Community Impact", "Civil Liberties" and "Human rights Concerns" themes are among the issues covered by MSCI with regard to controversies.

<sup>21</sup> The proportion of portfolio assets covered by MSCI. Coverage is considered as soon as: (i) MSCI has access to the necessary data directly disclosed by a company; or (ii) MSCI can estimate the necessary data.

<sup>22</sup> The proportion of portfolio assets covered by MSCI for which the necessary data has been directly disclosed by a company.

<sup>23</sup> The proportion of portfolio assets covered by MSCI for which an estimation of the necessary data has been made

<sup>24</sup> It is specified that for certain investment solutions, additional criteria, in particular more restrictive ones, may apply. These are detailed in the sustainability-related documentation of those investment solutions.

## 4. Description of policies to identify and prioritise principal adverse impacts on sustainability factors:

### 4.1. Implemented policies and related internal governance:

Spuerkeess's approach to considering PAI of its investment decisions on sustainability factors is primarily based on the application of the ESG exclusion policy. The latter describes the ESG exclusions framework applicable within Spuerkeess with regard to commitments, governance and the criteria in place.

The current version of this policy, as of the date of this statement, was approved by the Executive Committee on 28 November 2023 and is available on Spuerkeess's website (<https://www.spuerkeess.lu/en/about-us/sustainability/csr-policy-of-spuerkeess/statement-of-the-esg-exclusion-policy/>).

Details of responsibilities for the effective implementation of this policy are set out in the published version available via the link above. In addition, the policy is drawn up and updated as follows:

- the Strategic & Sustainability Office (SSO) of the General Secretariat coordinates the various tasks and stages of the policy and regularly reviews its content;
- the specialised internal departments<sup>25</sup>, in collaboration with the asset management company Spuerkeess Asset Management, are consulted on the development and review of the policy;
- the Extended Management issues an opinion before submitting the policy to the Executive Committee for approval; and
- once approved by the Executive Committee, the policy is distributed to all Spuerkeess staff and a public statement is published on the website to inform external stakeholders.

### 4.2. Methodologies used:

The ESG exclusion policy mentioned above allows the application of sectoral and/or controversy-based exclusions within the definition of the investment universe from which the investment solutions relating to Spuerkeess's portfolio management service are built.

The policy is implemented using a method based on data provided by our partner MSCI:

- sectoral exclusions are applied on the basis of the relevant data provided by MSCI; and
- controversy-based exclusions are applied on the basis of the controversy ratings provided by MSCI and resulting from the application of its dedicated methodology<sup>26</sup>.

In general, in accordance with the requirements of SFDR, Spuerkeess considers the mandatory indicators<sup>27</sup> as well as the following additional indicators: additional indicator "4. Investments in companies without carbon emission reduction initiatives" concerning environmental aspects<sup>28</sup>; and additional indicators "1. Investments in companies without workplace accident prevention policies" and "14. Number of identified cases of severe human rights issues and incidents" concerning social aspects<sup>29</sup>.

Spuerkeess has selected and considers these additional indicators in particular because of (i) their importance, in either the environmental or social field; (ii) the current availability and quality of the

<sup>25</sup> Global Markets, Loan & Credit Management, Private Banking, Risk Management and Compliance.

<sup>26</sup> MSCI ESG Controversies and Global Norms Methodology.

<sup>27</sup> Listed in Table 1 of Annex 1 of delegated regulation (EU) 2022/1288 of 6 April 2022.

<sup>28</sup> Selected among the indicators listed in Table 2 of Annex 1 of delegated regulation (EU) 2022/1288 of 6 April 2022.

<sup>29</sup> Selected among the indicators listed in Table 3 of Annex 1 of delegated regulation (EU) 2022/1288 of 6 April 2022.

related data according to the methodology applied; and (iii) for some, their direct or indirect link to Spuerkeess's ESG exclusion policy.

The data provided in the column "2023 Impacts" of the table included in the above section entitled "*Description of the principal adverse impacts on sustainability factors*" are taken from MSCI and result from the application of its dedicated methodology<sup>30</sup>.

In addition, how each of these indicators has been considered during the reference period is specified in the column "*Actions taken, actions planned and targets set for the next reference period*" of the table included in the above section entitled "*Description of the principal adverse impacts on sustainability factors*".

