



Statement on principal adverse impacts of investment decisions on sustainability factors 2024 V1.0

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1 Summary

FERI AG (LEI: 391200RAQYPENJJ4QB64) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of FERI AG.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024.

Principal adverse impacts ("PAI") are defined as the impact of investment decisions on the climate and other environmentally adverse aspects on the one hand, and impacts in the areas of social and employment issues, respect for human rights and combating corruption and bribery on the other. At FERI AG, the consideration of principal adverse impacts in the context of investment decisions for assets under management depends on the type of target investment.

ESG data from the data provider MSCI ESG Research LLC is used to calculate the PAI indicators. FERI aims to select PAI where the data coverage for the investments made is high to ensure comparability over time, but also PAI that are or are likely to be most relevant to the sustainability factors underlying the investment decisions. Due to the fact that the values are not currently provided comprehensively by the invested companies, the data coverage for some PAI remains very low despite everything. Where the relevant data is available, the selected PAI indicators are collected on a quarterly basis. In this statement, FERI AG reports the PAI indicators for those assets under management that pursue investment strategies with environmental and/or social characteristics. PAI are initially taken into account through exclusions in the investment strategy.

All assets (including cash positions) are taken into account when calculating PAI.

Contrary to previous years, FERI AG and FERI (Luxembourg) S.A. (hereinafter referred to as "FLX") have decided to prepare separate PAI statements for the two aforementioned group entities. This is intended to further increase transparency by distinguishing between the management of investment funds by FLX and asset management and investment advice by FERI AG.

Due to the reorganisation of the PAI statement, the focus will be on monitoring the development of the absolute PAI indicators in the next reporting period.

2 Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies							
Adverse sustainability indicator		Metric	Impact 2024 (FERI AG)	Impact 2023 (incl. FLX)	Impact 2022 (incl. FLX)	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Greenhouse gas emissions (GHG)	1. GHG emissions	Scope 1 GHG emissions	4.863 Data coverage: 88.9%	8.687 Data coverage: 90.9%	16.293 Data coverage: 97,5%	In tonnes of CO ₂ . We attribute the decrease in absolute emissions to the reorganisation of our PAI statement with separate reporting by FERI AG and FLX.	FERI AG has developed an internal methodology for incorporating environmental and social aspects into the investment process for the products on which this report is based. The methodology is based, among other things, on the exclusion of certain sectors or issuers that exceed predefined turnover thresholds in certain business areas. FERI AG plans to continue monitoring current developments in the next reporting period.
		Scope 2 THG emissions	2.297 Data coverage: 88.9%	3.385 Data coverage: 90.9%	5.342 Data coverage: 97,5%	Figures in tonnes of CO ₂ . We attribute the decline in absolute emissions to the reorganisation of our PAI statement with separate reporting by FERI AG and FLX.	
		Scope 3 GHG emissions	63.382 Data coverage: 88.7%	100.660 Data coverage: 90.3%	166.557 Data coverage: 96,5%	In tonnes of CO ₂ . Estimated data was used for this indicator. These estimates were also used to calculate other GHG indicators. We attribute the decrease in absolute emissions to the reorganisation of our PAI statement with separate reporting by FERI AG and FLX.	
		Total GHG emissions	73.805	111.607	188.020	Figures in tonnes of CO ₂ .	

