

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

**Financial market participant:** Global Evolution Asset Management A/S (529900TWA1FCOZ9ZOM88)

### Summary

Global Evolution Asset Management A/S (hereafter “The Management Company”, or “we”), considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated principal adverse sustainability impacts statement of the Management Company.

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

We consider principal adverse impact on entity level by measuring and monitoring the aggregated negative impact on sustainability factors of our funds. In our funds, we consider the mandatory principal adverse impact indicators and a chosen set of voluntary indicators defined by the Sustainable Finance Disclosure Regulation (SFDR)<sup>1</sup>, subject to data availability and quality. Principal adverse impact assessment is described in our engagement policies and processes. The aim is to minimise, by relevant means at our disposal, the principle adverse impacts on sustainability of our investments. We strive towards this aim through the means of negative screening, ESG integration, and engagement.

Information on the principal adverse impact of our funds for the reference period 1 January to 31 December will be reported, subject to data availability and quality, each year by 30 June.

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<sup>1</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

### **Description of the principal adverse impacts on sustainability factors**

For the purposes of this statement, by “principal adverse impacts” is meant the negative, material or likely to be material effects on sustainability factors caused, compounded by or directly linked to our investment decisions.

We prioritise and report on principal adverse impacts of our investment decisions on sustainability factors on basis of and covering the indicators listed in the table below. For each of these indicators, we have included information to describe the actions that we have taken and actions that we plan to take/targets set to avoid or reduce the principal adverse impacts identified.

Information on the impact of our investments on these indicators will be published by 30 June 2024, and continuously on an annual basis. This information will cover the period of 1 January until 31 December of the preceding year.

‘Impact 2022’ in the section ‘Description of the principal adverse impacts on sustainability factors’ in the Table below is a figure on impact as the average of impacts on 31 March 2022, 30 June 2022, 30 September 2022 and 31 December 2022.

‘Impact 2023’ in the section ‘Description of the principal adverse impacts on sustainability factors’ in the Table below is a figure on impact as at 31 December 2023.

‘Impact 2024’ in the section ‘Description of the principal adverse impacts on sustainability factors’ in the Table below is a figure on impact as the average of impacts on 31 March 2022, 30 June 2022, 30 September 2022 and 31 December 2022.

Indicators applicable to investments in investee companies							
Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>							
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	221,357.48	N/A	N/A	Sum of portfolio companies' Carbon Emissions - Scope 1 (metric tons) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash (EVIC).	<p><b>ESG integration:</b> Global Evolution's proprietary corporate ESG framework assesses issuer and industry level carbon emission, measures carbon intensity vs peers and trend and highlights the company's carbon intensity reduction targets if they have any.</p> <p><b>ESG Engagement:</b> Global Evolution engages with selected</p>

							companies on their low-carbon transition, taking their development context into consideration.
		Scope 2 GHG emissions	36,107.27	N/A	N/A	Sum of portfolio companies' Carbon Emissions - Scope 2 (metric tons) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash (EVIC).	<p><b>ESG integration:</b> Global Evolution's proprietary corporate ESG framework assesses issuer and industry level carbon emission, measures carbon intensity vs peers and trend and highlights the company's carbon intensity reduction targets if they have any.</p> <p><b>ESG Engagement:</b> Global Evolution engages with selected companies on their low-carbon transition, taking their development context into consideration.</p>
		Scope 3 GHG emissions	613,656.88	N/A	N/A	Sum of portfolio companies' Total Emissions Estimated - Scope 3 (metric tons) weighted by the portfolio's value of investment in a company and by the	<p><b>ESG integration:</b> Global Evolution's proprietary corporate ESG framework assesses issuer and industry level carbon emission, measures carbon intensity vs peers and trend and highlights the</p>

						company's most recently available enterprise value including cash (EVIC).	company's carbon intensity reduction targets if they have any. <b>ESG Engagement:</b> Global Evolution engages with selected companies on their low-carbon transition, taking their development context into consideration.
		Total GHG emissions	881,826.10	N/A	N/A	The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	<b>ESG integration:</b> Global Evolution's proprietary corporate ESG framework assesses issuer and industry level carbon emission, measures carbon intensity vs peers and trend and highlights the company's carbon intensity reduction targets if they have any.  <b>ESG Engagement:</b> Global Evolution engages with selected companies on their low-carbon transition, taking their development context into consideration.

