

BARINGS

**Statement on Principal Adverse
Impacts of Investment Decisions
on Sustainability Factors**

JUNE 2023

BARINGS.COM

Financial market participant	
Baring International Fund Managers (Ireland) Limited [LEI: 213800MW2KGI7H31B177]	
Summary	
Baring International Fund Managers (Ireland) Limited (“BIFMI” or the “Company”)) [LEI: 213800MW2KGI7H31B177] is a Financial Market participant for the purposes of the Sustainable Finance Disclosure Regulation and 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 the Company. This statement on principal adverse impacts (“PAI Indicators”) on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022 and is published in accordance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector and its regulatory technical standards (the “SFDR”)¹.	
Baring International Fund Managers (Ireland) Limited (“BIFMI” tai “yhtiö”)) [LEI: 213800MW2KGI7H31B177] on kestävyteen liittyvien tietojen antamisesta rahoituspalvelusektorilla annetun asetuksen mukainen finanssimarkkinatoimija, ja se ottaa huomioon sijoituspäätöstensä pääasialliset haitalliset vaikutukset kestävyystekijöihin. Tämä ilmoitus on yhtiön yhteenvetoilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin. Tämä ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin kattaa viitejakson 1. tammikuuta 2022 - 31. joulukuuta 2022, ja se julkaistaan kestävyteen liittyvien tietojen antamisesta rahoituspalvelusektorilla annetun asetuksen 2019/2088 ja sen teknisten sääntelystandardien (“SFDR-asetus”) mukaisesti	Baring International Fund Managers (Ireland) Limited (“BIFMI” eller “bolaget”)) [LEI: 213800MW2KGI7H31B177] är en finansmarknadsaktör enligt förordningen om hållbarhetsrelaterade upplysningar som ska lämnas inom den finansiella tjänstesektorn och beaktar sina investeringsbesluts huvudsakliga negativa konsekvenser för hållbarhetsfaktorer. Denna redovisning är den samlade redovisningen om huvudsakliga negativa konsekvenser för hållbarhetsfaktorer från bolaget. Redovisningen om huvudsakliga negativa konsekvenser för hållbarhetsfaktorer omfattar referensperioden den 1 januari 2022 till den 31 december 2022, och publiceras i enlighet med förordningen (EU) 2019/2088 om hållbarhetsrelaterade upplysningar som ska lämnas inom den finansiella tjänstesektor och dess tekniska standarder för tillsyn (“SFDR”)
Baring International Fund Managers (Ireland) Limited (“BIFMI” eller “selskabet”) [LEI-kode: 213800MW2KGI7H31B177] er en finansiel markedstør i henhold til forordningen om offentliggørelse af bæredygtige finansielle oplysninger og tager hensyn til de vigtigste negative indvirkninger, som dets investeringsbeslutninger vil have på bæredygtighedsfaktorer. Nærværende erklæring er selskabets konsoliderede erklæring om de vigtigste negative indvirkninger på bæredygtighedsfaktorer. Erklæringen om de vigtigste negative indvirkninger på bæredygtighedsfaktorer dækker referenceperioden fra 1. januar 2022 til 31. december 2022 og er offentliggjort i overensstemmelse med forordning (EU) 2019/2088 om bæredygtighedsrelaterede oplysninger i sektoren for finansielle tjenesteydelser og reguleringsmæssige tekniske standarder (“Disclosureforordningen”)	Baring International Fund Managers (Ireland) Limited (“BIFMI” o la “Società”) [LEI: 213800MW2KGI7H31B177] è un partecipante ai Mercati finanziari ai fini del Regolamento relativo all’informativa sulla sostenibilità nel settore dei servizi finanziari e prende in considerazione i principali effetti negativi delle sue decisioni di investimento sui fattori di sostenibilità. La presente dichiarazione costituisce la dichiarazione consolidata sui principali effetti negativi sui fattori di sostenibilità della Società. La presente dichiarazione sui principali effetti negativi sui fattori di sostenibilità copre il periodo di riferimento compreso tra il 1° gennaio 2022 e il 31 dicembre 2022 ed è pubblicata in conformità al Regolamento (UE) 2019/2088 relativo all’informativa sulla sostenibilità nel settore dei servizi finanziari e alle relative norme tecniche di regolamentazione (“SFDR”)
Baring International Fund Managers (Ireland) Limited (“BIFMI” eller “Selskapet”))	Baring International Fund Managers (Ireland) Limited (“BIFMI” o la “Sociedad”)) [LEI: 213800MW2KGI7H31B177] es un participante en el Mercado financiero a efectos

