

Juno Investment Partners B.V. - Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Juno Investment Partners B.V.

Summary

Juno Investment Partners B.V. (**'Juno'**) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Juno.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2022.

Samenvatting

Juno Investment Partners B.V. (**'Juno'**) neemt de belangrijkste ongunstige effecten van haar beleggingsbeslissingen op duurzaamheidsfactoren in aanmerking. Deze verklaring is de geconsolideerde verklaring inzake de belangrijkste ongunstige effecten op duurzaamheidsfactoren van Juno.

Deze verklaring inzake de belangrijkste ongunstige effecten op duurzaamheidsfactoren heeft betrekking op de referentieperiode van 1 januari tot en met 31 december 2022.

Description of the principal adverse impacts on sustainability factors

See tables below. Please note:

- The majority of data (approx. 82% of current investment value) used for this statement was obtained directly from investee companies using publicly available data sources such as annual reports, impact reports and website data. The remaining data, and data to corroborate findings from public sources, was obtained from an external data provider (Refinitiv).
- In a few instances (approx. 4% of current investment value), no data was available for the reference period (2022) at this point in time. In these instances, 2021 data was used as a proxy for the current reference period.
- Excess liquidity (approx. 10% of total AuM) in Juno funds and separately managed accounts ('SMA') is largely invested in cash and money market funds that are selected at the discretion of the Investment Manager. Juno has requested information on the principle adverse indicators of these investments by the manager. They were not yet able to provide such information for the selected money market fund. Hence, Juno did not include their excess liquidity investments in any calculations made in this statement.
- Under 'Actions taken, actions planned and targets set', references are made to (sections) of Juno's sustainability- and investment policy, Juno approved company list (Universe) and our engagement policy, these documents primarily apply to Juno's alternative investment funds and SMA's that are mirrored to our funds. Juno also has two SMA's where these documents do not directly or fully apply, because the investment style and investment approach that has been agreed with the client, differs substantially from the approach and style chosen for our funds. However, Juno strives to take adverse impacts of its investment decisions into consideration for its entire investment portfolio, (alls funds and SMA's) and it will undertake actions when it deems them to be necessary regardless.

This document was prepared and published on the 30th of June 2023. Juno will continue to update and enhance this document as more data becomes available.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact [year 2022]	Impact [year 2021]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	1,927	n/a	Scope 1 and 2 GHG emissions are estimated on the basis of the reported data from investee companies that represent 98% of the total current value of investments.	<p>Juno is committed to contribute to the Paris Agreement and to achieving net zero carbon emissions by 2050. Initially confined to our funds only, the scope of our decarbonization strategy will gradually increase to include SMA's as well.</p> <p>Juno engages with the highest emitters in our investment universe first.</p> <p>Juno's sustainability policy covers the exclusion investments in activities that carry highly negative climate impacts.</p>
		Scope 2 GHG emissions	1,100	n/a		
		Scope 3 GHG emissions	75,384	n/a	Scope 3 GHG emissions are estimated on the basis of the reported data from investee companies that represent 85% of the total current value of investments.	
		Total GHG emissions	78,138	n/a	Only entities that reported on all 3 Scope emissions have been included, therefore the total GHG emissions are slightly lower than the reported individual values for scope 1-2-3.	
	2. Carbon footprint	Carbon footprint	170	n/a	The total emissions relative to invested assets (expressed in million euros). To correct for missing data, investments for which no data was available are not included in invested assets.	

	3. GHG intensity of investee companies	GHG intensity of investee companies	209	n/a	The total emissions relative to the total turnover of the company (expressed in million euros), in proportion to the investment's share in the total assets under management.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	n/a	No investments were made in companies active in the fossil fuel sector	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	62%	n/a	This percentage is estimated on the basis of the reported data from investee companies that represent 51% of the current value of investments.	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	<u>Manufacturing</u>	5,1	n/a	This number is estimated on the basis of the reported data from investee companies that represent 67% of the total current value of investments. The sectors are derived from Refinitiv's TRBC Sector Classifications.
			<u>Wholesale & Retail Trade</u>	0,1		
			<u>Transportation & Storage</u>	0,4		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	n/a	n/a	No data was reported by investee companies or the data provider.	Currently no data is available regarding the biodiversity-sensitive areas where portfolio companies are active, and despite the fact that our companies almost always operate in environments with very low biodiversity risk, we strive to obtain information on all companies on whether they take possible biodiversity

						degradation into account, particularly in cases where these companies are planning investments that are expanding their physical footprint.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	n/a	n/a	Juno was unable to collect sufficient data points to provide a meaningful estimate	Currently insufficient data is available with regard to water emissions from the companies in the portfolio, despite the fact that our companies do not discharge, or discharge very little, we strive to obtain water emissions data from all companies. We do not expect any of our companies to have excessive water emissions given that they typically are not engaged in manufacturing processes that require significant use of water in either production, cleaning or cooling.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	6,6	n/a	This number is estimated on the basis of the reported data from investee companies that represent 56% of the total current value of investments.	Juno aims to get the hazardous waste and radioactive waste ratio as low as possible and preferably, where feasible, to reduce it to zero. Within the Juno Universe there are very few companies that manufacture radioactive material as a by-product. We do invest in, for example, the medical technology sector and the pharmaceutical industry, sectors where hazardous waste can, at