	2. Carbon footprint	Carbon footprint	2,111.79	N/A	N/A	The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	<p><b>ESG Integration:</b> Our ESG frameworks involves analysis of Scope 1, 2, and 3 emissions, carbon Intensity, industry - specific benchmarks and emissions reduction commitments among others.</p> <p><b>ESG engagement:</b> Global Evolution engages with selected companies on their carbon footprint, taking their development context into consideration.</p>
	3. GHG intensity of investee companies	GHG intensity of investee companies	2,914.31	N/A	N/A	The portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue).	<p><b>ESG integration:</b> Global Evolution's proprietary corporate ESG framework assesses issuer and industry level carbon emission, measures carbon intensity vs peers and trend and highlights the company's carbon intensity reduction targets if they have any.</p> <p><b>ESG Engagement:</b> Global Evolution engages with selected</p>

							companies on their low-carbon transition, taking their development context into consideration.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	20.88%	N/A	N/A	The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including exploration, extraction, mining, storage, distribution and trading of oil and gas, production and distribution of thermal coal, and production, distribution, storage, and reserves of metallurgical coal, rebalanced by the sub-portfolio of corporate holdings.	<p><b>ESG integration:</b> At Global evolution, we are mindful of the fact that while fossil fuel companies are often associated with high carbon footprints and environmental risks, those demonstrating credible progress toward decarbonization and renewable energy adoption can offer both financial and ESG benefits.</p> <p><b>ESG engagement:</b> We would prefer influence through engagement. By investing in fossil fuel companies, our funds can leverage their shareholder influence to accelerate the energy transition. Active engagement can push companies to adopt science-based targets, invest in renewables, or phase out fossil fuel</p>

							assets, aligning with SFDR's PAI mitigation requirements.
	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	79.87%	N/A	N/A	The portfolio's weighted average of issuers' energy consumption and/or production from non-renewable sources as a percentage of total energy used and/or generated.	<p><b>ESG integration:</b> High reliance on non-renewable energy increases financial, regulatory, and transition risks. Our analysis screens for high-risk sectors focusing on energy-intensive industries like cement, steel, mining, or utilities, common in emerging markets, with high non-renewable energy use.</p> <p><b>ESG Engagement:</b> Our engagement policies try to appreciate the challenges and solutions in Emerging Markets with respect to data gaps, infrastructure barriers and regulatory variability.</p>
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per	A: 1.16 B: 1.24 C: 3.14 D: 11.33 E: N/A	N/A	N/A	The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code A, B, C, D, E, F, G, H and L.	<p><b>ESG integration:</b> Our integration focuses on high impact climate sectors include energy-intensive industries like energy, utilities, manufacturing, and transportation,</p>

		high impact climate sector	F: 0.08 G: 0.01 H: 1.86 L: 1.67				<b>ESG engagement:</b> Our engagement policy looks for companies that collaborate with other stakeholders like investor coalitions, industry partnerships, and policy advocacy given the limited availability of energy-efficient infrastructure in some emerging markets countries.
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	5.19%	N/A	N/A	The percentage of the portfolio's market value exposed to issuers' that either have operations located in or near biodiversity sensitive areas, are assessed to potentially negatively affect local biodiversity, and have no impact assessment; or they are involved in controversies with severe impact on local biodiversity, rebalanced by the sub-portfolio of corporate holdings.	<b>ESG integration:</b> We assess how our investments impact biodiversity and how biodiversity loss poses risks to financial performance. Emerging markets often face unique challenges, such as weaker ESG data availability and diverse ecological contexts, which require tailored strategies. <b>ESG engagement:</b> At Global Evolution, we look for biodiversity priorities, such as reducing deforestation or adopting sustainable land-use practices. Our

