



Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

30 June 2025

ShelteR Investment Management

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PAI Statement on Entity Level	Comments	Publication date
Version 1		June 2025
Version 2	<p>Revisions include comments on inconsistent PAI values, such as GHG indicators, which were initially distorted because the portfolio was uploaded as a weighted portfolio without underlying investment values. This caused the total portfolio value to default to EUR 1,000,000, affecting the calculation of owned GHG emissions. Additionally, adjustments were made to align the wording and structure more closely with the prescribed SFDR template.</p>	November 2025

Summary

ShelteR Investment Management is a Luxembourg based management company, authorized and regulated by the CSSF. It is a wholly owned subsidiary of Rego Partners, a Belgian financial services group. As a Financial Market Participant under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR), ShelteR Investment Management is required to assess and report on the principal adverse impacts (PAIs) of its investment decisions on sustainability factors.

This statement reflects ShelteR IM's consolidated assessment of these adverse impacts over the reference period from 1 January to 31 December 2024. It covers the full scope of investments and focuses on a selected subset of 20 principal adverse impact (PAI) indicators related to climate, environment, social and employee matters, respect for human rights, and anti-corruption and anti-bribery concerns, as outlined in the SFDR framework. Specifically, ShelteR IM reports on 18 mandatory indicators listed in Table 1 of Annex I of the Delegated Regulation, supplemented by two additional voluntary indicators where data availability allows. It should be noted that the SFDR includes a broader set of 64 indicators across all PAI tables, and this statement covers only a targeted selection relevant to ShelteR IM's reporting.

Principal adverse impacts are taken into account as part of ShelteR IM's investment due diligence and decision-making process. At entity level, we monitor and assess the aggregated negative sustainability impacts of our investments. While we aim to apply the SFDR indicators consistently across our portfolios, we acknowledge ongoing challenges in data coverage and quality, particularly due to the absence of binding sustainability reporting obligations for many investee companies. We also have to take into account investor preferences and choices.

This statement also sets out the actions taken, and those planned, to reduce or mitigate the most material adverse impacts identified. Our approach is embedded in our broader commitment to responsible investment and active ownership as per our policies. We engage with investee companies and exercise our voting rights to promote improved ESG practices. Our investment and stewardship practices are further detailed in our policies on voting and engagement.

Description of the principal adverse impacts on sustainability factors

Principal Adverse Impacts (PAIs) refers to the negative effects of investment decisions on sustainability factors. These factors relate to:

- (i) climate and environmental issues, and
- (ii) social and employee matters, respect for human rights, and anti-corruption and anti-bribery concerns.

The PAIs of the underlying investments managed by Shelter IM are assessed by measuring their aggregated adverse impact on relevant sustainability factors. The reported PAI indicators are sourced, aggregated, and disclosed in accordance with the SFDR regulation.

The mandatory indicators defined under the SFDR are presented in Table 1 below. In addition, Shelter IM reports on two voluntary indicators, which are shown in Tables 2 and 3, where data availability allows.

Information on the impact of investments managed by Shelter IM on these indicators will be published annually by 30th of June. This year's report does not yet include a historical comparison with previous years. Over time, additional data will be included to enable a five-year performance comparison.

The indicators are calculated as the average of available PAI data for investments held in Shelter managed portfolio of products and mandates as per 31st of March, 30th of June, 30th of September, and 31st of December of each reporting year. This information was initially reported on 30th of June 2025. We will continue to report this information on an annual basis, subject to data availability and quality.

For each of the mandatory indicators listed in Table 1, we have included information on the actions already taken, planned measures, and targets set to avoid or reduce the identified principal adverse impacts.

