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

Jupiter Asset Management International S.A. (“JAMI”)

June 2024

JUPITER

Financial Market Participant: Jupiter Asset Management International S.A. [LEI: 5493000VQNIJTHTKB410]

Summary

Jupiter Asset Management International S.A. ("JAMI") [LEI: 5493000VQNIJTHTKB410] 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 JAMI. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.

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 JAMI (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 JAMI 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 [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
Climate and other environment-related indicators						
Greenhouse gas emissions	1. GHG Emissions	Scope 1 GHG emissions	358,695.12	403,485.66	Scope 1 GHG emissions were 11.10% lower than last year. Increased emissions contributions from Utilities and Transportation sectors while reductions in Commercial Services, Oil & Gas and Food Retailers offset.	**ACTIONS TAKEN:** Jupiter is a member of the Net Zero Asset Managers Initiative and is committed to supporting the goal of net zero across financed emissions by 2050. The initial tranche of assets refers to fundamental long only developed market equities and Art 9 funds (although NZAM is not a designated Art 9 environmental objective) and certain Art 8 funds. (See website disclosures for details regarding promotion of climate-related characteristics).

Adverse sustainability indicator	Metric		Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
		Scope 2 GHG emissions	132,030.08	75,653.91	Scope 2 GHG emissions were 74.52% higher than last year. Primary driver of change was increases in emissions contributions from industrial Conglomerates and Utilities while reductions in Chemicals and Precious Metals offset.	Jupiter's formal participation within NZAM is outlined within the Institutional Investor's Group on Climate Change Progress Report dated November 2021. Climate Change is a material ESG theme outlined in Jupiter's Responsible Investment Policy and as such funds are committed to integrate climate risks, engage on decarbonisation plans and where necessary use informed voting to support these stewardship efforts. A rigorous assessment of portfolio companies has been undertaken to assess their credentials, policies and commitments to a net zero pathway based on Jupiter's interpretation of the 'asset alignment methodology' under the Net Zero Investment Framework (NZIF). The Investment Manager determines an assessment of a company’s status on the net zero trajectory in accordance with the applied NZIF scale. In order to draw such conclusions, the assessment incorporates consideration of the GHG principal adverse impact indictors as well as positioning engagement priorities and establishing targets for progression under the net zero scale over 2025 and 2030 (interim targets). These interim targets refer to a company's progression along the NZIF scale, rather than targeting individual GHG emission PAIs. The transition to a more sustainable economy will not be linear nor risk-free and both domestic and international policy action or inaction will have a long-term bearing on the progression of these PAIs. For the avoidance of doubt, in accordance with the guidance outlined in the Q&A on SFDR (JC 2022 62), whereby the definition of enterprise value (EV) specifies that cash or cash equivalents should not be deducted from the sum, Jupiter have taken the approach to cap negative enterprise values (EV) to zero to in order to calculate GHG emissions.
		Scope 3 GHG emissions	2,387,896.29	4,746,735.36	Scope 3 GHG emissions were 49.69% lower than last year, however data remains problematic and subject to quality and coverage issues. Primary driver of change was decreases in emissions contributions from Oil & Gas, Auto Components sectors while increases in Banks and Insurance offset.	
		Total GHG emissions	2,874,105.24	5,217,656.36	Total GHG emissions were 44.92% lower than last year, however data remains problematic and subject to quality and coverage issues. Primary driver of change was decreases in emissions contributions from Oil & Gas, Commercial Services while increases in Refiners & Pipelines and Machinery sectors offset.	

Adverse sustainability indicator	Metric		Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
	2. Carbon footprint	Carbon footprint	284.93	481.33	Carbon footprint was 40.80% lower than last year. Primary driver of change was decreases in emissions contributions from Oil & Gas sectors while increases in Machinery and Refiners & Pipelines offset.	**ACTIONS PLANNED AND TARGETS FOR NEXT REFERENCE PERIOD:** The NZIF analysis has been used to create an internal rating to help prioritise engagements. 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 pinpoints 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 develop, the proprietary information may be complemented, or in time replaced by third-party datasets. he transition to net zero and subsequent improvements within the GHG PAIs is a long-term commitment. This is why interim 2025 and 2030 targets for individual companies provides an appropriate frequency to gauge success and be able to understand real world complexities and challenges faced by companies.
	3. GHG intensity of investee companies (Tonnes CO2e per million EUR of revenue)	GHG intensity of investee companies	864.54	1,056.81	GHG intensity of investee companies were 18.19% lower than last year. Primary driver of change was decreases in emissions contributions from Oil & Gas and Semiconductors while increases in Banks, Machinery and Insurance offset.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	16.17%	14.62%	Share of investments in companies active in the fossil fuel sector were 10.63% higher than last year. Change in exposure in underlying funds, associated with an increase in the number of Art 8 Funds under management.	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption from non-renewable energy sources	63.43%	62.72%	Share of non-renewable energy consumption from non-renewable energy sources were 1.13% higher than last year. Neutral changes year and year, however data coverage is low, therefore headline figure comparison cannot be fully reliable.	