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			Data coverage: 88.5%	Data coverage: 90.0%	Data coverage: 96,4%	We attribute the decrease in absolute emissions to the reorganisation of our PAI statement with separate reporting by FERI AG and FLX.	
	2. Carbon footprint	Carbon footprint	44,47 Data coverage: 88.5%	262,65 Data coverage: 90.0%	332,77 Data coverage: 96,4%	Figures in tonnes of CO ₂ per million EUR invested. We attribute the reduction in data coverage to changes in the data provider. We attribute the reduction in the value to changes in the underlying portfolios, investment activity and reduced data coverage.	
	3. GHG intensity of investee companies	GHG intensity of investee companies	785,00 Data coverage: 91.82%	664,93 Data coverage: 92.87%	816,68 Data coverage: 97,9%	In tonnes of CO ₂ per million EUR turnover of the invested companies.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0,70% Data coverage: 95.44%	5,92% Data coverage: 95.25%	8,2% Data coverage: 93,5%	We attribute the reduction in the figure to the reorganisation of our PAI statement with separate reporting by FERI AG and FLX as well as the investment activities.	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	45,54% Data coverage: 73.37%	66,72% Data coverage: 77.75%	73,0% Data coverage: 84,1%	We attribute the reduction in data coverage to changes in the data provider and changes in the underlying portfolios. We attribute the reduction in the value to the reorganisation of our PAI statement with separate reporting by FERI AG and FLX as well as the investment activity.	
	6. Energy consumption	Energy consumption in GWh per million EUR of revenue of				The relatively low data coverage for the indicators listed results from the low share of the	

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	intensity per high impact climate sector	investee companies, per high impact climate sector				individual sectors in the overall portfolios of the investment strategies analysed.	
		Agriculture, forestry and fishing	0,33 Data coverage: 0.002%	1,56 Data coverage: 0.01%	No investments in this sector with data coverage		
		Mining and quarrying	1,08 Data coverage: 0.51	2,29 Data coverage: 1.55%	3,52		
		Manufacturing/production of goods	0,23 Data coverage: 30.51	0,47 Data coverage: 32.66%	0,77		
		Energy supply	0,74 Data coverage: 2.06%	2,37 Data coverage: 1.49	3,49		
		Water supply; sewage and waste disposal and remediation of pollution	0,96 Data coverage: 0.80%	1,76 Data coverage: 0.58	0,97		
		Building industry/construction	0,16 Data coverage: 0.92%	0,18 Data coverage: 0.68%	0,22		
		Trade; maintenance and repair of motor vehicles	0,16 Data coverage: 3.70%	0,23 Data coverage: 4.24	0,09		
		Transport and warehousing	0,84 Data coverage: 1.15	1,18 Data coverage: 1.58	1,20		



		Real estate and housing	0,40 Data coverage: 1.52%	0,26 Data coverage: 1.06	0,56		
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	1,63% Data coverage: 95.24%	0,05% Data coverage: 95.35%	0,0% Data coverage: 93.5%	We attribute the increase in the value to investment activity.	
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,00 Data coverage: 0.76%	7,96 Data coverage: 0.68%	140,90 Data coverage: 11.0%	We attribute the reduction in the value to investment activity on the one hand and reduced data coverage on the other.	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0,11 Data coverage: 43.45%	0,49 Data coverage: 32.21%	31,20 Data coverage: 37.7%	We attribute the reduction in the value to investment activities.	
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							

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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	0,00% Data coverage: 95.75%	0,00% Data coverage: 95.51%	0,06% Data coverage: 97.5%		<p>FERI AG has developed an internal methodology for the inclusion of environmental and social aspects in the investment process for the products on which this report is based.</p> <p>The methodology is based, among other things, on the exclusion of certain sectors or issuers that exceed predefined turnover thresholds in certain business areas.</p> <p>FERI AG plans to continue monitoring current developments in the next reporting period.</p>
	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 Multi national Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,06% Data coverage: 95.45%	38,86% Data coverage: 95.19%	47,34% Data coverage: 92.8%	We attribute the significant reduction in the value to changes in the data provider and an increased importance of the topic among the invested companies.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap for investee companies	12,98% Data coverage: 33.37%	13,15% Data coverage: 27.11%	9,38% Data coverage: 24.9%		
	13. board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	37,53% Data coverage: 93.65%	35,49% Data coverage: 94.27%	35,25% Data coverage: 98.1%		