Indicators applicable to investments in investee companies (Table 1)

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Adverse Sustainability Indicator	Metric	Impact 2024	Impact 2023	Explanation of used metric	Actions taken, and actions planned, and targets set for the next reference period
1. GHG Emissions	Scope 1 GHG Emissions	11.711,87 (t) <i>(91,80%)</i>	N/A	GHG Emissions - Scope 1 per Mio EUR Enterprise Value This factor provides the issuer's Scope 1 Direct emissions per million EUR EVIC. In this instance, EVIC is calculated as follows: MarketCap + Total Debt + Minority Interest + Value of Preferred Shares.	ShelteR IM has committed to supporting the goals of the Paris Agreement by encouraging companies to align their strategies with a 1.5°C climate trajectory. Our engagement and voting policy explicitly focus on greenhouse gas emissions reduction targets, and we assess the robustness of climate action plans and net-zero commitments through 'Say on Climate' votes. We prioritize engagement with companies in high-emitting sectors and may vote against management or divest when insufficient progress is made. Our long-term objective is to promote climate action among investee companies through structured dialogue, escalation procedures, and active ownership, contributing to improved sustainability outcomes in line with the UN Sustainable Development Goals.
	Scope 2 GHG Emissions	3.252,36 (t) <i>(91,80%)</i>	N/A	GHG Emissions - Scope 2 per Mio EUR Enterprise Value This factor provides the issuer's Scope 2 Energy Indirect emissions per million EUR EVIC. In this instance, EVIC is calculated as follows: Market Cap + Total Debt + Minority Interest + Value of Preferred Shares	
	Scope 3 GHG Emissions	199.873,73 (t) <i>(91,80%)</i>	N/A	GHG Emissions - Scope 3 per Mio EUR Enterprise Value This factor provides the issuer's Scope 3 "Other Indirect" emissions per million EUR EVIC. EVIC is calculated as follows: Market Cap + Total Debt + Minority Interest + Value of Preferred Shares	

Adverse Sustainability Indicator	Metric	Impact 2024	Impact 2023	Explanation of used metric	Actions taken, and actions planned, and targets set for the next reference period
	GHG Emissions - Scope 1+2+3per Mio EUR Enterprise Value	214.837,95 (t) (91,80%)	N/A	GHG Emissions - Scope 1+2+3per Mio EUR Enterprise Value This factor provides the issuer's aggregated emissions from Scopes 1, 2, and 3 per million EUR EVIC. EVIC is calculated as follows: Market Cap + Total Debt + Minority Interest + Value of Preferred Shares.	ShelteR IM has committed to supporting the goals of the Paris Agreement by encouraging companies to align their strategies with a 1.5°C climate trajectory. Our engagement and voting policy explicitly focus on greenhouse gas emissions reduction targets, and we assess the robustness of climate action plans and net-zero commitments through 'Say on Climate' votes. We prioritize engagement with companies in high-emitting sectors and may vote against management or divest when insufficient progress is made. Our long-term objective is to promote climate action among investee companies through structured dialogue, escalation procedures, and active ownership, contributing to improved sustainability outcomes in line with the UN Sustainable Development Goals.
2. Carbon footprint	Carbon Footprint	393,62 (t/Mio EUR) (91,80%)	N/A	GHG Emissions - Scope 1+2+3per Mio EUR Enterprise Value This factor provides the issuer's aggregated emissions from Scopes 1, 2, and 3 per million EUR EVIC. EVIC is calculated as follows: Market Cap + Total Debt + Minority Interest + Value of Preferred Shares.	
3. GHG intensity of investee companies	GHG Intensity of investee companies	989,79 (t/Mio EUR) (92,04%)	N/A	GHG Emissions – Emissions Intensity – Scope 1,2,&3 Emissions (EUR) This factor identifies the issuer's Scope 1, 2 & 3 carbon emissions intensity. Carbon intensity is expressed as the issuer's total carbon emissions per million EUR of revenue as a proxy of the carbon efficiency per unit of output.	

