Statement on Principal Adverse Impacts ("PAIs") of investment decisions on sustainability factors

Reporting date 31 December 2024

Contents

1. Description of the PAIs of investment decisions on sustainability factors

Financial market participant: ***CORUM Butler Asset Management Ltd (LEI 6354008OJ3VZPUVQXY79)***

Summary:

CORUM Butler Asset Management Ltd ("the Management Company") and Butler Investment Managers ("the Investment Manager" or "IM") consider PAIs of its investment decisions on sustainability factors as part of its investment due diligence process. The present statement is the consolidated statement on PAI's on sustainability factors of applicable funds, as managed by CORUM Butler Asset Management Ltd.

List of funds falling into the calculation are the following:

- Butler Credit Opportunities
- CORUM Butler European High Yield
- Butler Credit Opportunities VAG
- CORUM Visio (formerly CORUM Butler Short Duration Bond)
- CORUM Tellia (formerly CORUM Butler SMART ESG)
- CORUM Butler Entreprises

This statement on PAIs on sustainability factors is based on data available as at 31 December 2024.

This consolidated statement of the Principal Adverse Impacts contains:

I. A description of the PAIs of investment decisions on sustainability factors, and description of the actions taken to avoid or reduce the PAIs identified;
II. A description of policies to identify and prioritize the PAIs;
III. A description of the engagement policies aimed at reducing the PAIs;
IV. A description of the internationally recognized frames of reference considered.

	Indicators applicable to investments in investee companies						
Adverse sustainability indicator		**Metric**	**Impact 2022**	**Impact 2023**	**Impact 2024**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	1,226,620	432,754	435,409	Measured in tCO2eq. Its is used Carbon-Scope 1, 2 and 3 (tonnes CO2e) metric and Direct + First Tier Indirect for Total GHG emissions from S&P Trucost. This indicator is calculated based on the assets invested in companies and not on all assets under management.	An Article 8 Fund under SFDR is defined as “*a Fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.*”
		Scope 2 GHG emissions	938,486	261,181	273,432		
		Scope 3 GHG emissions	8,587,187	7,099,662	2,352,392		
		Total GHG emissions	10,752,293	7,794,602	3,058,024		

	2. Carbon footprint	Carbon footprint	78	603	601	Measured in tCO2eq/€M invested. This indicator is calculated based on the assets invested in companies and not on all assets under management. Carbon footprint is Total GHG rebased by EV of companies.	
	3. GHG intensity of investee companies	GHG intensity of investee companies	159	549	275	This indicator is calculated based on the assets invested in companies and not on all assets under management. Carbon Intensity-Direct (tonnes CO2e/USD mn)	
	4. Exposure to companies active in the	Share of investments in companies	1.9%	1.5%	0.9%	This metric includes offshore operations and	Exposure to fossil fuels (PAI 4) is also subject to various exclusions for all funds. As part of the sector exclusion policy, it

	fossil fuel sector	active in the fossil fuel sector				exploration services companies as well as energy producers. 100% is covered. This indicator is calculated based on the assets invested in companies and not on all assets under management.	has been decided to exclude companies deriving revenue from thermal coal. This industry is a damaging activity with serious negative financial and sustainability implications. Investing in this business presents systemic and reputational risks that cannot be offset by financial considerations. As companies cannot instantly switch from fossil to renewable/nuclear energy sources, the 1.9% exposure are on companies deriving less than 30% (and less than 5% for CORUM Tellia) of revenue from thermal coal.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources,	-	N/A	N/A	No data	

		expressed as a percentage of total energy sources					
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	-	40.9	45.1	Percent of Revenue from High Impact Climate Sectors (%) - on average for company publishing the metric.	
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	-	6.6%	4.2%	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.	
Water	8. Emissions to water	Tonnes of emissions to water generated by	-	8.1	-4.5	Emissions to water - Nutrients and Organic	

		investee companies per million EUR invested, expressed as a weighted average				Pollutants Direct Quantity (tonnes) - on average for company publishing the metric.	
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	-	1.7	0.4	Hazardous waste and radioactive waste ratio (tonnes/EUR mn) - on average for company publishing the metric.	
	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	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for	0.0%	0.0%	0.0%	The IM and Management Company relevant policies prevent from investing in company involved in violations of the UNGC prinicples	The IM considers each of the 10 UNGC principles and ensures that there is no investment in any company involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. The analysis is either made by Sustainalytics or internally if not covered by