Spuerkeess intends to further develop and strengthen its approach in order to ensure a more granular and robust management of PAI of its investment decisions on sustainability factors in the future.

#### **4.3. Margin of error within the methodologies used:**

The reliability of the methodologies used depends on the availability and quality of the data used.

Particularly in the context of the gradual implementation of the regulation concerning the disclosure of sustainability information by companies<sup>31</sup>, the data used is not necessarily all available or, where it is, standardised.

This can lead to a risk of incorrect estimations, assessments and decisions to exclude or not to exclude certain financial instruments.

#### **4.4. Data sources used:**

The data provided by our partner MSCI is the main source used.

### **5. Engagement policies:**

Spuerkeess does not currently have an engagement policy to reduce PAI as part of its discretionary portfolio management activity.

As part of the further development and strengthening of its approach to managing the PAI of its investment decisions on sustainability factors, Spuerkeess intends to study and possibly deploy a dedicated engagement policy.

### **6. References to international standards:**

Spuerkeess's current framework is partially based on compliance with codes of conduct relating to responsible business conduct and internationally recognised standards for due diligence and reporting.

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<sup>30</sup> MSCI SFDR Adverse Impact Metrics Methodology.

<sup>31</sup> Directive (EU) 2022/2464 of 14 December 2022 ("CSRD").

Spuerkeess monitors and measures compliance with these standards through the application of its ESG exclusion policy, as described above. The exclusions applied, which are sectoral and/or controversy-based, ensure broad coverage of the relevant international standards. In this context:

- sectoral exclusions relating to controversial armaments can be linked to the mandatory indicator 14 concerning social and employee matters; and
- exclusions based on controversies can be linked to the mandatory indicators 10 and 11 concerning social and employee matters.

This indirectly contributes to the implementation of Spuerkeess's commitments in terms of sustainable development made through its adherence to the following national and international standards<sup>32</sup>:

- **Principles for Responsible Banking (“PRB”) of the United Nations Environment Programme Finance Initiative (“UNEP FI”)**: Spuerkeess is committed to aligning its activities with the United Nations Sustainable Development Goals (SDGs) and the objectives of the Paris Climate agreement. This commitment includes integrating climate risk into our investment decisions and promoting sustainable finance;
- **Net-Zero Banking Alliance (“NZBA”)**: as a member, Spuerkeess is committed to achieving carbon neutrality in its credit and investment portfolios by 2050. This involves implementing rigorous strategies to measure and reduce greenhouse gas emissions associated with our banking activities in line with the Paris Climate Agreement goals;
- **Partnership for Carbon Accounting Financials (“PCAF”)**: as a member of PCAF, Spuerkeess is committed to measuring and disclosing the greenhouse gas emissions associated with its loan and investment portfolios, using a standardised methodology. This strengthens our ability to manage our carbon footprint and contribute to the transition to a low-carbon economy; and
- **National Pact “Business and Human Rights”**: Spuerkeess is committed to respecting the United Nations Guiding Principles on Business and Human Rights by proactively integrating these principles into its business practices.

Furthermore, Spuerkeess has voluntarily decided to apply the **Global Reporting Initiative (“GRI”)** standards for its sustainability reports produced and published since 2018. These standards ensure a certain level of transparency on Spuerkeess's environmental, social and governance impacts, while facilitating comparison with international best practices.

However, due to the lack of developed standardised methodologies, Spuerkeess has not yet identified a forward-looking climate scenario relating to the consideration of PAI as part of its portfolio management activity. The study of this subject will be integrated into the development and enhancement efforts of Spuerkeess's approach to managing PAI of its investment decisions on sustainability factors.

## 7. Historical comparison:

A historical comparison will be made from 2025 onwards as part of the publication of the *Statement on principal adverse impacts of investment decisions on sustainability factors* covering the reference period from 1 January to 31 December 2024.

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<sup>32</sup> These national and international standards are directly or indirectly linked to codes of conduct relating to responsible business conduct and internationally recognised standards for due diligence and reporting (including, without limitation, the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises on Responsible Conduct and the United Nations Guiding Principles on Business and Human Rights).



The comparison between the impacts of 2023 and 2024 will then be explained directly in the table included in the section entitled “*Description of the principal adverse impacts on the sustainability factors*”.

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