Adverse Sustainability Indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	6,48% (92,23%)	N/A	Companies involved in the fossil fuel sector are those engaged in fossil fuel-related activities, as defined by the identification of any revenue derived from the exploration, mining, extraction, production, processing, storage, refining or distribution, storage and trade of coal, oil or gas. Issuers that are involved in electricity production from fossil fuels and Services sectors are not covered. Contracted transportation services offered by third party for fossil fuel products, which are part of the Services sector, are also excluded.	<p>ShelteR IM has committed to supporting the goals of the Paris Agreement by encouraging companies to align their strategies with a 1.5°C climate trajectory. Our engagement and voting policy explicitly focus on greenhouse gas emissions reduction targets, and we assess the robustness of climate action plans and net-zero commitments through 'Say on Climate' votes.</p> <p>We prioritize engagement with companies in high-emitting sectors and may vote against management or divest when insufficient progress is made. Our long-term objective is to promote climate action among investee companies through structured dialogue, escalation procedures, and active ownership, contributing to improved sustainability outcomes in line with the UN Sustainable Development Goals.</p>
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources, expressed as a percentage of total energy sources.	32,86% (63,56%)	N/A	Share of non-renewable energy consumption and non-renewable energy product of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources.	
	Share of non-renewable energy production of investee companies from non-renewable energy sources, expressed as a percentage of total energy sources.	1,80% (89,18%)	N/A		

Adverse Sustainability Indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
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	0,00 0,01% <i>((coverage) - 94,25% (applicable coverage (*))</i>	N/A	Energy Consumption intensity (GWh/mourn)	<p>ShelteR IM has committed to supporting the goals of the Paris Agreement by encouraging companies to align their strategies with a 1.5°C climate trajectory. Our engagement and voting policy explicitly focus on greenhouse gas emissions reduction targets, and we assess the robustness of climate action plans and net-zero commitments through 'Say on Climate' votes.</p> <p>We prioritize engagement with companies in high-emitting sectors and may vote against management or divest when insufficient progress is made. Our long-term objective is to promote climate action among investee companies through structured dialogue, escalation procedures, and active ownership, contributing to improved sustainability outcomes in line with the UN Sustainable Development Goals.</p>
Agriculture, forestry and fishing		0,03 2,00% <i>((coverage) - 86,08% (applicable coverage (*))</i>	N/A		
Mining and quarrying		0,08 31,45% <i>((coverage) - 91,49% (applicable coverage (*))</i>	N/A		
Manufacturing		0,05 1,30% <i>((coverage) - 65,25% (applicable coverage (*))</i>	N/A		
Electricity, Gas, Steam and Air Conditioning Supply		0,00 0,46% <i>((coverage) - 88,10% (applicable coverage (*))</i>	N/A		
Water Supply, Sewerage, Waste Management and Remediation Activities					

Adverse Sustainability Indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Construction	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0,00 0,51% ((coverage) - 50,76% (applicable coverage (*))	N/A	Energy Consumption intensity (GWh/mEUR)	<p>ShelteR IM has committed to supporting the goals of the Paris Agreement by encouraging companies to align their strategies with a 1.5°C climate trajectory. Our engagement and voting policy explicitly focus on greenhouse gas emissions reduction targets, and we assess the robustness of climate action plans and net-zero commitments through 'Say on Climate' votes.</p> <p>We prioritize engagement with companies in high-emitting sectors and may vote against management or divest when insufficient progress is made. Our long-term objective is to promote climate action among investee companies through structured dialogue, escalation procedures, and active ownership, contributing to improved sustainability outcomes in line with the UN Sustainable Development Goals.</p>
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles Energy consumption		0,00 2,96% ((coverage) - 52,87% (applicable coverage (*))	N/A		
Transportation and Storage Energy consumption		0,01 1,72% ((coverage) - 82,63% (applicable coverage (*))	N/A		
Real Estate Activities		Real Estate Activities 0,03 4,34% ((coverage) - 70,15% (applicable coverage (*))	N/A		