	(OECD) Guidelines for Multinational Enterprises	Multinational Enterprises				or OECD Guidelines for Multinational Enterprises. 0% as per our Article 8 definition. 100% is covered. Thus exposure ex is 0%.	our third party provider. 100% of the holdings are assessed on a pre-trade basis. In the event a company we have invested in is in breach of one of the principles, an ad-hoc committee is held to conclude if it is the case of disinvesting or not. To reinforce its commitment, the CORUM Butler Group, of which the Management Company and the Investment Manager are part of, has become a signatory of the United Nations Global Compact. This worldwide initiative encourages companies to adopt a socially responsible attitude by committing to integrating and promoting several principles in terms of human rights, labor law, the environment and the fight against corruption. The motivation is directly linked to the increasing materiality of these factors in the financial analysis of issuers, and to the need to adapt the investment skills to these new challenges. Moreover, the approach of the Management Company and the Investment Manager is in line

							with the Group's Corporate Social Responsibility (CSR) policy.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	-	47.7%	59.7%	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 related violations (%).	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	-	16.6%	19.2%	Unadjusted gender pay gap - Gender Pay Indicator (Mean Gender Pay Gap) ie. %	

						discrepancy versus male revenue.	
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	-	30.4%	28.8%	Board gender diversity - Women as % of Total Board Members.	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.0%	0.0%	0.0%	The relevant policies prevent from investing in company involved in the manufacturing or selling controversial weapons as defined beside. 0% as per our Article 8 definition.Thus exposure is 0%.	Exposure to controversial weapon (PAI 14) is also subject to various exclusions for all funds. As part of the sector exclusion policy, it has been decided to exclude companies deriving revenue from controversial weapon. The IM define these weapon as anti-personnel mines, cluster munitions, chemical weapons and biological weapons. In the case Sustainalytics doesn’t cover “sector involvement”, the IM is assessing sectoral involvement with available material (presentation, offering documentation, website).

INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SOPRANATIONALS

Environmental	15. GHG intensity	GHG intensity of investee countries	N/A	356	0	GHG intensity of investee countries (tCO_2e/ GDP (EUR mn)).
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	N/A	0	0	Investee countries subject to social violations.
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,	N/A	N/A	N/A	-

		transport or manufacture of fossil fuels				
Energy efficiency	18. Exposure to energyinefficient real estate assets	Share of investments in energyinefficient real estate assets	N/A	N/A	N/A	-
Energy consumption	19. Additional PAI: Energy consumption intensity		N/A	N/A	N/A	-

2. Description of Policies to identify and prioritise PAIs of investment decisions on sustainability factors

a) Governance

The Management Company has overall responsibility for approving relevant approaches and strategies to sustainability risk and approves relevant environmental, social and governance ("ESG") Policies at least annually.

The Management Company, together with the Investment Manager, have set up an ESG governance structure to ensure appropriate monitoring and information flow with regard to ESG issues and impacts.

The quarterly ESG Committee, co-led by the ESG Specialist Manager, representative from the Investment Manager and the Management Company, among other ESG activities, oversees the process of managing the PAIs on the sustainability factors of the companies and countries invested.

This follow up is based on 3 pillars:

- In terms of ESG Risks, presentation of the ESG analysis and due diligence, with identification of poor ESG performance and proposals for appropriate actions;
- Review and validation of policies and processes with final decision on actions;
- When an ESG breach that could potentially lead to a drop from ESG Compliant to ESG Fail, the ESG Team proposes appropriate action for decision, and in some cases escalates directly to the Board of the Management Company.