							focus tends to be prioritised on companies in high-risk sectors like mining and agriculture.
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	N/A	N/A	The total water emissions (metric tons) associated with EUR 1 million invested in the portfolio. It is calculated as the weighted average of Water Emissions (metric tons) per company divided by the company's most recently available enterprise value including cash (EVIC).	<p><b>ESG integration:</b> Within our ESG analysis we will look into total wastewater output, particularly from high-risk sectors like mining, textiles, or chemicals. We evaluate adherence to national water quality regulations, which vary across emerging markets.</p> <p><b>ESG engagement:</b> Our engagement strategies involve direct dialogue, when necessary, collaborative initiatives, and robust monitoring, tailored to our portfolio contexts.</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested,	56.83	N/A	N/A	The total annual hazardous waste (metric tons reported) associated with 1 million EUR invested in the portfolio. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based	<p><b>ESG integration:</b> We integrate the hazardous waste and radioactive waste ratio into our ESG analysis by adopting metrics like waste volume and management practices, using proxy</p>

		expressed as a weighted average				on the most recently available enterprise value including cash).	data, and setting reduction targets. <b>ESG engagement:</b> Our engagement policy aims to disclose waste data and engagement outcomes, by addressing waste-related risks and promoting sustainable practices.
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>							
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	1.28%	N/A	N/A	The percentage of the portfolio's market value exposed to issuers that fail to align with the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises based on MSCI ESG Research methodology, rebalanced by the subportfolio of corporate holdings.	<b>ESG integration:</b> At GE we integrate violations of UNGC principles and OECD Guidelines into our ESG analysis by adopting metrics like controversy screenings and compliance programs, using proxy data, and setting governance targets. <b>ESG engagement:</b> Our engagement strategies involve direct dialogue, collaborative initiatives, and robust monitoring,

							tailored to emerging market challenges.
	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	0.49%	N/A	N/A	The percentage of the portfolio's market value exposed to issuers that do not have at least one policy covering some of the UNGC principles or OECD Guidelines for Multinational Enterprises (e.g. human rights, labor due diligence, or anti-bribery policy) and either a monitoring system evaluating compliance with such policy or a grievance / complaints handling mechanism, rebalanced by the subportfolio of corporate holdings.	<p><b>ESG integration:</b> Our analysis looks into several indicators including whether companies have formal policies aligned with UNGC principles or OECD Guidelines, such as human rights policies or anti-corruption frameworks, check for Audit and Reporting Frequency etc.</p> <p><b>ESG engagement:</b> Our engagement in emerging markets aims to be practical, capacity-focused, and sensitive to context-specific governance challenges.</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	3.26%	N/A	N/A	The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a	<p><b>ESG integration:</b> We will look for company's pay gap calculation, workforce representation, pay transparency policies and</p>

						percentage of male gross earnings.	sector-specific benchmarks if available. <b>ESG engagement:</b> Our engagement policy involves direct and collaborative engagement to help us monitor and note the company's progress.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	20.26%	N/A	N/A	The portfolio holdings' weighted average of the percentage of female board members to total board members.	<b>ESG integration:</b> Our analysis looks into board composition, diversity policies, committee representation and how a company is poised against their sector benchmarks. <b>ESG engagement:</b> Our engagement policy involves direct and collaborative engagement to help us monitor and note the company's progress.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00%	N/A	N/A	The percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry ties includes ownership,	<b>ESG integration:</b> Our proprietary ESG framework removes any company that is involved in the production of controversial weapons.

	biological weapons)					manufacturing and investments. Ties to landmines do not include related safety products.	
<b>Indicators applicable to investments in sovereigns and supranationals</b>							
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	333.29	213.23	259.99	This indicator includes emissions from energy use and land use, land-use change and forestry, including CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> o, and F-gases. GHG is divided by GDP converted from USD to EUR. GHG data is sourced from Verisk Maplecroft and GDP data is sourced from Haver/IMF.	<b>ESG integration:</b> Global Evolution's proprietary sovereign ESG framework considers carbon intensity of national economies and per capita as well as government policy ambitions. A separate proprietary low-carbon transition framework has been developed for in-depth analysis of transition risks and opportunities.