¹ Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector came into force across the European Union from 10th March 2021. The regulation establishes a new ESG legislative framework for funds and firms that carry out business in the EU

<p>[LEI: 213800MW2KGI7H31B177] er en finansmarkedsaktør med hensyn til forordningen om rapportering om bærekraftig finans og tar hensyn til de viktigste negative effektene av dets investeringsbeslutninger på bærekraftsfaktorer. Denne erklæringen er den konsoliderte rapporten om de viktigste negative effektene på bærekraftsfaktorer for selskapet. Denne rapporten om de viktigste negative effektene på bærekraftsfaktorer dekker referanseperioden fra 1. januar 2022 til 31. desember 2022 og gis ut i samsvar med forskriften (EU) 2019/2088 om bærekraftsrelatert rapportering i finanstjenestesektoren og dens tekniske reguleringsstandarder ("SFDR")</p>	<p>del Reglamento sobre la divulgación de información relativa a la sostenibilidad en el sector de los servicios financieros y considera las principales incidencias adversas de sus decisiones de inversión sobre los factores de sostenibilidad. La presente declaración es la declaración consolidada acerca de las principales incidencias adversas sobre los factores de sostenibilidad de la Sociedad. La presente declaración sobre las principales incidencias adversas sobre los factores de sostenibilidad abarca el período de referencia comprendido entre el 1 de enero de 2022 y el 31 de diciembre de 2022 y se publica de conformidad con el Reglamento (UE) 2019/2088 sobre la divulgación de información relativa a la sostenibilidad en el sector de los servicios financieros y sus normas técnicas de regulación (el "SFDR")</p>
<p>Baring International Fund Managers (Ireland) Limited („BIFMI“ oder die „Gesellschaft“) [LEI-Code: 213800MW2KGI7H31B177] ist ein Finanzmarktteilnehmer im Sinne der Verordnung über nachhaltigkeitsbezogene Offenlegungspflichten im Finanzdienstleistungssektor und berücksichtigt die wichtigsten nachteiligen Auswirkungen seiner Anlageentscheidungen auf Nachhaltigkeitsfaktoren. Bei der vorliegenden Erklärung handelt es sich um die konsolidierte Erklärung der Gesellschaft zu den wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren. Diese Erklärung zu den wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren betrifft den Bezugszeitraum vom 1. Januar 2022 bis zum 31. Dezember 2022 und wird gemäß der Verordnung (EU) 2019/2088 über nachhaltigkeitsbezogene Offenlegungspflichten im Finanzdienstleistungssektor und den dazu-gehörigen technischen Regulierungsstandards (die „SFDR“) veröffentlicht</p>	<p>Baring International Fund Managers (Ireland) Limited (“BIFMI” of de “Onderneming”) [LEI: 213800MW2KGI7H31B177] is een Financiëlemarktdeelnemer in de zin van de Europese Verordening betreffende informatieverschaffing over duurzaamheid in de financiële dienstensector en neemt de belangrijkste ongunstige effecten van zijn beleggingsbeslissingen op duurzaamheidsfactoren in aanmerking. Deze verklaring is de geconsolideerde verklaring inzake de belangrijkste ongunstige effecten op duurzaamheidsfactoren van de Onderneming. Deze verklaring inzake de belangrijkste ongunstige effecten op duurzaamheidsfactoren heeft betrekking op de referentieperiode van 1 januari 2022 tot en met 31 december 2022 en wordt gepubliceerd overeenkomstig Verordening (EU) 2019/2088 betreffende informatieverschaffing over duurzaamheid in de financiële dienstensector (de “SFDR”) en de technische reguleringsnormen van de SFDR</p>
<p>Baring International Fund Managers (Ireland) Limited (« BIFMI » ou la « Société ») [LEI : 213800MW2KGI7H31B177] est un acteur des marchés financiers au sens du Règlement sur la publication d'informations en matière de durabilité dans le secteur des services financiers et tient compte des principales incidences négatives de ses décisions d'investissement sur les facteurs de durabilité. La présente déclaration constitue la déclaration consolidée relative aux principales incidences négatives sur les facteurs de durabilité de la Société. La présente déclaration relative aux principales incidences négatives sur les facteurs de durabilité couvre la période de référence du 1er janvier 2022 au 31 décembre 2022 et est publiée conformément au Règlement (UE) 2019/2088 sur la publication d'informations en matière de durabilité dans le secteur des services financiers et ses normes techniques de réglementation (« SFDR »)</p>	