Adverse sustainability indicator	Metric		Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
		Share of non-renewable energy production of investee companies from non-renewable energy sources	21.82%	19.32%	Share of non-renewable energy production of investee companies from non-renewable energy sources were 12.93% higher than last year. Neutral changes year and year, data coverage is particularly low, meaningful analysis not possible.	
	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	1.35	9.08	Energy consumption in high impact climate sector NACE A was 85.16% lower than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE B	0.02	0.02	Energy consumption in high impact climate sector NACE B was 20.43% higher than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE C	4.51	9.47	Energy consumption in high impact climate sector NACE C was 52.38% lower than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	

Adverse sustainability indicator	Metric		Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE D	0.36	0.41	Energy consumption in high impact climate sector NACE D was 12.92% lower than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE E	4.87	5.33	Energy consumption in high impact climate sector NACE E was 8.54% lower than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE F	0.57	0.68	Energy consumption in high impact climate sector NACE F was 16.20% lower than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE G	2.34	2.75	Energy consumption in high impact climate sector NACE G was 14.99% lower than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying	

Adverse sustainability indicator	Metric		Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
					data is undermined by data coverage and quality issues.	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE H	0.97	0.74	Energy consumption in high impact climate sector NACE H was 30.61% higher than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector NACE L	0.05	0.08	Energy consumption in high impact climate sector NACE L was 38.79% lower than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	
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	6.40%	6.82%	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 was 6.11% lower than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	**ACTIONS TAKEN:** Biodiversity is a material ESG theme identified in Jupiter's Responsible Investment Policy. Jupiter has been a signatory to the Finance for Biodiversity Pledge since 2021. This represents our commitment to protect and value our natural environment through collaborating and sharing knowledge, engaging with companies, assessing impact, setting targets and reporting by 2025. In September 2023, Jupiter joined Nature Action 100 ("NA100"), as an investor participant, which is a global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss. The initiative engages companies in key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030. Jupiter signed several baseline

Adverse sustainability indicator	Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
					engagement letters sent to the initial 100 companies identified by the initiative. We have been assigned to the investor engagement groups for two companies. 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 FOR NEXT REFERENCE PERIOD:** Jupiter has identified key themes to focus our biodiversity engagement efforts on the investment workstream such as plastics and water. When overlaying these themes to our holdings, we applied a double materiality lens to consider dependencies and impacts on biodiversity to finalise a shortlist of high-impact companies and engagement targets, initially starting with holdings where we 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. Please see our Annual Stewardship for case studies relating to biodiversity engagement. In 2024, we will further our collaboration, engagement and scrutiny of investee companies on biodiversity, with a long-term goal of helping to achieve change and contributing to reversing biodiversity loss, while preserving and enhancing the value of our clients' assets. Through NA100, we will engage with our two assigned companies on corporate actions required to protect and restore nature and responsibilities. We note the intersectionality between climate change and biodiversity and will confront these areas in a strategic manner

Adverse sustainability indicator	Metric		Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	5.09	60.65	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average were 91.61% lower than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	**ACTIONS TAKEN, ACTIONS PLANNED AND TARGETS FOR NEXT REFERENCE PERIOD:** Jupiter assesses water impact in accordance with sector and company specific materiality. It should be noted that data quality and availability for this indicator is still emerging. Although this indicator is centred on a specific emissions measurement, our approach to this impact will be captured in the biodiversity strategy which is discussed above. Where relevant, the investment manager may decide to engage on water related matters to understand and encourage progress in this area.
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	17.90	118.31	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average were 84.87% lower than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	**ACTIONS TAKEN, ACTIONS PLANNED AND TARGETS FOR NEXT REFERENCE PERIOD:** 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 & 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	2.30%	2.96%	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises was 22.15% lower than last year. This is due to a decrease in exposure to UNGC Violators, but broadly a neutral change. Please note that our Article 8 and 9 funds have zero exposure to UNGC violators.	**ACTIONS TAKEN:** Jupiter is a participant within the UN Global Compact and adherence to these principles is monitored as part of our group-wide stewardship approach and is linked to our oversight of Good Governance practices for Art 9 and 8 funds. Furthermore, PAI 10 is also used as an indicator to promote social characteristics for various Art 8 funds (see website disclosures).