	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,00% Data coverage: 95.75%	0,00% Data coverage: 95.35%	0,00% Data coverage: 93.5%		
Indicators applicable to investments in sovereigns and supranationals							
Environment	15 GHG intensity	GHG intensity of investee countries	190,26 Data coverage: 33.25%	113,9 Data coverage: 45.73%	284,80 Data coverage: 98.7%	GHG in tonnes per million EUR gross domestic product. We attribute the increase in the value to investment activity.	FERI AG has developed an internal methodology for incorporating environmental and social aspects into the investment process for the products on which this report is based. The methodology is based, among other things, on the exclusion of certain sectors or issuers that exceed predefined turnover thresholds in certain business areas. For the next reporting period, FERI AG plans to further consolidate the quality of the information provided, in particular the data coverage.
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	5,98 Data coverage: 33.25%	2,08 Data coverage: 45.73%	0,75 Data coverage: 99.2%	The decimal figure is the result of the average calculation. We attribute the increase in the figure to the reorganisation of our PAI statement with	

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		conventions, United Nations principles and, where applicable, national law				separate reporting by FERI AG and FLX as well as the investment activity.	
		- Relative figure	3,80% Data coverage: 33.25%	3,37% Data coverage: 45.73%	1,90% Data coverage: 99.2%		
Other indicators for principal adverse impacts on sustainability factors							
Water, waste and material emissions	13. Non-recycled waste ratio (PAI 13, Table 2)	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average	1,58 Data coverage: 34.66%	37,26 Data coverage: 23.81%	72,82 Data coverage: 34.8%	We attribute the reduction in the value to the investment activity.	FERI AG has developed an internal methodology for the inclusion of environmental and social aspects in the investment process for the products on which this report is based. The methodology is based, among other things, on the exclusion of certain sectors or issuers that exceed predefined turnover thresholds in certain business areas. FERI AG plans to continue monitoring current developments in the next reporting period.
Social and employee matters	7. Incidents of discrimination (PAI 7, Table 3)	1. Number of incidents of discrimination reported in investee companies expressed as a weighted average	0 Data coverage: 91.23%	0 Data coverage: 93.60%	0 Data coverage: 97.0%		
		2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average	0 Data coverage: 91.23%	0 Data coverage: 93.60%	N/A		

3 Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The FERI Sustainability Policy sets out strategies to identify and assess the principal adverse impacts of investment decisions on sustainability factors. Version 4.0 of this policy was approved and published by the Executive Board in June 2023. Responsibility for the strategies lies with FERI's SDG Office, which implements them in cooperation with other specialist departments.

FERI AG measures PAI for funds and mandates that disclose in accordance with Art. 8 or 9 of the EU Disclosure Regulation (Regulation EU 2019/2088) and reports the measurement results in this statement. These funds and mandates pursue an investment strategy that also takes PAI into account in the investment selection. Different PAI can be a component of the investment strategy. In principle, however, the aim is to reduce the following PAI through defined exclusions:

- PAI 3: GHG intensity of investee companies
- PAI 4: Exposure to companies active in the fossil fuel sector
- PAI 10: Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 14: Exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons)
- PAI 16: Investee countries subject to social violations

The consideration of PAI in the investment process takes place ex-ante (before an investment decision is made) by FERI AG. The PAI are monitored ex-post (after an investment decision) as part of the investment limit review. FERI AG analyses at least once a year as part of a review of the underlying methodology whether the measures taken are sufficient and whether adjustments need to be made to the methodology. When selecting the PAI, various factors such as the type and degree of negative impact and the availability and quality of the data are taken into account.

FERI AG also discloses the measurements of the following PAI in this statement:

- PAI 13, Table 2: Non-recycled waste ratio
- PAI 7, Table 3: Incidents of discrimination

These two additional PAI were selected due to the thematic addition, the severity of the principal adverse impacts and the probability of occurrence, including their potentially irremediable character. From the perspective of FERI AG, reducing the proportion of non-recycled waste is a contribution to the circular economy. Unrecycled waste is highly probable to occur in industrial processes and can have an irremediable impact on environmental goals. For FERI AG, combating discrimination in companies is an important aspect of strengthening labour rights and respecting human rights. Cases of discrimination still occur in many companies and can have severe consequences for those affected.