Description of the principal adverse impacts on sustainability factors Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact [2022]	Impact [2021]	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	1,187,002.46		Sum of portfolio companies' Carbon Emissions - Scope 1 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.	In 2022, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 153 engagements (initiated or updated) with 141 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis. Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage with issuers with the objective to improve disclosure or practice related to greenhouse gas emissions where material risks / opportunities are identified.
		Scope 2 GHG emissions	234,073.57		Sum of portfolio companies' Carbon Emissions – Scope 2 (Tco2e) weighted by the	In 2022, the Barings investment teams across the Public Equities and

					portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.	Public Fixed Income platforms recorded 153 engagements (initiated or updated) with 141 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis. Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage with issuers with the objective to improve disclosure or practice related to greenhouse gas emissions where material risks / opportunities are identified.
		Scope 3 GHG emissions	6,342,315.56		Sum of portfolio companies' Scope 3 - Total Emission Estimated (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.	In 2022, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 153 engagements (initiated or updated) with 141 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis.

						Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage with issuers with the objective to improve disclosure or practice related to greenhouse gas emissions where material risks / opportunities are identified.
		Total GHG emissions	7,776,212.00		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).	In 2022, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 153 engagements (initiated or updated) with 141 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis. Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage with issuers with the objective to improve disclosure or practice related to greenhouse gas emissions where material

						risks / opportunities are identified.
	2. Carbon footprint	Carbon footprint	189.58		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).	In 2022, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 153 engagements (initiated or updated) with 141 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis. Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage with issuers with the objective to improve disclosure or practice related to greenhouse gas emissions where material risks / opportunities are identified.
	3. GHG intensity of investee companies	GHG intensity of investee companies	1,661.49		The portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue).	In 2022, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 153 engagements (initiated or updated) with 141 issuers related to emissions, environmental impact and energy. The Barings

						investment teams usually engage on a thematic basis rather than an individual indicator basis. Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage with issuers with the objective to improve disclosure or practice related to greenhouse gas emissions where material risks / opportunities are identified.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	3.31%		The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal.	In 2022, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 153 engagements (initiated or updated) with 141 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis. Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage with issuers with the objective to improve

						disclosure or practice related to greenhouse gas emissions where material risks / opportunities are identified.
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	91.87%		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.	In 2022, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 153 engagements (initiated or updated) with 141 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis. Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage with issuers with the objective to improve disclosure or practice related to greenhouse gas emissions where material risks / opportunities are identified.
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				In 2022, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 153 engagements (initiated or updated) with 141 issuers

