

## **Statement on principal adverse impacts of investment decisions on sustainability factors**

### **Transparency of adverse sustainability impacts at entity level**

The Article 4 of Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”) requires Nikko Asset Management Luxembourg S.A (“NAML”) to publish and maintain on its websites:

- where it does consider principal adverse impacts of investment decisions on sustainability factors, a statement on due diligence policies with respect to those impacts and the types of financial products they make available; or
- where it does not consider adverse impacts of investment decisions on sustainability factors, clear reasons for why they do not do so, including, where relevant, information as to whether and when they intend to consider such adverse impacts.

The requirement to publish such a statement systematically applies to financial market participants or parent undertakings of a large group exceeding on their balance sheet dates the criterion of the average number of 500 employees.

### **No consideration of adverse impacts of investment decisions on sustainability factors at entity level**

NAML is a management company governed by Chapter 15 of the Luxembourg law the 17th of December 2010 on undertakings for collective investment, as amended from time to time (the “UCITS Law”), an alternative investment fund manager governed by the Chapter 2 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended from time to time (the “AIFM Law”) and provides management of portfolios of investments on a discretionary, client-by-client basis pursuant to Article 5, (4)(a) of the AIFM Law.

NAML systematically delegates its Portfolio Management functions to Nikko Asset Management Group entities beyond the European Union and, as a result of this operating model, the way adverse impact on sustainability factors may or may not be considered varies from strategy to strategy and cannot be captured at NAML entity level. NAML however:

- monitors that UCITS and AIFs it manages and promote environmental & social characteristics or have a sustainable investment objective take adverse impact indicators into account as specified in these products pre-contractual disclosures produced, in line SFDR Article 8 and 9
- provides the transparency on how adverse impacts on sustainability factors were taken into account through these products periodic disclosures, in line SFDR Article 11
- ensures that transparency requirements on the integration of sustainability risks in the investment decision-making process are respected, in line with SFDR article 3.

As from January 2024, given the above considerations and as it has less than 500 employees, NAML has therefore elected no to consider adverse impacts of investment decisions on sustainability factors at its entity level.