Adverse Sustainability Indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
7. Activities negatively affecting biodiversity sensitive areas	Companies negatively affecting biodiversity-sensitive areas	0,40% (91,95%)	N/A	Share of investments in investee companies with sites/operations location in or near biodiversity-sensitive areas where activities of those investee companies negatively affect those areas.	Biodiversity, water use, and waste management are integrated into Shelter IM's responsible investment approach. We consider potential negative impacts on biodiversity and ecosystems in our ESG assessments, especially for companies operating in sensitive or high-impact sectors, as defined by the Belgian Towards Sustainability Initiative.
8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as weighted average	0,00 (t) (3,29%)	N/A	COD Emissions Per MIO EUR EVIC	Our engagement efforts may target companies identified as outliers on biodiversity-related indicators or those with significant exposure to nature-related risks. This includes operations in or near areas of high environmental value. Escalation may occur through dialogue, voting, or eventual divestment if insufficient progress is made.
9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	2,75 (t) (41,46%)	N/A	Hazardous waste per MIO EUR EVIC	We also monitor and assess water usage, water pollution, and waste generation, including hazardous waste, as part of our sustainability due diligence. These elements are tracked using selected Principal Adverse Impact (PAI) indicators under the SFDR framework. Where relevant, companies with elevated adverse impact scores may be subject to further review and engagement actions. Our practices continue to evolve in line with improving data availability and regulatory guidance, ensuring that material environmental risks—such as those related to biodiversity, water, and waste—are addressed across our investment decision-making process.

(*) Coverage considers all investments, while applicable coverage refers to the proportion of corporate assets invested in companies active in specific high impact climate sectors as defined in Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council.

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters					
10. Violations of UN Global Compact (UNGC) principles and Organization 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	0,05% (91,95%)	N/A	UNGC/OECD Guidelines Violations	<p>We endorse the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises. For portfolios where this is contractually or regulatory required, we aim to ensure that the investee companies operate in accordance with these international norms.</p> <p>For these portfolios, we apply norm-based screening to identify companies involved in serious breaches of the UN Global Compact principles or OECD Guidelines. When such companies are flagged, we conduct an internal review and may consider appropriate actions, including engagement or exclusion.</p> <p>We also monitor sustainability risks and exposure to potential violations of international norms for selected portfolios. This monitoring process is based on internal assessments and the use of third-party data and is reviewed on a regular basis.</p> <p>Companies with consistent high adverse impact (or flagged as outliers across multiple ESG indicators) may be subject to further analysis and follow-up by the Sustainability Committee, in line with our internal ESG approach and SFDR framework for relevant portfolios.</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 Multinational Enterprises or grievance / complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.	13,80% (88,94%)	N/A	Lack of processes monitoring UNGC and OECD Guidelines compliance.	

Adverse Sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters (continued)					
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies.	1,98% (19,81%)	N/A	Unadjusted gender pay gap (mean)	<p>For selected portfolios, where sustainability considerations are integrated, we monitor social indicators such as the unadjusted gender pay gap and the gender balance on company boards.</p> <p>These indicators are assessed based on available third-party data, subject to quality and coverage constraints. Monitoring is conducted using a combination of internal tools and external data sources and is aimed at identifying material outliers or trends that may reflect elevated social or governance risks.</p> <p>Issuers identified as outliers on these indicators, or that show persistently high adverse impact across multiple sustainability dimensions, may be subject to further analysis and internal discussion in our Sustainability Committee, in line with our internal ESG approach and SFDR framework for relevant portfolios.</p>
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	32,26% (88,41%)	N/A	Women on Board (%)	

Adverse Sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters (continued)					
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	0,04% (92,26%)	N/A	Controversial weapons involvement (APM, CM, BIO, Chem)	<p>ShelteR IM managed portfolios may apply exclusions related to controversial weapons where contractually or legally required. This includes companies involved in the production or development of cluster munitions, anti-personnel mines, biological and chemical weapons, and other weapons banned under international conventions.</p> <p>For mandates subject to such exclusions, holdings are screened regularly using external data providers. If a potential exposure is identified, the case is reviewed internally to assess the nature and extent of involvement. Based on this analysis, appropriate measures — such as portfolio rebalancing or engagement — may be considered, in line with the client’s investment guidelines and applicable regulations.</p>