Adverse sustainability indicator	Metric		Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
	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 and OECD Guidelines for Multinational Enterprises or grievance / complaints handling mechanisms to address violations of the UNGC Principles or OECD Guidelines for Multinational Enterprises	70.12%	88.00%	Share of investments in investee companies without policies to monitor compliance with the UNGC Principles and OECD Guidelines for Multinational Enterprises or grievance / complaints handling mechanisms to address violations of the UNGC Principles or OECD Guidelines for Multinational Enterprises was 20.31% lower than last year. This is due to a decrease in exposure to companies lacking processes and compliance mechanisms and is also associated with an increase in the number of Art 8 Funds under management.	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 working to improve matters. As international investors, the UN Global Compact is respected as instilling global standards which we support. However, progress, application of standards and disclosure will differ across jurisdictions. Furthermore, corporate behaviours and remits will be influenced by socio-political factors and regional laws that also need to be considered in conjunction with global norms. Where considered appropriate, Jupiter will serve as engaged owners to monitor companies on their remediation efforts or seek change with reference to the UNCG principles by adopting either direct or collective engagement. These situations will be assessed on a case-by-case basis and subject to routine investment factors when establishing stewardship priorities. Matters connected to the UNGC are also monitored by Investment Management Controls and subject to internal governance through the Investment Review Forum (IRF). Further details around these structures and their functioning can be found within Jupiter's Annual Stewardship Report (Principle 2).

Adverse sustainability indicator	Metric		Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
						ACTIONS PLANNED AND TARGETS FOR NEXT REFERENCE PERIOD: Investors and companies can be confronted with an array of complex situations when evaluating adherence to the UNGC principles. These situations can be further confounded when third parties may produce different conclusions. In order to strengthen the consistent manner in which these scenarios are assessed, we have augmented governance structures over the period through the creation of the Responsible Investment Forum (RIF). Various companies have been flagged during the period under review and these have been referred to the RIF. Full Reporting on these company specific issues is available from Jupiter's Annual Stewardship Report (Principle 5). Please note, figures relating to UNGC violations within this report relate to conclusions drawn post the RIF process rather than directly applying a third-party assessment for reporting purposes. There are no set targets for these PAIs given these issues contain many variables which can be outside the control of companies and investors. Our goal is to utilise the enhanced oversight and governance structures to be able to make better investment decisions and more effectively discharge our stewardship responsibilities.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	23.96%	21.89%	Average unadjusted gender pay gap of investee companies was 9.44% higher than last year – this is a neutral change year on year.	**ACTIONS TAKEN:** We will engage on these issues on a case-by-case basis depending on areas of concern.

Adverse sustainability indicator	Metric		Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	32.79%	31.33%	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members was 4.66% higher than last year – this is a neutral change year on year.	**ACTIONS TAKEN:** Diversity is a central theme within Jupiter's Responsible Investment Policy and funds are engaged on diversity and inclusion issues within the broadest sense. Our engagement approach and analysis seek 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, we agree that 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 our proxy voting approach. We will assess board composition when proxy voting and use third party datasets which factor in recommendations concerning diversity. Apart from systematic strategies we do not uniformly outsource voting decisions, but the third-party assessment serves as a useful tool in monitoring this impact. Where relevant we will engage 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 NEXT REFERENCE PERIOD:** Actions for the next period concern maintaining our approach to active engagement around this area and making informed voting decisions.

Adverse sustainability indicator	Metric		Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investment in investee companies involved in the manufacture or selling of controversial weapons	0.74%	1.09%	Share of investment in investee companies involved in the manufacture or selling of controversial weapons was 31.93% lower than last year – this is a neutral change year on year. Please note that our Article 8 and 9 funds have zero exposure to controversial weapons.	**ACTIONS TAKEN:** Jupiter operates an exclusions policy towards companies involved in the production of anti-personnel mines and cluster munitions. Investment managers may also apply fund-specific exclusions in line with strategy requirements and client mandates. Such disclosures, if applicable, are made in the respective fund prospectuses. Ongoing monitoring occurs through our investment and risk processes to ensure compliance with any stated exclusions. Our data providers also monitor for chemical and biological weapons exposure. Although we rely on third party data, there may be occasions where this independent evaluation is contested by a company or our investment teams have obtained further information which is counter to the third-party funding. These situations may be referred to the RIF to form an internal conclusion regarding the ability to hold the security (subject to fund exclusions).
Indicators applicable to investments in sovereigns and supranationals						
Environmental	15. GHG intensity	GHG intensity of investee countries	266.73	113.21	GHG intensity of investee countries was 135.61% higher than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	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.