						related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis. Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage with issuers with the objective to improve disclosure or practice related to greenhouse gas emissions where material risks / opportunities are identified.
		NACE Code A (Agriculture, Forestry and Fishing)	0.62		The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code A (Agriculture, Forestry and Fishing).	
		NACE Code B (Mining and Quarrying)	1.92		The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code B (Mining and Quarrying).	
		NACE Code C (Manufacturing)	2.20		The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for	

					issuers classified within NACE Code C (Manufacturing).	
		NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply)	10.53		The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply).	
		NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities)	0.84		The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities).	
		NACE Code F (Construction)	0.13		The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code F (Construction).	
		NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles)	0.15		The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles).	
		NACE Code H (Transportation and Storage)	3.04		The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE	

					Code H (Transportation and Storage).	
		NACE Code L (Real Estate Activities)	0.17		The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code L (Real Estate Activities).	
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	0.05%		The percentage of the portfolio's market value exposed to issuers' that reported having operations in or near biodiversity sensitive areas and have been implicated in controversies with severe or very severe impacts on the environment.	In 2022, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 12 engagements (initiated or updated) with 11 issuers related to ecosystems (biodiversity; wildlife; habitats; protected areas; a-/de-/r-eforestation). Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage with issuers with the objective to improve disclosure or practice related to biodiversity where material risks/opportunities are identified.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed	3.91		The total annual waste water discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR	In 2022, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 67 engagements (initiated or

		as a weighted average			invested in the portfolio. Companies' water emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	updated) with 58 issuers related to resource usage (withdrawal/ consumption/ management of water, land, natural resources). The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis. Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage with issuers with the objective to improve disclosure or practice related to water where material risks/opportunities are identified.
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	0.27		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 on the most recently available enterprise value including cash).	In 2022, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 36 engagements (initiated or updated) with 35 issuers related to product lifecycle/supply chain (environmental). Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage

						with issuers with the objective to improve disclosure or practice related to waste where material risks/opportunities are identified. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (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	0.25%		The percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's operations and/or products.	In 2022, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 109 engagements (initiated or updated) with 108 issuers related to community relations, consumer/society, labour (employees & supply chain) and product lifecycle/supply chain (social).
	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	16.74%		The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact.	Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage with issuers with the objective to improve disclosure or practice related to social and employee matters where material

		Multinational Enterprises				risks/opportunities are identified.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	14.73%		The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings.	In 2022, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 67 engagements (initiated or updated) with 54 issuers related to board composition. The Barings investment teams engage on a thematic basis rather than an individual indicator basis. Going forward, while targets are not set to determine the level of engagement activity, the Barings investment teams will continue to engage with issuers with the objective to improve disclosure or practice related to social and employee where material risks/opportunities are identified.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	22.27%		The portfolio holdings' weighted average of the ratio of female to male board members.	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00%		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, manufacturing and investments. Ties to landmines	N/A The Global Barings Sustainability Policy (version in effect for the reporting period), details that, whilst Barings' investment teams prefer to engage rather than exclude, Barings will not

					do not include related safety products.	directly invest in companies that violate International Conventions on cluster munitions, anti-personnel mines and chemical and biological weapons. Barings will not knowingly hold securities issued by companies that are materially involved in the production, stockpiling and use of these weapons at the time of investment
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator	Metric		Impact [2022]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	939.18		The portfolio's weighted average of sovereign issuers' GHG Emissions Intensity (Scope 1, 2 and 3 emissions/EUR M GDP).	The engagement statistics provided above include any engagements undertaken with sovereign or supranational issuers.
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	2.25		The portfolio's number of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports (average quarterly holding).	