Indicators applicable to investments in sovereigns and supranationals (Table 1 continued)

Adverse sustainability indicator	Metric	Impact (2024)	Impact (20223)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental					
15. GHG intensity	GHG intensity of investee countries	15,98 (6,03%)	N/A	GHG intensity of investee countries Sovereign Emissions - Production Intensity (tCO ₂ e/Mio EUR GDP)	ShelteR IM monitors greenhouse gas emissions and GHG intensity (WACI) as part of its Principal Adverse Impact (PAI) assessment. For relevant portfolios, we aim to limit exposure to companies with persistently high carbon intensity. We consider carbon data coverage and quality as essential for this process and continuously aim to improve portfolio transparency and climate-related monitoring. Where applicable, ShelteR IM may engage with issuers showing excessive emissions or insufficient transition planning and consider exclusions where ESG risks are not adequately mitigated.
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.	25 countries 2,20% (5,89%)	N/A	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.	ShelteR IM applies country screening based on internal lists of approved product, client, and supplier countries. These lists define where business relationships and investments are permitted. Only financial instruments issued by entities in countries on the product country list approved by the Board of Directors are eligible for investment. The lists are reviewed quarterly by the Executive Committee (ExCo) and the Board of Directors. Any proposed addition of a country is submitted to the Board of Directors for approval. The ExCo may remove countries from the lists without prior Board authorisation.

					ShelteR IM adheres to investment restrictions resulting from sanctions imposed by the EU, UN, and US. Investments that would violate these sanctions are not permitted.
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Indicators applicable to investments in real estate assets (Table 1 continued)

Adverse sustainability indicator	Metric	Impact (2024)	Impact (20223)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental					
17. Fossil Fuels	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	Not applicable given our investment universe.
18. Energy efficiency	Share of investments in energy inefficient real estate assets	N/A	N/A	Exposure to energy inefficient real estate assets	Not applicable given our investment universe.

Other indicators for principal adverse impacts on sustainability factors (Table 2 & 3)

Table 2: CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Adverse impact on sustainability factors	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
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.	36,81% (92,26%)	N/A	Companies without carbon emission reduction initiatives	<p>ShelteR IM has committed to supporting the goals of the Paris Agreement by encouraging companies to align their strategies with a 1.5°C climate trajectory. Our engagement and voting policy explicitly focus on greenhouse gas emissions reduction targets, and we assess the robustness of climate action plans and net-zero commitments through 'Say on Climate' votes.</p> <p>We prioritize engagement with companies in high-emitting sectors and may vote against management or divest when insufficient progress is made. Our long-term objective is to promote climate action among investee companies through structured dialogue, escalation procedures, and active ownership, contributing to improved sustainability outcomes in line with the UN Sustainable Development Goals.</p>

Table 3: INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse impact on sustainability factors	Metric	Impact (2024)	Impact (2023)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters					
1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy.	7,28% (88,50%)	NA	Companies without workplace accident prevention policies	<p>ShelteR IM considers the presence of workplace accident prevention policies in its monitoring of Principal Adverse Impacts (PAIs), where applicable.</p> <p>This forms part of the broader assessment of social risks and supports the objectives of international standards such as the ILO Fundamental Principles and the UN Guiding Principles on Business and Human Rights.</p>

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

ShelteR IM's approach to identifying principal adverse impacts

SFDR defines sustainability factors as environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery concerns. Principal Adverse Impact (PAI) refers to the negative effects that an investment decision may have on these sustainability factors.

ShelteR IM identifies PAIs by measuring and disclosing the aggregated impact of its Portfolio investments (Investment Products + Mandates) using the mandatory PAI indicators, supplemented by two voluntary indicators, as outlined in this statement. This enables the identification and monitoring of negative impacts in a structured manner.