Adverse sustainability indicator	Metric		Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
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	16	3	Number of investee countries subject to social violations was 441.67% higher than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	
		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, where applicable, national law	33.90%	4.51%	Number of investee countries subject to social violations was 651.62% higher than last year. Attributing this change to a specific factor or list of factors is challenging however, as the strength of any conclusions that can be drawn from the underlying data is undermined by data coverage and quality issues.	
Indicators applicable to investments in real estate assets						
Environmental	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
Social	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

Adverse sustainability indicator	Metric		Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
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	4.98%	6.24%	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement was 20.24% lower than last year. Reduction in exposure to companies without carbon emission reduction initiatives may be attributed to an increase in the number of Art 8 Funds under management.	**ACTIONS TAKEN:** This indictor should be viewed within the context of Jupiter's NZAM commitment discussed under PAI 1-6. Understanding whether a company has a carbon reduction initiative forms a core part of this analysis which may lead to subsequent engagement. Certain funds within the entity have incorporated the NZIF protocol by way of formally promoting an environmental characteristic. Please view fund website disclosures for further information. However, it should be noted that not all funds within the entity apply this characteristic and are not subject to the NZIF framework. Furthermore, it may be evident that companies across jurisdictions, market capitalisations and within different asset classes (e.g. private companies) may not have a carbon emissions reduction initiative. **ACTIONS PLANNED AND TARGETS SET FOR NEXT REFERENCE PERIOD:** The focus on this indicator will be prioritised around the application of the NZIF protocols which will identify the relevant companies. Where appropriate we may engage with these companies but make no claim that a reduction initiative will be implemented over the next period. Furthermore, it may be possible that new companies without an emissions reduction target could enter a portfolio due to opportunities that may arise in the market over the period.

Adverse sustainability indicator	Metric		Impact [2023]	Impact [2022]	Explanation	Actions taken, actions planned and targets set for next reference period
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	54.98%	65.17%	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption was 15.63% lower than last year. Reduction in exposure to companies without policies on anti-corruption and anti-bribery attributed to an increase in the number of Art 8 Funds under management.	**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 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						

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 ESG Research & Integration and Stewardship Teams 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: • Jupiter Fund Management Plc's Responsible Investment Policy (approved January 2024) • Jupiter Fund Management Plc's Annual Stewardship Report (approved April 2024) Investment Managers are charged with the implementation of those policies, and they have discretion to adopt a strategy-specific approach. The Head of Equities and Head of Fixed Income are responsible for establishing policies concerning stewardship and active ownership across our investment teams. From a corporate management perspective, they share responsibility for the implementation of the above-mentioned policies as an entity, but Investment Managers are charged with the discharge of stewardship duties and decisions for their respective strategies. The Investment Oversight Committee ("IOC") is responsible for monitoring stewardship activities reported through the Investment Review Forum ("IRF" and where necessary, the Responsible Investment Forum ("RIF"). 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, whereas the RIF exists to further enhance the internal review of ESG investment considerations. 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 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 data science team also work with third-party ESG data providers to challenge and provide constructive feedback to enhance the quality and integrity of the ESG data sets we use.

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.

Engagement policies

Jupiter'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 ESG & Research Integration and Stewardship Teams.

- **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. 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.

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
- Net Zero Asset Managers Initiative*
- UN Global Compact*

Jupiter also support the objectives of the Taskforce on Climate-related Financial Disclosures (TCFD)* and have been voluntarily reporting against the TCFD framework since 2017.

*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.

As NZAM signatories, we have established group-level 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 Alignment and Climate Adjusted Value (CAV), 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

Please refer to the 'Explanation' column in the table above for further details.

DISCLAIMER

This PAI statement includes the use and analysis of data from third party sources. Whilst ESG datasets continue to improve as disclosures standards and industry practice evolves, such data may be subject to data challenges. These may include but not be limited to:

- Methodological challenges
- Data coverage gaps and eligibility
- Data lags

- Estimated data or use of qualitative or subjective assessments.

As such, each metric may require additional consideration when interpreting and drawing conclusions on the data disclosed. Jupiter has taken reasonable steps to mitigate the risk of the limitations, however it does not make any representations or warranty as to the accuracy or completeness of such data.

For the avoidance of doubt, in accordance with the guidance outlined in the Q&A on SFDR (JC 2022 62), whereby the definition of enterprise value (EV) specifies that cash or cash equivalents should not be deducted from the sum, Jupiter have taken the approach to cap negative enterprise values (EV) to zero to in order to calculate certain indicators.