

Juno Investment Partners B.V. – 2023 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 2023.

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 2023.

Description of the principal adverse impacts on sustainability factors

See tables below. Please note:

- The data used for this statement was primarily obtained directly from investee companies using publicly available data sources such as annual reports, sustainability reports and website data. A limited number of datapoints, and data to corroborate findings from public sources, was obtained from an external data provider (Refinitiv).
- Where no data was (yet) available for the entire reference period (2023), the most recent available data was used as a proxy.
- The data in this statement also includes estimates made by Juno that are subject to significant uncertainties. While due care has been taken in preparing these statements, no representation or warranty is made or given as to the accuracy, reliability or completeness on the assumptions on which they are based.
- Excess liquidity (approx. 19% 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. The Investment Manager has committed to consider the PAIs on sustainability factors as part of the consideration of sustainable investments in selecting the securities for the selected money market funds. However, no detailed PAI information was reported by the Investment Manager. 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 these 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 clients, 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, (all funds and SMA's) and it will undertake actions when it deems them to be necessary regardless.

Indicators applicable to investments in investee companies							
Adverse sustainability indicator	Metric	Impact [year 2023]	Impact [year 2022]	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	2,344	1,927	Scope 1 and 2 GHG emissions are estimated on the basis of the reported data from investee companies that represent 99% of the total current value of our investments.	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. Juno engages with the highest emitters in our investment universe first. Juno's sustainability policy describes the exclusion of investments that have activities that carry highly negative climate impacts, such as coal for instance.	
		Scope 2 GHG emissions	1,326	1,100			
		Scope 3 GHG emissions	42,919	75,384			Scope 3 GHG emissions are estimated on the basis of the reported data from investee companies that represent 90% of the total current value of investments.
		Total GHG emissions	46,802	78,138			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	92	170	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	265	209	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%	0%	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	35%	62%	This percentage is estimated on the basis of the reported data from investee companies that represent 78% 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>	6,5	5,1	This number is estimated on the basis of the reported data from investee companies that represent 92% of the total current value of investments that operate in high impact climate sectors. The sectors are derived from Refinitiv's TRBC Sector Classifications.
<u>Wholesale & Retail Trade</u>			0,03	0,1		
<u>Transportation & Storage</u>			0,4	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	16%	n/a	This percentage is estimated on the basis of the reported data from investee companies that represent 61% of the current value of investments.	Currently only very limited data is available regarding the biodiversity-sensitive areas where investee companies from our universe are active. Our investee companies almost always operate in environments with very low biodiversity risk, which we assess during numerous company site visits. In addition, our investee companies are almost always located in countries with strict to fairly strict planning permissions, making the possibility for new sites to be erected in environments with a high biodiversity increasingly highly unlikely.

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 (only 2 investments reported data with respect to this indicator).	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 and the fact that local rules and legislation (permits) are increasingly strictly enforced and monitored by local agencies, making the possibility that our investee companies have a high level of such emissions highly unlikely.
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	0,8	6,6	This number is estimated on the basis of the reported data from investee companies that represent 55% 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 or how safe treatment and safe disposal of such by-products is 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	0%	n/a	Juno has only assessed the investee companies that are UNGC principles signatories and explicitly refer to the OECD Guidelines for Multinational Enterprises in their policies or non-financial reporting. These companies represent 42% of the total current value of investments. Juno has assessed whether any violations of the aforementioned principles/guidelines were reported and whether relevant policies and procedures were in place to adhere to these standards. No deviations were found.	Although only the companies that are UNGC principles signatories and explicitly refer to the OECD Guidelines for Multinational Enterprises in their policies or non-financial reporting have been assessed in respect to violations, we have no indications that any of the other investee companies on our universe were involved in violations of the principles laid down by the UNGC or OECD. 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. In those cases we will actively engage with the companies and encourage them to improve their processes and compliance to meet
	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	0%	n/a		

						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.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	1%	n/a	This data is reported by investee companies that represent only 18% of the total current value of investments.	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.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	36%	37%		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 36% female members of the Executive Board and Supervisory Board, we are satisfied with this indicator.
	14. Exposure to controversial weapons (anti-personnel)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%		These companies are on Juno's exclusion list and are therefore not eligible to invest in.

	mines, cluster munitions, chemical weapons and biological weapons)					
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact [year 2023]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	0	0	Juno has not invested in sovereigns and supranational institutions. Therefore, the negative effects on these indicators amount to 0 in all cases.	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	0		n/a
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact [year 2023]	Impact [year 2022]	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	0	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	0		n/a

Other indicators for principal adverse impacts on sustainability factors

Adverse sustainability indicator	Metric	Impact [year 2023]	Impact [year 2022]	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	40%	38%	Weighted average share of investee companies that have reported on water management policies.	<p>Juno typically does not invest in capital-intensive production companies, nor companies that are known to use a lot of water in their 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	17%	0	<p>In the previous reporting period, Juno assumed that, to the best of its knowledge, there was no significant risk of child labour in the activities and suppliers of its investee companies.</p> <p>In the current reporting period, Juno took a more conservative approach and included all investments that are possibly exposed to increased child labour</p>	<p>Juno applies a zero-tolerance approach in regard to the use of child labor. If the inherent risk of the use of child labor in terms of geographic areas or type of operation is high and insufficient prevention measures are implemented by the investee company, we will exclude this company from our Juno Universe. In the highly unlikely event that a</p>

					<p>risk by nature and geographical presence of its operations and, most importantly, their suppliers, based on reporting by the investee companies and taking into account the US labor department list of goods produced by child labor (or forced labor).</p>	<p>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, 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	0	<p>Such cases have not been identified by Juno and/or reported by the company.</p>	<p>Juno is very strict in this indicator. If the inherent risk of possible severe violations of fundamental human rights in terms of geographic areas or type of operation is high and insufficient prevention measures are implemented by the investee company, 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, 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%	0%	Such breaches have not been identified by Juno and/or reported by the company.	<p>If, based on the nature of the industry and the activities of the company in question, the risk of bribery is high, and insufficient prevention measures are implemented by the company, 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, 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 Universe. Juno actively monitors signals indicating incidents at companies in its 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 second PAI reporting period. The reported numbers of both current reference period and the preceding period are included.

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 depicted in the table 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