These actions can take the form of:

- Engaging and initiating dialogue;
- Exclusion; and/or
- Monitoring.

b) Identifying and prioritising the PAIs

The table below shows the sustainability indicators for the PAIs, their integration into the ESG analysis and the ESG rating model. This integration is based on the level of materiality or probable materiality of each indicator, also indicated below:

Indicators for investments in companies		
Sustainable development theme	**Sustainability indicator for PAIs**	**Source**
CLIMATE AND OTHER ENVIRONMENTAL INDICATORS		
Contribution to climate change mitigation - Greenhouse gas emissions	GHG emissions (PAI 1)	Sources: S&P Trucost
	Carbon footprint (PAI 2)	Sources: Corum Butler, S&P Trucost
	GHG intensity of investee companies (PAI 3)	Sources: S&P Trucost
	Exposure to companies active in the fossil fuel sector (PAI 4)	Sources: S&P Trucost
	Share of non-renewable energy consumption and production (PAI 5)	Not applicable
	Energy consumption intensity per high impact climate sector (PAI 6)	Sources: S&P Trucost
Preserving the natural environment and ecosystems	Activities negatively affecting biodiversity-sensitive area (PAI 7)	Sources: S&P Trucost
	Emissions to water (PAI 8)	Sources: S&P Trucost

	Hazardous waste ratio (PAI 9)	Sources: S&P Trucost
SOCIAL AND EMPLOYEE-RELATED ISSUES, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND BRIBERY		
No exposure to companies associated with controversial or illegal practices	Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 10)	Sources: Corum Butler, Sustainalytics
	Lack of processes and compliance mechanisms to monitor adherence to the UN Global Compact principles (PAI 11)	Sources: S&P Trucost
	Unadjusted gender pay gap (PAI 12)	Sources: S&P Trucost
Promoting gender equality	Board gender diversity (PAI 13)	Sources: S&P Trucost
	Exposure to controversial weapons (PAI 14)	Sources: Corum Butler, Sustainalytics

c) Due Diligence Process on issuers with regard to adverse impacts

The IM defines sustainable investing as the integration of ESG criteria into investment decisions.

The IM aims to manage the risks and potential adverse impacts of its investments on sustainability, notably through the use of ESG analysis processes and the monitoring of violations of international standards, which determine the internal ESG rating system.

The IM has developed structured and consistent analytical processes for assessing the sustainability of companies issuers, as per below:

➢ ***Companies/Corporates***

The challenges of corporate sustainability are analysed from two distinct but related angles: economic activities and stakeholder management. Indeed, the ESG analysis carried out aims to assess how companies create value by integrating sustainability into their business activities and stakeholder interests into their operational and financial management processes. This analysis is complemented by an assessment of exposure to controversial activities and violations of international standards in terms of human rights, labour, environmental practices and corruption.

The ESG assessment process is based on the following pillars:

• *Controversial activities*: assessment of companies involved in certain activities that do not embody sustainability;

• *Normative analysis:* assessment of companies that have significantly and repeatedly violated one of the ten principles of the United Nations Global Compact and/or the OECD Guidelines for Multinational Enterprises.

• *Business analysis*: companies are exposed to major long-term ESG trends which can strongly influence the environment in which they operate, and which can shape their future business challenges and long-term growth;

• *Stakeholder analysis*: assessment around how the extent to which each company integrates the interests of the following stakeholders into its long-term strategy: investors, human capital, suppliers, customers, society and environment.

• *Dialogue with companies* as integral part of the ESG analysis process and essential to the investment process, as they provide additional information on issuers and encourage best practice.

d) Data source and methodologies

The available data is subject to quality and accuracy checks by the IM. However, there are still significant gaps in the availability and quality of information on the PAIs on sustainability. The IM ensures, as far as possible, the quality of the data, in particular by carrying out due diligence on the ESG data provider it uses. These quality and monitoring checks are designed to verify the adequacy, sufficiency and consistency of the data. When new data sources are identified, they are generally evaluated for validation.

- *Data coverage*: ESG data in general is continually improving, but some data may not be available for all issuers in the funds, implying that sustainability indicator scores given at portfolio level may only be representative of a sub-portfolio of issuers for which data is available. It is therefore always important to take coverage ratios into account when interpreting the levels of sustainability indicators;
- *Data granularity*: for certain types of data, the necessary level of granularity is not always readily available. Data is generally available at issuer level, but not always at instrument level.

Also, in general terms, the IM follows the definition and formula set out in the Regulatory Technical Standards (RTS). For instance, the definition of weighted average: "*ratio of the weight of the investment by the financial market participant in an investee company in relation to the enterprise value of the investee company*".

3. Engagement Policies

The IM views engagement as part of its ongoing and fundamental dialogue with companies within the funds investment universe and as a constant and valuable part of its work. Engagement can take the form of meetings, on-site visits, calls and emails and can be with stakeholders such as management, competitors, customers etc.