			3.73%		The portfolio's percentage of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports.	
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator	Metric		Impact [2022]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
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	0.03%		The portfolios do not invest in assets involved in extraction or manufacture of fossil fuels, however mixed use assets with on-site storage / distribution facilities (e.g. petrol stations) may be considered. The share of investments associated with fossil fuel distribution is based on independent third party asset valuation data.	Any exposure, including secondary, is tracked and mitigated (e.g. where Environmental Risk Assessments identify contamination, a mitigation plan is put in place as part of the asset business plan). Where the associated exposure is due to the nature or activities of the tenant (e.g. petrol station operated by a retail tenant), engagement is extended to support reduction of adverse impact and transition to alternative fuel sources.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	30.91%		Energy Performance Certification (EPC) of assets and compliance with nearly zero-emissions building (NZEB) criteria are priority requirements for due diligence and asset ESG risk ratings are confirmed	Opportunities to improve energy performance and thus reduce exposure to inefficient real estate assets are incorporated into annual business plans, with

					at due diligence and tracked throughout the hold period of each asset. EPCs are approved by independent assessors. The share of investments associated with inefficient assets is based on independent third party asset valuation data.	implementation plans and targets tailored to each asset. Improvement in energy performance is captured through updated asset Energy Performance Certification.
Other indicators for principal adverse impacts on sustainability factors						
Adverse sustainability indicator	Metric		Impact [2022]	Impact [year n-1]	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	11.75%		The percentage of the portfolio's market value exposed to issuers without a carbon emissions reduction target aligned with the Paris Agreement.	
Human Rights	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0.32%		The portfolio's weighted average of issuers' number of Severe and Very Severe controversy cases in the last three years related to human rights violations issues.	

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

Approach

The Company acts as the manager for a number of UCITS, AIFs and separately managed accounts (the “Portfolios”). The Company delegates portfolio management and the responsibility to consider the principal adverse impacts on sustainability factors to asset management firms² within the Barings group the “Investment Managers”). The Company and the Investment Managers form part of the wider Barings group (“Barings”). Barings Sustainability Policy (the “Sustainability Policy”) describes, inter alia, how the Investment Managers consider ESG and sustainability factors³ as part of the investment decision making process. The Sustainability Policy was approved by the Barings Sustainability Committee in March 2021 and is reviewed annually and kept under review in case material amendments are required.. The Investment Managers obtain data on the SFDR's PAI indicators from the Portfolios' investee companies, proprietary research and third-party data providers, to the extent such data are available. This facilitates the Investment Managers' ability to identify the Portfolios' principal adverse impacts on sustainability factors, where applicable. The Investment Managers will prioritise principal adverse impacts on sustainability factors in accordance with the investment objectives and policies of the Portfolios.

Additional Indicators

In addition to the SFDR's 18 mandatory Indicators, the Investment Managers consider the principal adverse impact of '*Environmental Indicator 4. Investments in companies without carbon emission reduction initiatives*' and '*Social Indicator 14. Number of identified cases of severe human rights issues and incidents* on sustainability factors.

Data

The mandatory and additional Indicators will have an adverse and potentially irremediable impact on sustainability factors. The data required to calculate the Indicators' metrics in accordance with the SFDR are limited or unavailable across many asset classes and markets in which the Portfolios invest. Our investment decisions are based on internal research, which encompass both our proprietary financial underwriting and ESG assessment. External sources of research are utilized to understand market consensus and gather data but often research availability can be limited. The investment teams have access to third party resources to supplement their own ESG research. For the purposes of this statement, Indicators are derived from third parties and in some cases, directly from investee companies.

Given the broad range of asset classes within BIFMI's scope, data coverage and quality remain a challenge. However, it is expected that this will improve over time which may result in temporary fluctuations in the PAI indicator data relied upon for a number of reference periods going forward. It is also expected that the PAI indicator calculation methodologies used by both Barings as well as by third-party providers may change and evolve in light of further guidance, clarifications or legislative changes at a European level. This may create volatility in the PAI indicators reported on going forward and may result in Barings having to reset some of the data metrics to ensure a level of consistency.