At ShelteR IM, the assessment of PAIs is embedded in our investment decision-making through binding portfolio objectives or asset class-specific investment criteria. These may include, for example, reducing the carbon footprint relative to a benchmark, which helps mitigate certain PAIs. At the entity level, we consider PAIs by measuring and monitoring the aggregated negative impact of our investments on sustainability factors. Monitoring of PAI is subject to data availability and quality.

Where products or mandates commit to considering PAIs, whether fully or partially, ShelteR IM discloses how specific PAIs are addressed through binding commitments or investment processes in the pre-contractual documents and periodic reports. These processes may reduce the likelihood of contributing to adverse outcomes—such as by excluding certain investments, which in turn lowers a portfolio's PAI exposure.

For products and mandates that commit to sustainable investments, ShelteR IM applies a methodology that evaluates the mandatory PAIs to identify whether an investment causes significant harm. Investments deemed to cause such harm are excluded from being classified as Sustainable Investments as per SFDR.

In addition, ShelteR IM integrates both direct and indirect engagement strategies to promote long-term financial value for its investors. Shelter IM engages directly with publicly listed companies on material ESG issues—particularly in elevated-risk sectors as defined by the Belgian Towards Sustainability Initiative—and monitors third-party fund managers to ensure alignment with its engagement expectations. Engagement decisions are based on a structured evaluation of company practices and transparency around environmental and social topics such as climate change, biodiversity, labour rights, and board governance.

At the product or mandate level, ShelteR IM's engagement approach complements other binding portfolio-level commitments (e.g., screens or investment restrictions), although engagement is not necessarily aimed at reducing Principal Adverse Impacts (PAIs).

In addition to engagement, ShelteR IM exercises its voting rights through a proxy voting process, in line with its sustainability objectives. Voting is operated via data provider ISS ESG using its Sustainable Voting Policy Benchmark, which has been reviewed by ShelteR IM's Sustainability Committee for alignment with principles set out in the PRI and covers topics such as board independence, climate accountability, gender diversity, and human rights. Voting is systematically applied for high-risk sectors and on significant sustainability matters, reinforcing Shelter IM's role as an active owner.

For further information, please refer to [SIM's Engagement and Voting Rights Policy](#).

Methodologies to select additional indicators

In line with regulatory guidance, Shelter IM considers the scope, severity, likelihood, and potentially irreversible character of adverse impacts when identifying additional PAI indicators. SIM has selected two additional indicators at entity level:

(i) the share of investments in companies without carbon emission reduction initiatives aligned with the Paris Agreement, and (ii) investments in companies without workplace accident prevention policies.

These indicators reflect sustainability topics that are core to SIM's responsible investment approach and are considered material to the long-term value creation of investments.

Margin of error within the approach

Shelter IM relies on a single external data provider, ISS ESG, for PAI and other sustainability-related data. As such, our methodology is inherently dependent on the availability, consistency, and quality of the data delivered by ISS ESG. This reliance introduces certain limitations, particularly when data is missing, incomplete, or based on estimates, which may affect the accuracy and completeness of our PAI assessments and related disclosures.

A key limitation in our approach stems from the fact that a significant portion of our portfolios is invested through third-party funds. Where possible, we aim to obtain full look-through of underlying holdings via Morningstar data. However, in some cases, underlying data is either not disclosed or not available through these sources. As a result, the reported impact may not fully reflect all portfolio positions - especially in relation to fund-of-funds or derivative instruments - where data could not be obtained or estimated on a best-effort basis.

We continuously strive to improve data coverage and transparency across our portfolios. Please refer to Annex I – Data coverage limitations of this report for a comprehensive overview of our current coverage ratio.

