SFDR: Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

Jupiter Asset Management (Europe) Limited ("JAMEL")

January 2024

Financial Market Participant: Jupiter Asset Management (Europe) Limited [LEI: 213800QOABB6IT4THD33]
Summary
Jupiter Asset Management (Europe) Limited ("JAMEL") [LEI: 213800QOABB6IT4THD33] 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 for JAMEL. This statement on principal adverse impacts on sustainability factors covers the reference period from 3 January to 30 December 2022. Principal adverse impacts (PAIs), as defined by SFDR, are a list of metrics designed to capture a broad range of negative impacts that an investment has on matters such as climate change, environmental, social and employee matters, human rights and anti-bribery and anti-corruption. Jupiter Investment Management Limited (the "Investment Manager"), performs investment management duties delegated by JAMEL (the "Management Company"), and as such the matters outlined below referring to ESG integration and investor stewardship connected to the management of PAIs are linked to policies, procedures, and processes of the Investment Manager and the respective investment teams who are responsible for individual funds. References to "Jupiter" or "we" throughout this statement may comprise both the Investment Manager and the Management Company (unless specified otherwise). However, quantitative data in relation to the PAI indicators are those specifically under the management of JAMEL as the Financial Market Participant (FMP) in scope of SFDR. Jupiter, within its duties as Investment Manager, has committed to integrating the consideration of PAIs into investment decision making processes for all funds that are captured by SFDR. Jupiter funds seek to incorporate the consideration of PAIs by using PAI data to inform portfolio management decisions, engagement and voting activity. Please refer to Jupiter's Level 1 PAI statement here which provides an overview of Jupiter's approach to the consideration of PAIs, in addition to the detail provided in this Level 2 statement.

Description of the principal adverse impacts on sustainability factors						
Indicators applicable to investments in investee companies						
Adverse sustainability indicator	**Metric**		**Impact [2022]**	**Impact [year n-1]**[1]	**Explanation**[2]	**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 (Tonnes C02e)	Scope 1 GHG emissions	451,397.58	N/A	N/A	**Actions taken:** Jupiter is a member of the Net Zero Asset Managers Initiative ("NZAM") and has committed to supporting the goal of net zero across financed emissions by 2050 in line with global efforts to limit warming to 1.5°C. This initiative corresponds to a group wide undertaking by the Investment Manager, and the initial tranche of assets for the group refers to fundamental long only developed market equities and Article 9 funds (although NZAM is not a designated Article 9 environmental objective) and certain Article 8 funds (see Jupiter's SFDR website disclosures for details regarding promotion of climate-related characteristics). Jupiter's formal participation within NZAM is outlined in the Institutional Investor's Group on Climate Change Progress Report dated November 2021, and we established long-term net zero targets for 42% of our AUM (as at that date).
		Scope 2 GHG emissions	65,412.39	N/A	N/A	
		Scope 3 GHG emissions	1,214,573.87	N/A	N/A	
		Total GHG emissions	1,730,543.54	N/A	N/A	
	2. Carbon footprint	Carbon footprint	277.46	N/A	N/A	
	3. GHG intensity of investee companies (Tonnes CO2e per million	GHG intensity of investee companies	1,079.86	N/A	N/A	

[1] To be provided from June 2024 onward
[2] In future years the 'explanation' column will be used to draw comparison and provide explanations between PAI data for years n and n-1