In summary, there are three main reasons for the IM engaging with a company in the investment universe of the Fund:

1. ongoing monitoring of the company's business and elevating company awareness;
2. deeper company analysis and challenge/feedback;
3. seeking to affect real change in a company due to specific behaviour or event.

The IM understands its fiduciary duty as encompassing the need to contribute positively to addressing major socio-economic and environmental challenges in the interests of its clients, investors, stakeholders and of company. This means that not only the IM assesses the way ESG factors can materially impact the value of companies, but also how the companies impact the environment, and social matters or human rights. PAIs are therefore considered via a combination of approaches that can vary depending on the asset class, investment process or type of strategy and fund range.

a) ENGAGEMENT

Engagement is a continuous and purpose driven process aimed at influencing the activities or behaviour of investee companies. The aim of engagement activities can fall into two categories: to engage an issuer to improve the way it integrates the environmental and social dimensions, to engage an issuer to improve its impact on environmental, social, and human rights-related or other sustainability matters that are material to society and the global economy.

b) EXCLUSION

The IM has defined activity-based and sector-based exclusion rules covering some of the key adverse sustainability indicators listed by the SFDR. This approach applies to all funds in scope.

c) CONTROVERSY MONITORING

The IM is tracking potential controversies using third-party data (Bloomberg alert, research, Sustainalytics or another equivalent provider). Once the information is received, the IM is assessing if it can be classified it as a controversy or not. Then, the level of involvement (direct, indirect) is assessed and the level of severity and the materiality (how long it will impact the company reputation and credit metrics). An *ad hoc* committee may be invoked in case of disagreement in the portfolio management team. In the most severe and repeated cases, when no credible corrective action is taken, the IM may qualify the company as involved in a severe controversy, meaning that it is no longer allowed to invest in that company (as long as the company is involved/affected by the controversy). This may ultimately lead to exclusion from the active investment universe.

A dedicated ESG Engagement Policy and Annual Report is available on the website of the Management Company, describing the engaging process more in details.

4. Reference to International Standards

Several initiatives, both at fund and Group level in the last few years have been put in place to achieve the sustainability goals.

The SRI label was created in 2016 by the Ministry of Economy and Finance, aiming to enable retail investors, as well as professional investors, to highlight investment funds that implement a robust socially responsible investment ("SRI") methodology, leading to measurable and concrete results. The SRI approach aims to apply the principles of sustainable development to investment. This means that choice of an investment will not only be dictated by short-term financial considerations but will also consider extra-financial criteria, such as respect for the environment, the well-being of employees within the company or good governance within the company. With the SRI Label, there is the opportunity to contribute, through the investment, to the development of a more sustainable and responsible economy.

The SRI label has been obtained for the first time in October 2019, with the launch of one of the funds under management – CORUM Tellia (formerly named CORUM Butler Smart ESG Fund). The label was renewed in December 2022 for 3 more years, showing that the efforts have been rewarded.

The CORUM Butler Group also became a signatory of the PRI in 2022.

The PRI is the world's leading proponent of responsible investment. It's aiming to achieve an economically efficient, sustainable global financial system that is rewarding long-term, responsible investment and beneficial for the environment and society as a whole. The PRI work to achieve this sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; by fostering good governance, integrity and accountability, and by addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation.

1. *Principle 1: We will incorporate ESG issues into investment analysis and decision making processes.*
2. *Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.*
3. *Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.*
4. *Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.*

5. *Principle 5: We will work together to enhance our effectiveness in implementing the Principles.*
6. *Principle 6: We will each report on our activities and progress towards implementing the Principles.*

To reinforce the commitment, the CORUM Butler Group, of which the Management Company and the Investment Manager are part of, has become a signatory of the United Nations Global Compact. This worldwide initiative encourages companies to adopt a socially responsible attitude by committing to integrating and promoting several principles in terms of human rights, labor law, the environment and the fight against corruption. The motivation is directly linked to the increasing materiality of these factors in the financial analysis of issuers, and to the need to adapt the investment skills to these new challenges.

Moreover, the approach of the Management Company and the Investment Manager is in line with the Group's Corporate Social Responsibility (CSR) Policy.

5. Historical comparison

All changes for each indicator between 2022, 2023 and 2024 are included in the table above.