Notwithstanding the expectations for both data coverage and the quality of data to improve, it should be noted that there still may be instances where the data has to be estimated and there is a risk that the estimates may not fully represent the real values despite the best efforts of Barings. Barings is exploring a number of options to enhance technology for the collection and analysis of PAI data including the aggregation of PAI indicators for both public and private investments at legal entity level. For this statement's reference period, Barings does not have the infrastructure to integrate PAI indicators sourced directly from companies for certain private assets with third

² Baring Asset Management Limited [UK], Barings LLC [USA], Barings Australia Pty Limited, Baring International Investments Limited [UK], Barings Australia PTY LTD (AU)

³ The SFDR defines sustainability factors as “environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.”

party PAI indicator data available for public fund holdings. It should be noted that the metrics reported on are unlikely to be representative of any individual fund under the Investment Managers' management as their relevance will depend on the investment strategy and asset classes of individual funds.

While every effort has been made to produce / rely on accurate, reliable and verifiable data, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this statement. Barings makes no representation, warranties based on the data sourced from third parties.

Engagement policies

Barings Public Equities team publishes an Engagement Policy in accordance with the requirements of Directive (EU) 2017/828 (the "Shareholder Rights Directive II"). The policy describes how shareholder engagement is integrated into the investment strategy and voting rights which are exercised. The policy and voting records are disclosed on Barings' website. The policy outlines the key ESG issues on which the Public Equities team within the Investment Managers engage and these include: human rights, labour, the environment and anti-corruption. Each key engagement issue corresponds to one or more of the Indicators. Where the Public Equities team identifies a lack of progress from a company subsequent to an engagement, a formal escalation process is initiated. The escalation process may lead to a divestment.

In accordance with Barings' Global Sustainability Policy, Barings' investment professionals are responsible for undertaking engagement with corporate and sovereign issuers. Depending on the investment team, the investment professionals also liaise with investment managers, consultants, sponsors, tenants and servicers as part of the engagement process. Barings' engagement approach with public corporate and sovereign issuers typically involves the following:

- Engagements are initiated at the discretion of investment analysts based on the selection of material ESG topics, typically identified through the ESG integration process and ongoing monitoring.
- Certain individuals which Barings engage with often sit at C-suite level for corporates and senior governmental representatives for sovereign entities and are likely to have a more influential role on the activities of these entities.
- Objectives, milestones, likelihood of success, and timelines may be established at the offset of engagement and progress against these are recorded in Barings' systems.
- Insights gained through engagements feed back into Barings' ESG analysis.
- As a signatory to the UN Global Compact, the Investment Managers' are guided by its principles and incorporate these into their engagement activities related to human rights, labour, environment and anti-corruption.
- As part of Barings' firm-level approach, the investment teams within the Investment Managers have access to participate in collaborative engagement groups, where deemed material.
- Any concerns identified through ongoing monitoring and engagement interactions may lead to escalation.

References to international standards

Barings is a signatory to the United Nations' Principles of Responsible Investment ("PRI"). The PRI, launched in 2006 by United Nations Environment Programme Finance Initiative and the United Nations Global Compact, is the world's leading proponent of responsible investment. The PRI has defined six principles that seek to detail the necessary actions of a responsible investor. In becoming a signatory, Barings has publicly committed to adopting and implementing these six principles. The PRI requires

accountability and transparency on the part of its signatories. Barings provides annual reports on its ESG assessment initiatives to the PRI and is assessed on these submissions.

Barings is also a signatory to the United Nations Global Compact (“UNGC”), signalling its support of the UNGC’s ten principles. The UNGC is the world’s largest voluntary corporate sustainability initiative, established to encourage businesses to align their strategies and operations with universal principles on human rights, labour, the environment and anti-corruption. The ten principles that the Global Compact promotes are derived from the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

In 2022, Barings was approved as a signatory to the U.K. Stewardship Code.

Historical comparison

A historical comparison between the reporting periods of 2022 and 2023 will be disclosed in our 2024 Principal Adverse Impact statement.