Adverse sustainability indicator	Metric		Impact [2022]	Impact [year n-1][1]	Explanation[2]	Actions taken, and actions planned and targets set for the next reference period
	EUR of revenue)					Climate Change is also a material ESG theme outlined in the Investment Manager's Responsible Investment Policy and as such, wholly controlled Jupiter funds are committed to integrate climate risks, engage on decarbonisation plans and - where necessary - use informed voting to support these stewardship efforts. For those funds in scope of NZAM, a rigorous assessment of portfolio companies has been undertaken to assess their credentials, policies and commitments to a net zero pathway based on the Investment Manager's interpretation of the 'asset alignment methodology' under the Net Zero Investment Framework (NZIF). An assessment is made of a company's status on the net zero trajectory in accordance to the applied NZIF scale. The assessment incorporates consideration of GHG emissions data as well as positioning engagement priorities and establishing portfolio level targets for progression under the net zero scale over 2025 and 2030 (interim targets). Although these interim targets refer to a company's progression along the NZIF scale, rather than targeting individual GHG emission PAIs, our expectation is to see long-term improvement under these metrics. However, this is not expected to be a linear progression. It should be noted that NZIF is one element of Jupiter's approach to climate. Individual funds have the discretion to apply other methods and approaches to integrating and assessing climate risk. **Actions planned and targets set for the next reference period:** The NZIF analysis has been used to create an internal rating to help prioritise engagements for those funds in scope. This rating incorporates various factors such as size of position and where we consider there to be a fundamental strategic gap or deficit within a company's decarbonisation plans. This approach allows the Investment Manager to target companies where more information is required and pinpoint areas where our stewardship efforts around decarbonisation (including GHG PAIs) should be focused. This process is currently based on Jupiter's proprietary dataset. It should be noted that data quality and consistency will vary greatly across markets, and companies may also restate emissions data in future periods which could impact current and future analysis. Furthermore, as data quality and availability develops, the proprietary information may be complemented, or in time replaced by third-party datasets As noted above, Jupiter's in-scope AUM has a target to be net zero by 2050 or sooner. Furthermore, emissions intensity of the in-scope AUM has a target to be reduced by 50% by
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	12.05%	N/A	N/A	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption from non-renewable energy sources	72.46%	N/A	N/A	
		Share of non-renewable energy production of investee companies from non-renewable energy sources	25.65%			
	6. Energy consumption intensity per high impact climate sector (GWh per million EUR of revenue)	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE A	2.15	N/A	N/A	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE B	0.28			
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE C	9.03			

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Adverse sustainability indicator	Metric		Impact [2022]	Impact [year n-1][1]	Explanation[2]	Actions taken, and actions planned and targets set for the next reference period
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE D	99.89			2030. Further work will be undertaken to assess portfolio trajectories and further develop portfolio targets as market dynamics evolve. Each in-scope NZAM fund has interim 2025 and 2030 targets (under the NZIF protocols) that concern a portfolio's aggregate progression along the NZIF scale which also has reference to applicable GHG PAIs. The transition to net zero and subsequent improvements within the GHG PAIs is a long-term commitment. This is why interim 2025 and 2030 targets provide an appropriate frequency to gauge success and understand real world complexities and challenges faced by companies. Consequently, the next reference period (2023) does not prescribe short term targets but work undertaken will be positioned around the 2025 goals.
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE E	2.25			
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE F	6.44			
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE G	3.58			
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE H	0.90			
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE L	0.08			
Biodiversity	7. Activities negatively affecting	Share of investments in investee companies with sites/operations	4.01%	N/A	N/A	**Actions taken:** Biodiversity is a material ESG theme identified in Jupiter's Responsible Investment Policy. Jupiter is a signatory to the Finance For Biodiversity Pledge since 2021. This represents our

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Adverse sustainability indicator	Metric		Impact [2022]	Impact [year n-1][1]	Explanation[2]	Actions taken, and actions planned and targets set for the next reference period
	biodiversity-sensitive areas	located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas				commitment to protect and value our natural environment through collaborating and sharing knowledge, engaging with companies, assessing impact, setting targets and reporting by 2025. As a member of the Pledge's 'Engagement with Companies' Working Group, Jupiter co-authored a chapter in a linked publication focusing on corporate engagement on biodiversity-related topics. In 2022, Jupiter established a Biodiversity Working Group (BWG) to lead the development of our firm-wide biodiversity strategy, taking into consideration both our corporate and investment activity. The BWG is chaired by an ESG Investment Director and includes cross-firm representation. It should be noted that third party datasets for biodiversity are at a nascent stage and coverage is very limited. Standardised metrics around biodiversity are yet to be formed and certain third party datasets are reliant on biodiversity controversies as a proxy for this indicator. Although this plays an important role understanding impact, it is nevertheless limited in understanding a company's overall approach. **Actions planned and targets set for the next reference period:** The Investment Manager has identified two primary themes for our biodiversity engagement efforts – plastics and water. When overlaying these themes to our holdings, Jupiter applies a double materiality lens to consider dependencies and impacts on biodiversity to finalise a shortlist of engagement targets. This begins with holdings where funds have i) the greatest market value, ii) a high percentage of issued share capital, and/or iii) exposure to a sector that presents the greatest risk to biodiversity. Our target list includes companies in food & beverages, tobacco, agriculture, semiconductors, and power generation. In 2023, Jupiter will further its collaboration, engagement and scrutiny of investee companies on biodiversity, with the goal of achieving change and contributing to reversing biodiversity loss, while preserving and enhancing the value of clients' assets. The intersectionality between climate change and biodiversity is key, and will be confronted in a strategic manner.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	58.79		N/A	Jupiter assesses water impact in accordance to sector and company specific materiality. Although this indicator is centred on a specific emissions measurement, Jupiter's approach to this impact will be captured in the biodiversity strategy described above. Where relevant, the Investment Manager will duly engage on water related matters to understand and encourage progress in this area. This is subject to data quality and availability which is still emerging on this indicator.