							<p>Considering a nearly \$95 trillion funding gap for emerging markets' transition, we do not set carbon reduction targets, as this could divert capital away from those countries in most need of investments.</p> <p><b>Engagement:</b> Global Evolution engages on selected sovereigns on their low-carbon transition, taking their development context into consideration.</p>
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	<p>32 (Absolute number) 46.92% (Relative number)</p>	<p>29 (Absolute number) 41.00% (Relative number)</p>	<p>31 (Absolute number) 44.39% (Relative number)</p>	<p>This indicator reflects severe and extensive violations of international treaty provisions related to human rights. As nearly all countries in the world experience some form of social violations – whether from state or non-state actors – we count only countries with a risk score &lt;2.5 on a scale 0-10 where 0 reflects the largest extent and most severe forms of rights violations. Data is</p>	<p><b>Exclusion:</b> Considerations to social violations are given in our quantitative and qualitative exclusion process. Moreover, our compliance team track countries that are subject to sanctions and block for investments that are prohibited from investments.</p> <p><b>ESG integration:</b> Social violation indicators are part of our analytical ESG framework and hence part of our overall assessment.</p>

		applicable, national law				sourced from Verisk Maplecroft.		
<b>Indicators applicable to investments in real estate assets</b>								
<b>Adverse sustainability indicator</b>		<b>Metric</b>	<b>Impact 2024</b>	<b>Impact 2023</b>	<b>Impact 2022</b>	<b>Explanation</b>	<b>Actions taken, and actions planned and targets set for the next reference period</b>	
Fossil fuels		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	N/A	Not applicable as the entity is not managing and does not intend to manage any real estate assets' investment strategy.
Energy efficiency		18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	N/A	Not applicable as the entity is not managing and does not intend to manage any real estate assets' investment strategy.
<b>Other indicators for principal adverse impacts on sustainability factors</b>								

Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Water, waste and material emissions	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006	1.38%	N/A	N/A	The percentage of the portfolio's market value exposed to issuers classified as manufacturers of pesticides and other agrochemical products by NACE Group (NACE Group Code 20.2).	
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds	N/A	N/A	N/A	The green bond standard has been adopted in October 2023 by the EU. The standard will be applicable as from December 2024. Hence no bonds are currently considered issued under the legislation.	The green bond standard has applied since ultimo 2024. Global Evolution monitors development in the issuance of environmentally sustainable bonds and the relevance to the emerging markets investment universe.
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	0.00%	N/A	N/A	The percentage of the portfolio's market value exposed to issuers without an anticorruption and antibribery policy consistent with the	

		the United Nations Convention against Corruption				United Nations Convention against Corruption.	
Social	18. Average income inequality score	The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column	4.21	4.50	4.20	Average income inequality is measured through the GINI coefficient and standardized on a scale 0-10, where 0 reflects a perfectly unequal society and 10 reflects a perfectly egalitarian. The PAI is reported as a weighted average based on portfolio exposure. Data is sourced from Verisk Maplecroft.	<p><b>ESG Integration:</b> In The Gini coefficient was considered in Global Evolution’s bottom-up country analysis through its proprietary ESG framework.</p> <p><b>Engagement:</b> Income inequality has multiple sources (e.g. economic stability, tax and labor policies, education levels) that differ between countries. Global Evolution has engaged with chosen sovereigns on underlying risk.</p>
	19. Average freedom of expression score	Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the	3.19	3.13	3.20	The chosen indicator measures the practices of state and non-state actors limiting the right of citizen to express opinions as well as state’s efforts to protect the freedom of expression. Countries are scored on a scale 0-10 where 0 reflects the	<p><b>Negative Screening:</b> Freedom of opinion and expression is included to Global Evolution’s quantitative sovereign exclusion screening.</p> <p><b>ESG integration:</b> Freedom of opinion and expression indicators are included to Global</p>