To calculate the PAI indicators shown here, the PAI were measured at the end of the four quarters and a market value-weighted value was calculated for the calendar year. FERI AG uses data from the leading sustainability data provider MSCI ESG Research LLC to measure the PAI due to the data coverage. Due to the size of the investment universe, it is not possible to close data gaps through additional research. The data coverage of the individual PAI indicators is shown in the table in section 2 in the form of data coverage.

4 Engagement policies

FERI AG is convinced that standing up for environmental and social issues by exercising shareholder rights can have a positive impact on investment results and society. As a long-term investor, FERI AG is therefore committed to actively representing the interests of its clients in the companies, target funds and target fund managers it invests in. With regard to the engagement policy, a distinction must be made between how FERI AG invests in each case:

a) Investments in funds

Responsibility as a shareholder applies to both passive and active fund strategies and to various asset classes. FERI AG uses its central role for clear dialogue and provides important impetus for the promotion of sustainability and PAI reduction, both within the asset management industry and with pension schemes and pension funds. In this way, through critical dialogue and targeted issue positioning, FERI AG has an excellent opportunity for "positive engagement".

It is not possible to exercise shareholder and voting rights directly when investing in funds, as FERI AG is not a direct shareholder of the target companies, but the fund manager fulfils this role.

b) Investments in individual issuers (shares and corporate bonds)

FERI AG understands the active exercise of shareholder rights to mean in particular the exercise of voting rights at Annual General Meetings and active corporate dialogue. The exercise of voting rights and the corresponding proxy voting is only carried out by FLX for direct equity investments of the funds it manages. In this regard, FLX has published a separate stewardship policy that sets out the principles for exercising shareholder rights. Further information on the stewardship policy can be found here: www.feri.lu/policies

If FERI AG does not observe any improvement at issuer level over a longer period of time in the issues identified and addressed in the participation policy, FERI AG reserves the right to exclude the issuers concerned (at least temporarily) in the future.

5 References to international standards

FERI AG is a signatory to the Principles for Responsible Investment (PRI), a UN financial initiative launched with the aim of developing principles for responsible securities management. As a signatory to the PRI, FERI AG confirms annually that it implements the guidelines and objectives for responsible investment and promotes their further development. FERI AG has thus voluntarily undertaken to take ESG criteria into account in the investment decision-making process and to integrate a responsible engagement policy and exercise of voting rights as a shareholder.

The principles are not implemented, observed and measured through specific indicators used to consider the principal adverse impacts on sustainability factors in accordance with Article 6(1) of Regulation (EU) 2019/2088, but through comprehensive reporting on sustainability policies and practices.

FERI AG does not currently consider a forward-looking climate scenario. The intention is to integrate such a scenario into the processes in the medium term.

6 Historical comparison

In 2022, the information on adverse impacts on sustainability factors was collected by FERI AG for the first time and presented in a report published on 30 June 2023.

In order to increase transparency in the future, FERI AG and FERI (Luxembourg) S.A. have decided to publish separate PAI statements for the reporting period from 1 January 2024 to 31 December 2024.

The separation of the PAI statements thus follows the services offered by the entities:

- FERI AG:
 - Asset management
 - Financial advice
- FLX:
 - Fund management

Due to the decision, a direct comparison of all PAI with previous years is only possible to a limited extent. However, a direct comparison of relative PAI (PAI reported on the basis of a reference figure (e.g. per million euros invested) is still possible to some extent.

FERI AG is focussing on consolidating the reported information in future reporting periods. FERI AG hopes that both the planned consolidation and further regulatory clarification will lead to a further increase in transparency for investors.