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Adverse sustainability indicator	Metric		Impact [2022]	Impact [year n-1][1]	Explanation[2]	Actions taken, and actions planned and targets set for the next reference period
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	2,028.57	N/A	N/A	As described above, Jupiter assesses the impacts of hazardous and radioactive waste in accordance with sector and company specific materiality. This is subject to data quality and availability which is still emerging on this indicator.
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	1.11%	N/A	N/A	**Actions taken:** Jupiter is a participant within the UN Global Compact. Adherence to these principles is monitored as part of the firm's group-wide stewardship approach and is linked to the oversight of Good Governance practices for Article 8 and 9 funds. This indicator is also applied for promotion of social characteristics for various Article 8 funds (see Jupiter's SFDR website disclosures for further detail). Jupiter's Article 6 funds do not promote adherence to the UNGC as an environmental or social characteristic, however this PAI is considered in the investment process. The Investment Manager assesses issues relating to global norms as part of ongoing monitoring of companies. Part of this assessment relies on conclusions drawn by third party data providers, who will have their own methodologies and policies for evaluating any perceived breach or violations of global norms. This information is used to flag issues to investment managers. These cases are often complex situations with extended timelines and corporate influence and accountability can be a subjective judgement. There will be times where Jupiter disagrees with a third party assessment but investment teams will draw upon company disclosures, their own analysis and engagement insights to gain confidence that a company has remedied the situation or are working to improve matters. Funds can take their own approach to exclusions, but the Jupiter group-wide policy is that they act as engaged owners seeking to aid companies to improve matters. Jupiter has developed its investment governance and oversight structures to oversee these matters. The Investment Review Forum ('IRF') was established in 2022 and has various responsibilities, but in part will consider violations and actions undertaken by the investment and stewardship teams. Any escalation will go to the Investment Oversight Committee which has the authority to call for divestment, if all stewardship avenues have been exhausted. The Management Company has representation at the IRF where any concerns identified will be escalated in accordance with its local policies and procedures. In addition to the IRF, investment risk and performance meetings occur on a regular basis where UNGC violators can be discussed directly with investment managers.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD	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	91%	N/A	N/A	

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	Guidelines for Multinational Enterprises	the UNGC principles or OECD Guidelines for Multinational Enterprises				Various companies have been flagged during the period under review and these have been referred to the IRF. Full reporting on these company specific issues is available from Jupiter's Annual Stewardship Report (Principle 5). **Actions planned and targets set for the next reference period:** Jupiter is enhancing its controversies policy which will help guide expectations, governance and further oversight. Where relevant, Jupiter will seek to engage with companies both directly and collaboratively to gain further insights and take action.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	18.89%	N/A	N/A	Jupiter engages on these issues on a case-by-case basis depending on areas of concern, subject to data quality and availability which is still emerging on this indicator.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	29.46%	N/A	N/A	**Actions taken:** Diversity is a central theme within Jupiter's Responsible Investment Policy, and the Investment Manager engages on diversity and inclusion issues within the broadest sense. Jupiter's engagement approach and analysis seeks to understand the plans, objectives and challenges facing a company with respect to diversity. Although the issue of diversity is vast and the societal impact is felt beyond the boardroom, the tone from the top and companies leading by example is critical. This is why board gender diversity is a regular theme in discussions with companies regarding succession planning and human capital. Another crucial element to considering this PAI is through proxy voting. Jupiter assesses board composition when proxy voting and uses third party datasets which factor in recommendations concerning diversity. For systematic strategies (where applicable), Jupiter does not uniformly outsource voting decisions, but the third party assessment serves as a useful tool in monitoring this impact. Where relevant, engagement will be used to understand the company's position and plans around board diversity. It should also be noted that different jurisdictions will have varying degrees of progression and market practice concerning gender diversity. The third party assessment helps to provide regional context. **Actions planned and targets for the next reference period:** Jupiter is committed to maintaining its approach to active engagement around this area and making informed voting decisions in the best interest of its investors.
	14. Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling	0.77%	N/A	N/A	**Actions taken:** Jupiter operates exclusions with respect to anti-personnel mines and cluster munitions. In addition, third party data providers are also used to monitor chemical and biological weapons exposure.