Governance in relation to policies

At Shelter IM, the Board of Directors is overall responsible for ESG and sustainability strategy and governance. The Executive Committee (Exco) defines the approach to ESG integration and oversees its implementation across the firm. Day-to-day responsibility for the execution of our Sustainability Policy, including active ownership and engagement, lies with the Sustainability Committee and the appointed Sustainability Officer.

SIM's responsible investment strategy, active ownership, voting and engagement framework are reviewed and updated at least annually, and more frequently if required due to regulatory developments or strategic changes. Information on our engagement approach and proxy voting practices is available in [SIM's Engagement and Voting Rights Policy](#), published on www.shelter-im.com.

Data processes

Shelter IM sources PAI and other sustainability-related data from its appointed external provider, ISS ESG. This provider is considered a critical and important service provider in accordance with SIM's IT Policy and its Policy on Supervision of Delegation and Outsourcing.

To ensure reliability and continuity, ISS ESG is subject to a structured ongoing due diligence process as well as ongoing performance monitoring. This includes regular assessment of data coverage, quality, update frequency, and responsiveness to regulatory changes. SIM also performs periodic evaluations of data gaps and limitations, and engages

with the provider where needed to address material issues.

The dependency on a single provider creates inherent constraints with regard to data completeness and consistency, particularly in areas where market-wide disclosures remain limited. SIM's Sustainability Committee oversees the data sourcing strategy and validates key inputs used in PAI calculations as part of its governance responsibilities.

Engagement policies

At Shelter IM, shareholder engagement and active ownership form a core part of our responsibility as investment manager and fiduciary. Our approach is built on the belief that responsible stewardship and long-term value creation go hand in hand. As such, engagement is not merely a governance requirement, but a strategic tool we use to encourage better corporate behavior, mitigate sustainability risks, and improve outcomes for our clients.

Our Engagement and Voting Policy, which is publicly available, outlines how we integrate shareholder engagement — including proxy voting and dialogue — into our investment strategy. Engagement activities are guided by our sustainability priorities and focus in particular on ESG-related risks and PAIs as defined under SFDR.

Shelter IM's engagement efforts include bilateral dialogues with investee companies, thematic engagement campaigns, and active participation in shareholder meetings. Through our proxy voting activities — facilitated by ISS ESG and guided by their Sustainability Voting Guidelines — we cast votes on ESG issues of material importance, including climate strategy, board composition, gender diversity, and shareholder rights. Voting decisions are taken independently, based on a combination of ISS ESG data based analysis, our internal ESG insights and portfolio manager input. Shelter IM may deviate from proxy advisor recommendations where it believes it is in the best interest of its clients.

We define significant votes as those relating to core ESG issues, instances where Shelter IM holds a meaningful economic exposure and votes vs management, or topics where there has been ongoing engagement. A summary of such votes, together with the rationale, is disclosed annually in our Proxy Voting Disclosure Dashboard.

Engagement also plays a central role in how we assess and address principal adverse impacts. Where we identify ESG concerns, particularly regarding potential violations of international norms such as the UN Global Compact or OECD Guidelines for Multinational Enterprises, we target to initiate dialogue and monitor progress. If engagement proves ineffective, escalation pathways — including voting against management or ultimately divestment — may be pursued, subject to the decisions of the Sustainability Committee at Shelter IM.

Our approach is supported by dedicated sustainability governance: the SIM Sustainability Committee oversees Shelter IM's engagement priorities, evaluates the effectiveness of proxy advisory and ensures alignment between our stewardship activities and broader responsible investment objectives.

As a signatory to the Principles for Responsible Investment (PRI), SIM is committed to transparency and accountability in how to exercise ownership rights.

For further details, we invite stakeholders to consult our Engagement and Voting Policy, SRD II Disclosure Report, and Voting Dashboard, where we outline our stewardship activities in more detail.

References to international standards

ShelteR IM supports a sustainability approach that is consistent with internationally recognized norms and standards. In assessing sustainability risks and principal adverse impacts, SIM references frameworks including the United Nations Global Compact (UNGC), the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights, particularly when these are relevant to a portfolio's investment policy or required under SFDR Article 8 and 9 classifications.