						times, be a by-product from the manufacturing process. We plan to obtain more information on any possible polluter and where data shows above-expected waste, we will engage to ascertain how a reduction in their pollution over a certain time frame could be achieved.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY 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	n/a	n/a	In the cases where the investee companies are global compact signatories, and no violations were reported during the reference period, Juno have assumed that these violations have not occurred. These represent 45% of the total current value of investments. It can not be concluded that the remaining 55% have been involved in violations, hence no value is reported.	At the moment, not all companies report information on this indicator. The companies that do report see no violations on this indicator. We also expect the other companies in the portfolios not to report any violations. If violations are reported, either by the company itself, or when such information is obtained through other public or private sources, we will engage with the respective company about how this could have happened and how they will prevent this in the future. If the answer is not reassuring, the ultimate sanction is that the company will be removed from the Juno Universe and thereby it will become uninvestable to us.
	11. Lack of processes and	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or	n/a	n/a	Juno has not assessed these processes and mechanisms. The external data provider	It is Juno's objective that all companies in the portfolios meet this indicator and have

	<p>compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</p>			<p>flagged 12 investee companies with a potential lack of compliance mechanisms, but it did not provide full coverage. Also, to the best knowledge of Juno, the companies that have been flagged are not likely to be at risk of having a lack of such processes and mechanisms.</p>	<p>processes and compliance mechanisms in place to comply with the UN Global Compact principles and OECD guidelines for multinational enterprises</p> <p>At the moment, not all Juno companies meet this indicator. In those cases we will actively engage with the companies and encourage them to improve their processes and compliance to meet the UN global compact principles and OECD guidelines for multinational enterprises, or better understand the manner in which the specific company offers other, comparable, processes to handle grievances/ complaint handling.</p>
	<p>12. Unadjusted gender pay gap</p>	<p>Average unadjusted gender pay gap of investee companies</p>	<p>n/a</p>	<p>n/a</p>	<p>This data is reported by investee companies that represent only 21% of the total current value of investments. Hence, Juno was not able to provide a meaningful estimate.</p>	<p>Juno believes that every person is equal, regardless of gender, people should receive the same reward for the same performance. Unfortunately, there is currently insufficient information available to assess whether our companies comply with this. If a company objectively scores negatively on this indicator, we will engage and expect it to be brought in line with fair and just remuneration, regardless of gender.</p>

	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	37%	n/a		Juno believes that every person is equal, regardless of gender, people should receive the same reward for the same performance. In addition, there should be no preference for gender per position, but choices should be made based on the appropriate qualitative characteristics and experience of the person who will fill this position. With an average of 37% female members of the Executive Board and Supervisory Board, we exceed this indicator.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	n/a		These companies are on Juno's exclusion list and are therefore not eligible to invest in.
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact [year 2022]	Impact [year 2021]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	0	n/a		n/a

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	0	n/a	Juno has not invested in sovereigns and supranational institutions. Therefore, the negative effects on these indicators amount to 0 in all cases.	n/a
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact [year 2022]	Impact [year 2021]	Explanation	Actions taken, 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	0	n/a	Juno has not invested in real estate assets. Therefore, the negative effects on these indicators amount to 0 in all cases.	n/a
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	0	n/a		n/a
Other indicators for principal adverse impacts on sustainability factors						
Adverse sustainability indicator		Metric	Impact [year 2022]	Impact [year 2021]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Water, waste and material emissions	1. Investments in companies without water management policies	Share of investments in investee companies without water management policies	38%	n/a	Weighted average share of investee companies that have reported on water management policies.	Juno typically does not invest in capital-intensive production companies, nor companies that are known to use a lot of water in their

						<p>production processes. Many of the Juno companies use little or no water, for these companies it does not appear efficient to set up extensive policies regarding water management.</p> <p>If companies in the portfolio do use more water than we deem logical, we assess whether policies and procedures have been established with regard to their water management.</p> <p>In all cases the objective must be to reduce the use and avoid the pollution of water.</p>
Human Rights	2. Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation	0%	n/a	In Juno's best knowledge, there is no significant risk of child labour in the activities and suppliers of its investee companies.	<p>Juno applies a zero-tolerance approach in regard to this indicator. If the risk of possible use of child labor is high, we will exclude this company from our Juno Universe. In the highly unlikely event that a company on the Juno Universe has used child labour, including use of child labour at its suppliers, we will immediately engage with the company in question.</p> <p>Should the company's response be unsatisfactory to resolve it, and prevent it from reoccurring in the future, we will exclude the company from any further future investment.</p>