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	(anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	of controversial weapons				
Indicators applicable to investments in sovereigns and supranationals						
Environmental	15. GHG intensity (Tonnes CO2e per million EUR of revenue)	GHG intensity of investee countries	151.38	N/A	N/A	Jupiter utilises a proprietary sovereign bond framework created by in-house analysts when evaluating sovereign investments. Typically this analysis applies to Article 8 and 9 funds only, in order to measure the promotion of environmental or social characteristics or the attainment of a sustainable investment objective (where applicable). This framework includes screening sovereigns against GHG intensity indicators, among other measures. It also monitors social indicators within the framework such as Freedom House classifications, among others. These are sourced from third party datasets to supplement the proprietary framework.
Social	16. Investee countries subject to social	Number of investee countries subject to social violations (absolute number), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	5	N/A	N/A	
		Number of investee countries subject to social violations (relative number divided by all investee countries) as referred to in international treaties and conventions, United Nations principles and,	8.28%			

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Adverse sustainability indicator	Metric		Impact [2022]	Impact [year n-1][1]	Explanation[2]	Actions taken, and actions planned and targets set for the next reference period
		where applicable national law				
Indicators applicable to investments in real estate assets						
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	N/A	N/A	Not applicable – Jupiter does not make any direct investments in real estate assets
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	Not applicable – Jupiter does not make any direct investments in real estate assets
Other indicators for principal adverse impacts on sustainability factors						
Additional climate and other environment-related indicators						
Indicators applicable to investments in investee companies						
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	7.45%	N/A	N/A	**Actions taken:** This additional indicator has been selected on the basis that it is aligned to the work being undertaken on Net Zero. Our approach to assessing portfolio companies which fall under the NZAM initiative is described under the Greenhouse Gas Emissions section. The primary element of this assessment is linked to the scrutiny of the corporate climate commitments of the underlying portfolio companies, with a focus on carbon reduction initiatives that are Paris aligned. As described above, this proprietary assessment was undertaken during the period under review which is a key factor in providing the foundational view of our in-scope portfolios with respect to their readiness for a net zero transition. It should be noted that the NZAM initiative is at an early phase and companies around the world are at a nascent stage in developing their climate strategies. It is also important to

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						acknowledge challenges and variations in climate commitments across jurisdictions and market capitalisation. This is a complex area and although we expect corporate commitments to increase, the absence of individual corporate strategies is not treated as an exclusionary factor. This information helps to inform engagement priorities and is a critical piece of information when tracking the progress of companies in future periods. As discussed above, in addition to participating within the NZAM initiative, funds can also employ their own approach to promoting climate related characteristics or embedding related objectives which will also consider the carbon reduction initiatives of underlying portfolio companies. Please refer to individual website disclosures for more information. **Actions planned and targets set for the next reference period** A valuable pool of data has been amassed and the plan for the next reference period is to act upon the designated engagement priorities. There is also a clear record of companies where we observe such initiatives to be absent. Further assessments will occur over the next period, but this record provides a robust reference point when assessing the overall progression of in-scope portfolio companies.
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Indicators applicable to investments in investee companies						
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	70.62%	N/A	N/A	**Actions taken:** This indicator was selected because it is aligned to our support for the principles under the UN Global Compact under PAI 10. Scrutiny of anti-bribery and anti-corruption policies is incorporated within the overall monitoring of global norms, such as UN Global Compact adherence. This process utilises third party datasets which flag for controversies or outline the lack of such policies. Investment teams have access to this data and each situation is approached on a case-by-case basis. Although findings may be linked to third party conclusions, the investment and stewardship response and outcome is not wholly driven by these datasets. **Actions planned and targets set for the next reference period** The ongoing monitoring of these issues will continue, primarily driven by third party data provisions. Investment managers have ultimate accountability for taking actions where issues are surfaced and deemed to be material.
Other indicators used to identify and assess additional principal adverse impacts on a sustainability factor						
No further indicators have been selected for reporting at this stage						