Our good governance assessments and sustainability screenings explicitly consider these principles. Shelter IM aims to avoid exposure to issuers that severely and repeatedly violate these standards. As outlined in our governance policies, companies flagged for poor practices under the UNGC or OECD guidelines are systematically reviewed and may be excluded from Article 8 and 9 portfolios if they do not meet our good governance criteria.

The PAI indicators in Tables 1, 2 and 3 in this statement that specifically measure adherence or alignment with the international standards are PAI indicator 10: Violations of UN Global Compact (UNGC) principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and PAI indicator 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons). For this purpose, SIM uses the data and methodology provided by SIM's external ESG data provider ISS ESG, which has data available for these two PAI indicators for over 90% of the investments included in this statement (on a weighted basis). The methodology used does not forecast future impacts, but assesses current adherence or alignment.

SIM is also a signatory to initiatives such as the PRI and our internal processes are designed to align with their principles. Our stewardship approach, use of third-party data, engagement with external fund managers, and integration of ESG risk assessments at portfolio and instrument level reflect the expectation that investments contribute to long-term value creation while respecting globally accepted norms.

Furthermore, SIM acknowledges the long-term systemic importance of climate risk. In that context, we take into account the objectives of the Paris Agreement and related initiatives such as the Task Force on Climate-related Financial Disclosures (TCFD). Also, when more robust data and tools become available to effectively use forward-looking climate scenarios, SIM will review if and how such data and tools may be possible and feasible to implement in the investment process. While we are not yet formally aligned with a net-zero commitment, our monitoring of emissions-related data and controversies helps assess progress toward climate transition objectives.

Historical Comparison

Not yet applicable for this reference period.

Annex I - Data Coverage Disclaimer

While Shelter IM aims to provide a comprehensive look-through of our investments, certain limitations in data availability may result in partial coverage. Specifically:

- We mainly invest through third party investment funds and rely on Morningstar data regarding the underlying holdings of those funds, which may not be available for all underlying funds;
- Holdings (direct holdings + indirect holdings via funds) representing less than 0.005% of our total consolidated portfolio are excluded from the analysis : including them would only marginally increase overall coverage due to the distribution of portfolio weights;
- PAI data on our total consolidated portfolio holdings (direct holdings + indirect holdings via funds) is sourced from ISS ESG, which may not have complete coverage of all holdings or all PAI indicators.

As a result of these constraints, our consolidated portfolio has an average data coverage of 84%. Please refer to the table below for a detailed breakdown.

The coverage figures presented in Tables 1, 2 and 3 reflect data availability within this covered portion of the portfolio. Despite a small share of holdings falling outside the scope of analysis, our Sustainability Committee considers the current coverage sufficient to provide a representative and reliable view of our portfolio's sustainability characteristics.

The coverage percentages shown in Tables 1, 2 and 3 reflect data availability within the portion of the portfolio included in our consolidated analysis (84%). These figures are calculated relative to that covered subset, not the total portfolio.

Output	31/03/2024	30/06/2024	30/09/2024	31/12/2024	Explanation
Total portfolio	100%	100%	100%	100%	Full holdings excluding cash
Portfolio coverage after step 1	86.24%	87.60%	89.03%	90.44%	Excluding funds with no lookthrough data on Morningstar. This includes holdings in alternative investments for which PAI data is unavailable.
Portfolio coverage after step 2	83.24%	84.60%	86.03%	87.44%	Excluding smallest 3% of holdings. This is more or less equivalent with excluding holdings with a weight of less than 0.005%.
Portfolio coverage after step 3	82.34%	83.87%	85.00%	86.33%	Excluding holdings where ISS has no data available
Portfolio coverage after step 4	81.43%	83.09%	83.92%	85.16%	Excluding holdings that are not eligible for PAI evaluation