		explanation column				lowest level of freedom of expression. The PAI is reported as a weighted average based on portfolio exposure. Data is sourced from Verisk Maplecroft.	Evolution's ESG framework and hence part of country risk assessment.
Human rights	20. Average human rights performance	Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column	3.72	3.81	3.75	The chosen indicator measures a country's overall human rights performance, reflecting state and non-state actors' violations of human rights, as defined in international human rights treaties, as well as states' commitment and accountability for improvement. Countries are scored on a scale 0-10 where 0 reflects the poorest human rights performance. The PAI is reported as a weighted average based on portfolio exposure. Data is sourced from Verisk Maplecroft.	<p><b>Negative Screening:</b> Global Evolution's sovereign exclusion methodology includes an assessment of selected human rights.</p> <p><b>ESG Integration:</b> Global Evolution adopts a holistic approach in assessing fundamental rights – including political, civil, economic, and social rights – all of which are reflected in our sovereign ESG framework.</p>
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption using a quantitative	3.04	2.76	3.01	The chosen indicator reflects the strength of anti-corruption legislation, the efficacy and independence of anti-corruption bodies	<p><b>Negative Screening:</b> Corruption is included into Global Evolution's quantitative sovereign exclusion screening.</p>

	indicator explained in the explanation column					and the prevalence of corruption in the investment countries. Countries are scored on a scale 0-10 where 0 reflects the most extreme risk of corruption. The PAI is reported as a weighted average based on portfolio exposure. Data is sourced from Verisk Maplecroft.	<b>ESG Integration:</b> Assessment of the perception of public sector corruption is included into Global Evolution’s analytical ESG framework and hence part of our overall risk assessment. <b>Engagement:</b> For countries scoring poorly on corruption, Global Evolution engages with Ministries of Finance on fiscal transparency and corruption safeguards when opportunities for engagement arise.
22. Non-cooperative tax jurisdictions	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes	0.19%	0.19%	0.64%	This indicator provides the percentage of investee countries listed on the EU list of non-cooperative jurisdictions. Data is sourced from Verisk Maplecroft.	The EU list of non-cooperative jurisdictions for tax purposes is part of Global Evolution’s overall anti-money laundering risk assessment.	
23. Average political stability score	Measure of the likelihood that the current regime will be overthrown by the use of force using a quantitative	6.81	8.34	8.02	The chosen indicator is a forecast of the risk of a country experiencing the onset of a major destabilizing event – in the form of civil war, adverse regime change, or genocide/politicide –	<b>ESG Integration:</b> A variety of indicators related to political stability is included to Global Evolution’s proprietary ESG assessment, e.g. fatalities	

		indicator explained in the explanation column				within the next 12 months. Country risk is scored on a scale 0-10 where 0 represents highest risk. The PAI is reported as a weighted average based on portfolio exposure. Data is sourced from Verisk Maplecroft.	of conflict, protest size, and absence of violence.
	24. Average rule of law score	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column	4.46	4.21	4.49	The chosen indicator assesses the system of rules and rights governing society. This system is evaluated based on judicial effectiveness, judicial independence, transparency of public and private institutions, and efficient regulatory systems. Rule of law is assessed on a scale 0-10 with 0 representing the lowest level of rule of law. PAI is reported as a weighted average based on portfolio exposure. Data is sourced from Verisk Maplecroft.	<b>ESG Integration:</b> The elements of rule of law is integrated to Global Evolution's proprietary analytical ESG framework and hence part of our risk assessment.