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Description of policies to identify and prioritise principal adverse impacts on sustainability factors
We have an important role to play in the allocation of capital, both as active owners and long-term stewards of the assets in which we invest on behalf of our clients. As financial market participants, we recognise our duties to clients and the wider market with respect to managing negative externalities on behalf of our clients. The identification and prioritisation of PAIs represents a complex undertaking. As active managers, we are focused on the dynamics of individual companies, and assessing PAIs within the context of the wider marketplace can be challenging when considering the breadth of our investment universe which encompasses different geographies, sectors, asset classes and market capitalisations. Furthermore, the relevance and influence of the individual PAIs to an underlying investee company will vary across funds. Jupiter adopts a materiality-led ESG approach to our investment decision making and risk analysis. In the Jupiter Group Responsible Investment Policy, we describe the ESG matters which inform the identification and prioritisation of adverse impacts on sustainability factors: **climate, biodiversity, human capital, human rights, health and safety, and corporate governance.** These group-wide priorities also shape engagement programmes and workflows to address the PAIs. Investment teams receive support from Jupiter's Stewardship Team in researching PAIs and engaging with companies. As a guide, we may consider the following when identifying and prioritising PAIs: • Size of aggregate holding in company / fund weighting • Group-wide initiatives (e.g. Net Zero Asset Manager's Initiative) • Direct / collaborative engagement findings / action points from previous dialogue • Third party information in relation to PAI issues / controversies • Client sponsored initiatives / preferences • Collective engagement requests stemming from other market participants The group-wide priorities provide direction to our investment teams and clarity to our clients, though investment teams are charged with assessments and decision making around PAIs. They retain discretion in the way they prioritise PAIs in accordance with their investment approach, which may involve a broader set of indicators than the themes described above, and they have autonomy in how they execute their stewardship activity around PAIs. Further information relating to the above can be found within the following disclosures: • The Investment Manager's Responsible Investment policy (approved 22nd March 2023) • Jupiter Fund Management Plc's Annual Stewardship Report (approved 22nd March 2023) Fund Managers within the Investment Manager are charged with the implementation of those polices and they have discretion to adopt a strategy-specific approach. The Investment Oversight Committee (IOC) is responsible for stewardship and active ownership across our investment teams, and has responsibility for the implementation of the above mentioned policies within the organisational strategies. The IOC is responsible for monitoring stewardship activities reported through the Investment Review Forum (IRF). The IRF meets monthly and reviews ESG risk, net zero commitments, climate risk and targets at the strategy level, potential UN Global Compact violators, and voting and company engagement across investment strategies. The Management Company has representation at the IRF and where any concerns are identified they will be escalated in accordance with its local policies and procedures. The Head of Fixed Income and Head of Equities are responsible for ESG integration, stewardship, and active ownership in their respective asset classes. Individual investment teams are responsible for ESG integration within their own investment strategies based on the core ESG issues set out in the Responsible Investment Policy. Further details of these governance structures can be found in Jupiter Fund Management Plc's Annual Stewardship Report. The methodology for identifying the additional climate or environmental and social indicators relies on the ESG priorities outlined within Jupiter's Responsible Investment Policy. This framework is used as a central reference point when reviewing the suitability of the other available indicators and identifying the indicators. The ultimate PAI indicators may be uncertain, but in our assessment and decision-making we have considered matters referring to the severity of the PAIs. Consequently, this is why a climate related indicator was chosen given the pressing nature of the climate crisis. The same

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consideration was applied to selecting the social indicator, whereby we think matters connected to corruption and bribery can not only have a detrimental impact on the value of investments, but these issues can have a legacy impact on wider communities and society.

A further element to this approach was to review additional PAIs with respect to their relevance to wider group initiatives such as our commitment under the Net Zero Asset Manager's Initiative and organisational commitments under the UN Global Compact. These initiatives help improve investor practice and prioritise our stewardship activities. A crucial aspect of these initiatives is the connectedness to other investors, policy makers and significant stakeholders. As active investors we are dedicated to understanding the specifics of a company's impact and the associated real-world risks and opportunities when making investment decisions. However, the collective nature of these initiatives can help to leverage our influence on companies and enable us to have a voice with policymakers which is desirable when considering the severe and systemic nature of some of the PAIs and their potentially irredeemable characteristics.