Human Rights	3. 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	n/a	Such cases have not been identified by Juno and/or reported by the company.	<p>Juno is very strict in this indicator. If the risk of possible severe violations of fundamental human rights is high, we will exclude this company from our Juno Universe. In the very unlikely event that a company in the Juno Universe has severely violated fundamental human rights, including comparable situations of severe violation at its suppliers, we will immediately engage with the company in question.</p> <p>Should the company's response be unsatisfactory to resolve it, and prevent it from reoccurring in the future, we will exclude the company from any future investment.</p>
Anti-corruption and anti-bribery	4. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery	0%	n/a	Such breaches have not been identified by Juno and/or reported by the company. The external data provider flagged 2 investee companies with a potential breach of procedures and standards, but did not provide full coverage. Also, to the best knowledge of Juno, the companies that have been flagged are not likely to be at risk of such breaches.	<p>If, based on the nature of the industry and the activities of the company in question, the risk of bribery is high, we will exclude this company from our Juno Universe. In the unlikely event that a company on the Juno Universe is proven to have been associated with bribery, we will immediately engage with the company in question.</p> <p>Should the company's response be unsatisfactory to resolve it, and prevent it in the future, we will exclude the company from future investment.</p>

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Juno's Sustainability Policy describes how Juno envisages to identify and prioritise principal adverse impacts on sustainability factors. The policy describes the way sustainability risks are integrated in our investment decisions. It also describes how Juno applies a number of minimal ESG safeguards to its investments, and how it envisages to engage with its investee companies. This policy was lastly updated on 30 May 2023 and is also reflected in Juno's Investment Policy.

Juno excludes certain sectors by definition. To this end, Juno uses a sector exclusion list. This is a list of sectors in which Juno will not invest. For each sector, it looks at sub-sectors that fall under an industry sector, in order to distinct which specific activities are, and which are not, excluded by Juno. The exclusion list is available on Juno's website.

In addition, Juno also applies seven further minimum ESG principles that a company must meet before it can be admitted to the our Universe (our 'approved companies'-list, '**Juno Universe**' or '**Universe**') and which are also monitored once a company is placed on the investment universe. Juno actively monitors signals indicating incidents at companies in its investment universe with regard to the ESG criteria and follows up these signals or incidents through engagement. Juno reports annually on incidents and the extent to which these incidents have been followed up on. The criteria below form the basis for the sustainability indicators:

- Not active in sector on exclusion list (please refer to the Annex)
- No systematic involvement in lasting environmental damage
- Compliance with fundamental human rights
- Compliance with fundamental labour rights
- No involvement in controversial weapons, no production and sale of civilian firearms and no supply of military equipment to military regimes
- Compliance with international sanctions
- No wilful involvement in fraud, corruption and tax evasion
- Structural compliance with transparent operations/external information provision

Engagement policies

Juno describes its engagement policy in its Sustainability Policy, which is also integrated in its Investment Policy. Engagement is an essential component within Juno's selection and monitoring process. A visit and meeting with the company's management is part of our screening process that takes place before a company is included in our approved-companies list ('universe'), with a clear preference for meetings held at the company's premises. In addition, Juno is in contact with its investee companies several times a year, including personal meetings with management. In this way, Juno builds a steady, good and transparent relationship with the company's management and other stakeholders, often including family shareholders. Juno takes a critical stance in these contacts, focusing on the long-term sustainable development of the company. This includes, but is not limited to, compliance with Juno's ESG principles. Furthermore, Juno will always exercise its statutory voting rights as a shareholder. If opportune, this vote may be used by Juno to direct the management of the companies we invest in, about how capital made available by us can be (better) used to create (economic) value within the organisation concerned. It is not ruled out that in this process, taking into account of the legal framework and possible implications, other shareholders can be actively approached, consulted and joined, in order to obtain more votes to support our beliefs about value creation. Juno has a very strict selection policy. Should a company no longer meet our investment criteria, Juno will engage with the company's management, or if necessary with its Supervisory Board. Should engagement not lead to the desired results, we will (in most cases) offer our position for sale and exit a position.

References to international standards

Juno has not committed to adhere to specific responsible business conduct codes and internationally recognised standards for due diligence and reporting.

Historical comparison: this statement covers the first PAI reporting period. Starting next year, the statement will include a historical comparison.

Annex: Sector Exclusion List Juno

Juno's sector exclusion list is based on activity level of "The Refinitiv Business Classification (" TRBC ")". The activities per sector in which Juno does not invest are listed below.

Industry	Activity
Coal	Coal Coal mining support Coal wholesale
Aerospace	Arms and ammunitions
Casinos and gambling	Casinos and gaming Gambling and gaming Gaming machine operators Casinos Horse and dog racetracks Lottery operators
Entertainment production	Adult entertainment
Fishing and Farming	Fur Farming
Tobacco	Tobacco Tobacco Farming Tobacco stemming Cigars and cigarette Chewing tobacco products
Food retail and distribution	Tobacco stores