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

Global Evolution's Sustainability Risk Policy and Engagement Policy were latest approved by its Board of Directors in November 2024. The Portfolio Management team and Research team are jointly responsible for the implementation of the policies within organisational strategies and procedures.

Global Evolution Asset Management A/S, has considered ESG factors in our investment process through many years. The systematic integration of environmental, social and governance characteristics and level of sophistication have constantly improved, and the continued development is considered to be fundamental to our investment process.

The Principal Adverse Impacts (PAIs) are selected based on their materiality in the context of emerging markets, taking into account the relevance of each indicator to the unique economic, social, and environmental conditions of these countries. The selection process considers factors such as data availability and the degree to which specific sustainability risks or externalities may influence long-term development outcomes and financial returns.

PAI indicators are sourced from MSCI and Verisk Maplecroft as main ESG data providers, providing the basis for internal research. Depending on the nature of individual PAIs, they may be assessed within Global Evolution's broader corporate and sovereign ESG frameworks, integrated into negative screening process, and/or found the basis for engagement with issuers.

The methodology to identify PAI is always subject to data availability and quality, which inherently introduces a margin of error. We are reliant on the quality of data received from third-party data providers, which often relies on estimation methodologies and subjective interpretation. Global Evolution carefully reviews data providers' methodologies and take potential margin of errors into consideration in handling PAI data.

### **Engagement policies**

Direct Engagement: Most policy maker and company engagement occur in investor groups often hosted by investment banks or advisory companies. Interactions usually involve issuers visiting investors on issuance or non-issuance roadshows, or investors visiting issuer in their home countries. The attendance of issuers at the IMF/World Bank annual meetings is another source of direct engagement.

Indirect Engagement: the Management Company engage indirectly through third-party advocacy groups and official sector institutions such as the IMF/World Bank. Investment banks is another source of indirect engagement as they frequently seek out investors' opinions on behalf of issuers, either in direct relation to an issuance or to solicit investor feedback in relation to a proposed issuance. In the regulation we observe indicators related to sovereign and corporate investments and the suggested approach to measure these. While this is not necessarily the most appropriate approaches to measure potential principal unintended adverse impacts, we concede that the indicators serve to approximate an appropriate list of indicators to measure such potential principal adverse impacts.

### **References to international standards**

Over the reference period, The portfolio manager, Global Evolution FMS, is a signatory and supporter of several international standards for underpinning a sustainable future. In particular, our support is aligned with the objectives in the Paris Agreement as well as the objectives and principles advocated for by the PRI, the UNGC; and the TCFD.

- The company continuously support the UN Global Compact (“UNGC”) through our implementation of the principles and focus on outcomes by integrating sustainability indicators as well as by communicating and engaging with stakeholders on progress achieved.
- The company supports the PRI by committing to aligning our operations and strategies with six principles for responsible investment supported by the United Nations, Global Evolution FMS has achieved the top A+ rating, scoring 30 out of 30 points, in the PRI annual assessment for 2017-2020.
- The company supports and endorses the recommendations of the Task Force on Climate-related Financial Disclosure (“TCFD”) against which we annually report our climate-related action plans and perspectives on how climate change scenarios affect risk in emerging and frontier market sovereign and corporate debt investing.
- The company supports and endorse the recommendations of the Taskforce on Nature-related Financial Disclosures (“TNFD”) and are committed to integrating nature-related risks and opportunities into our investment and risk management processes. As part of this commitment, reporting practices are aligned with TNFD guidance to enhance transparency on nature-related dependencies, impacts, risks, and opportunities in our investment strategies.

### **Historical comparison**

A historical comparison of the reference period with previous reporting periods is presented in the PAI table above. Developments in data points over time may be attributed to changes in the PAI metrics, adjustments in the composition of the holdings (including the addition or removal of issuers), and shifts in the relative weighting of individual issuers.