Jupiter has selected the following additional indicators:

- Climate: Investments in companies without carbon emission reduction initiatives
- Social: Lack of Anti-Corruption & Anti-Bribery Policies

While we have not set any specific margin of error with regards these methodologies (owing to the data limitations described in the subsequent section), our approach ensures there is clear alignment between entity level ESG priorities, fund level commitments and our stewardship activities. Jupiter is obligated to consider the mandatory PAIs and we have selected two additional PAIs based on our investor commitment. We consider this to be a measured approach that is relevant to our clients.

We have used data sources from various established third-party vendors to assess PAIs, including but not limited to, Sustainalytics and MSCI. We have undertaken extensive dialogue and testing before committing to a vendor, and continue to monitor the coverage and quality of these and other vendors to fill the gaps in data availability over time.

Data limitations present a fundamental market reality that investors must contend with. Many companies are not obligated to disclose the full set of PAIs and are at a nascent stage in devising policies and strategies around certain PAIs. Furthermore, many third-party datasets contain significant gaps, and although the expectation is for these products to mature over time, this remains a short-term challenge.

Where possible, in the absence of readily available PAI data, investment teams may conduct additional research or use direct or collaborative engagement with companies to obtain information or better understand a company's plans. Where relevant, this additional research and engagement will be conducted on a best-efforts basis at the discretion of the investment team. This statement should not be interpreted as a commitment that each PAI gap will lead to additional research or engagement with data vendors or companies. As with the identification and prioritisation of PAIs, this engagement will also be governed by the materiality of issues at hand with due consideration of other factors such as size of holding and resource and time constraints.

Jupiter's ESG, Data Management and Data Science specialists have all forged constructive relationships with data vendors with a focus on making progress on matters connected to PAI analysis.

Given that some PAIs are required to be disclosed as an absolute value, whilst others are required to be disclosed as a share of investments, their calculation methodologies naturally differ. For absolute values, the calculation methodology follows that prescribed in the ESMA Q&A (JC 2022 62): the investee indicator is multiplied by Jupiter's percentage ownership of the investee company, averaged across four quarters, and expressed per million EUR invested. For those PAIs that require a 'share of investments', this value is then expressed as a percentage, calculated by taking a weighted average based on the proportion of a fund's AUM in relation to Jupiter's total AUM.

In instances where both long and short positions exist in the same security, in accordance with the guidance outlined in JC 2022 62, the approach has been taken to net the value of these positions without going below zero. The value of the net investment is then used to calculate the PAI score.

When calculating PAI 16, Jupiter applies thresholds to the data received by its third party provider which captures several different human and labour rights indices designed to measure social violations as defined by the PAI. The thresholds are advised by the third party (but may be modified by the Investment Manager) and enable the identification of 'extreme risk' countries. This provides an additional quantitative layer to Jupiter's proprietary sovereign assessment framework.

The high % reported for PAI 11 is related to a methodology for the indicator that requires that investee companies must have all policies to qualify. Policies under consideration include but may not be limited to: UNGC, OECD Guidelines for MNEs, environmental policies, collective bargaining agreements, freedom of association policies, bribery & corruption policies.

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Engagement policies
The Investment Manager’s publicly available Responsible Investment Policy describes Jupiter’s approach to engagement. Engagement is central to our active ownership approach. It advances our responsible investment goals, builds lasting relationships with companies, and provides our investment teams with greater investment insights. Our investment teams maintain a dialogue with companies to inform their investment decisions and carry out strategic engagement, based on ESG materiality. To be effective, engagement must be focused and have well-defined targets, objectives, and outcomes. We do not believe that volume of engagement is a reliable indicator of successful active ownership. The Responsible Investment policy outlines five core ESG priority areas which can be connected to broader set of PAIs. The Responsible Investment policy has a dedicated segment regarding how stewardship engagement will be conducted. • **Investment-led:** Investment managers are responsible for capital allocation decisions and lead engagement, supported by the Stewardship Team. • **Monitoring/escalation:** We regularly engage with companies to monitor material ESG issues that will impact the long-term success of an investment. Engagement is considered on a case-by-case basis and can be direct or collaborative. Investor experience has taught us that there is merit in proactive engagement to build relationships and to get ahead of risks. However, reactive engagement is also necessary as it acts as a clear conviction test in understanding how appropriately management is responding to new issues in the context of the balance of stakeholder interests. • **Misalignment:** Concerns may arise at investee companies because of a misalignment with investor interests or negative impacts for stakeholders. Where appropriate, we will use engagement with company management and boards of directors as an escalation tool to resolve such situations. • **Time horizon:** Many material ESG issues are complex and interconnected, and outcomes take time. We are committed to long-term engagement goals, however, to protect client interests we reserve the right to exit an investment if we conclude that progress is insufficient or does not meet our strategic objectives. • **Direct and collaborative engagement:** Our primary tool is direct engagement with companies. We also engage in collective engagement where such action aligns with our own objectives. Collective engagement enables us to leverage our influence and is particularly useful when considering systemic risks such as climate and biodiversity. In addition to working with other shareholders, collective engagement can be extended to investor bodies, NGOs, charities, and trade organisations. • **Regulatory, industry and policy engagement:** We engage with industry bodies, policymakers, and regulators (where appropriate) and we believe there is an opportunity to contribute to the agenda while representing client interests Jupiter’s Annual Stewardship Report provides commentary about our policies and approach with respect to well-functioning markets, investor collaboration and engagement. Our approach to net zero and biodiversity is outlined within this disclosure and underpins our long-term commitment to address these issues. Our Stewardship Report outlines our approach and activity under the net zero asset manager’s initiative. In pursuing the goal of net zero across our financed emissions by 2050, Jupiter has utilised the asset allocation methodology from the Net Zero Investment Framework (NZIF) which provides investor guidance to participants within the Net Zero Asset Manager’s Initiative. In-scope NZIF funds apply the asset allocation methodology, and this is centrally governed within Jupiter. The climate related PAIs are central to the assessment of investee companies and engagement prioritisation under NZIF. Funds can also apply other net zero methodologies at their discretion which complement our group-wide commitments. Biodiversity is also a group priority, and to support our aims around natural capital we have joined the Finance for Biodiversity Pledge which is an investor collective committed to protecting and restoring biodiversity through finance activities and investments. Jupiter is part of the Engagement with Companies Working Group and has contributed towards an industry engagement guide. We have also established a biodiversity working group to help develop our understanding of this subject and prioritise engagements. The Stewardship Report provides further information regarding our approach concerning natural capital which is linked to the biodiversity PAI. Jupiter is a participant within the UN Global Compact and in addition to being a mandatory PAI, compliance with the UNGC principles and OECD guidelines is used by some Article 8 funds as part of the promotion of the social characteristic. The Stewardship Report details specific examples regarding how our investment teams confronted UNGC violations at investee companies.

[1] To be provided from June 2024 onward
[2] In future years the 'explanation' column will be used to draw comparison and provide explanations between PAI data for years n and n-1

Jupiter's engagement policies are reviewed on an annual basis and approved by the IOC, which is supplemented by independent reviews from the Management Company. This review process encompasses a range of factors including best practice developments and relevant updates to industry guidance. We understand and support the wider goals to improve impact over time, and are mindful that progress may not be linear. Companies may take time to overcome specific challenges and execute their strategies accordingly. Progress around PAIs (or a lack of) may also be influenced by other factors such the domestic political landscape and other regional factors.

Since the industry is at a very nascent stage with respect to PAI data availability, company disclosures may be underdeveloped for certain markets and asset classes. This could mean that companies restate future data referring to indicators which may portray a worsening picture, whereas the company may in fact have developed a better organisational approach to the PAI. Third party data providers are continuing to improve their coverage and the incisiveness of their products. Therefore, at this early stage we remain cautious about drawing fundamental conclusions when there is no PAI reduction across reporting periods. There is a risk that companies are unduly punished and their underlying work in this field may not be fully recognised by investors.

The review of our engagement policies will consider matters such as Jupiter's actions where we are not observing a desired outcome from our stewardship efforts which may include, but is not limited to, PAI reduction over the long term.

References to international standards

Responsible Business Conduct Codes and Internationally Recognised Standards for Due Diligence and Reporting

Jupiter Group is a signatory of the following responsible business conduct codes and international standards. Principal adverse impacts can be of a systemic nature, and these frameworks along with their governing bodies can provide best practice guidance and a useful reference point when considering due diligence and reporting:

- The Principles for Responsible Investment
- The UK Stewardship Code 2020
- The Japan Stewardship Code
- The Taskforce for Climate-related Financial Disclosures (TCFD)*
- Net Zero Asset Managers Initiative*
- UN Global Compact*

**These initiatives are linked to the pursuit of the Paris Alignment goals. Both TCFD and NZAMI assist with our strategic planning and organisational approach towards a 2050 net zero pathway. These initiatives help shape best practice guidance and facilitate our industry collaboration around the Paris goals.*

Financial market participants are faced with significant PAI data coverage challenges. Third party datasets are an important tool with respect to applying analysis with the degree of scale and efficiency that is required. However, it is evident these datasets are in a developmental stage and Jupiter has worked in partnership with vendors to understand challenges and provide feedback from an investor perspective. There are fundamental variations in coverage when considering geography, market capitalisation and asset class. It is worth noting that many companies are not obligated to provide the entirety of these PAI disclosures in their domestic market.

There is a general caution in the approach to PAI data and from our various reviews we have identified the following areas (of the mandatory indicators) where the scope of coverage to be most limited where no discernible evaluation can be made from third party information: i) Emissions to water, ii) unadjusted gender pay gap, iii) hazardous waste and radioactive waste ratio. These results do not warrant a surprise as companies are not providing this on a wholesale basis and some of the indicators are sector specific. Conversely, the areas of coverage that provide increased confidence are linked to the more established indicators where there are accepted corporate disclosures and entrenched third-party methodologies for evaluating and scoring such datapoints. These refer to: i) GHG emissions, ii) breach of UN Global Compact & OECD guidelines, iii) board gender diversity, iv) controversial weapons.

Jupiter has used indicators from third party data vendors when considering the PAIs on sustainability factors and the adherence to Responsible Business Codes and International Standards. The methodologies for tracking various PAIs are also covered under the 'Engagement Policies' section above.

[1] To be provided from June 2024 onward
[2] In future years the 'explanation' column will be used to draw comparison and provide explanations between PAI data for years n and n-1

As NZAM signatories, we have established interim 2025 and 2030 targets for in-scope portfolios and this analysis can be associated with the climate PAIs. These assessments are currently based on our proprietary data. However, apart from these climate related considerations, we have not made forecasts with respect to other PAIs given the paucity of data and the nascent stage of corporate disclosures.

The above information relates to a group-wide approach and individual funds can also apply their own approach to sourcing data with respect to the Paris Agreement and UNGC assessments. Please refer to individual fund website disclosures for more details. As active investors, we may adopt an engaged approach with companies to find out more about a PAI or seek to influence a situation.

A forward-looking climate scenario was not used as part of the formal approach from a central data provision and analytical tool with respect to PAIs due to the difficulty in being able to draw meaningful conclusions from these developing datasets, but individual funds may apply their own tools and methods.

As climate risks and opportunities may materialise far beyond the normal corporate planning cycle, these are only used to get an indication of whether investee companies are able to withstand rapid energy transition and the potential impact of other climate risks, including the physical risks of climate change.

We do, however, have the capability to utilise third party vendor climate scenario indicators, such as Implied Temperature Rise and Climate Value at Risk (CVaR), to understand portfolio climate risk. These metrics give an indication of possible climate risks across a range of transition and physical climate risk scenarios. Transition risks assessed cover direct emissions, electricity use, value chain and technology opportunities. Physical climate scenarios include extreme weather, coastal flooding, fluvial flooding, and tropical cyclones.

We find value in using climate scenario metrics to assess our funds, as it highlights where funds have exposure to climate risks, encouraging us to consider these issues. Individual investment teams can incorporate these results into their dialogue with investee companies, helping to develop our understanding of how climate risks may affect our portfolios over the long term. However, for the purposes of this statement, integration of climate scenario metrics is still at a nascent stage due to the various assumptions within the datasets, and we believe that the assumptions which underpin the models are open to challenge. As such, the output of such models should be considered with a high degree of uncertainty, but the process is helpful to test our own assumptions of these matters in a portfolio context.

Historical comparison

Not applicable - to be provided from 30 June 2024 onwards

[1] To be provided from June 2024 onward
[2] In future years the 'explanation' column will be used to draw comparison and provide explanations between PAI data for years n and n-1