



Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

JUNE 2024

BARINGS.COM

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| Financial market participant Baring International Fund Managers (Ireland) Limited [LEI: 213800MW2KGI7H31B177] | |
| Summary Baring International Fund Managers (Ireland) Limited ("BIFMI" or the "Company")) [LEI: 213800MW2KGI7H31B177] considers principal adverse impacts of its investment decisions on sustainability factors ("PAI Indicators"). The present statement is the consolidated statement on the PAI Indicators of the Company. This statement on the PAI Indicators covers the reference period from 1 January 2023 to 31 December 2023 and is published in accordance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector and its regulatory technical standards ("SFDR") ¹ . BIFMI is considered a "financial market participant" for the purposes of SFDR. | |
| Baring International Fund Managers (Ireland) Limited ("BIFMI" tai "yhtiö") [Oikeushenkilötunnus: 213800MW2KGI7H31B177] ottaa huomioon sijoituspäätöstensä pääasialliset haitalliset vaikutukset kestävyystekijöihin. Tämä ilmoitus on yhtiön yhdistetty ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin. Tämä ilmoitus pääasiallisista haitallisista vaikutuksista kestävyystekijöihin kattaa viitekauden, joka alkaa 1 päivänä tammikuuta 2023 ja päättyy 31 päivänä joulukuuta 2023, ja se julkaistaan-kestävyyteen liittyvien tietojen antamisesta rahoituspalvelusektorilla annetun asetuksen (EU) 2019/2088 ja sen teknisten sääntelystandardien ("SFDR-asetus") mukaisesti[1]. BIFMI on SFDR-asetuksen tarkoittama "finanssimarkkinatoimija". | Baring International Fund Managers (Ireland) Limited ("BIFMI" eller "bolaget")) [LEI: 213800MW2KGI7H31B177] beaktar huvudsakliga negativa konsekvenser från sina investeringsbeslut på hållbarhetsfaktorer ("PAI-indikatorer"). Denna redovisning är den samlade redovisningen om bolagets PAI-indikatorer. Redovisningen om PAI-indikatorer för hållbarhetsfaktorer omfattar referensperioden den 1 januari 2023 till den 31 december 2023, och publiceras i enlighet med förordningen (EU) 2019/2088 om hållbarhets-relaterade upplysningar som ska lämnas inom den finansiella tjänstesektor och dess tekniska standarder för tillsyn ("SFDR")[1]. BIFMI betraktas som en "finansmarknadsaktör" i syfte för SFDR. |
| Baring International Fund Managers (Ireland) Limited ("BIFMI" eller "selskabet")) [LEI: 213800MW2KGI7H31B177] tager hensyn til de væsentligste negative indvirkninger, som deres 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 2023 til 31. december 2023 og er offentliggjort i overensstemmelse med forordning (EU) 2019/2088 om bæredygtighedsrelaterede- oplysninger i sektoren for finansielle tjenesteydelser og reguleringsmæssige tekniske standarder ("disclosureforordningen")[1]. BIFMI anses for en "finansiell markedsdeltager" i disclosureforordningens forstand. | Baring International Fund Managers (Ireland) Limited ("BIFMI" o la "Società") [LEI: 213800MW2KGI7H31B177] tiene conto dei principali effetti negativi delle sue decisioni di investimento sui fattori di sostenibilità ("Indicatori PAI"). La presente dichiarazione costituisce la dichiarazione consolidata sugli Indicatori PAI della Società. La presente dichiarazione sugli indicatori PAI copre il periodo di riferimento compreso tra il 1° gennaio 2023 e il 31 dicembre 2023 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 (l'"SFDR")[1]. BIFMI è considerata un "partecipante ai mercati finanziari" ai sensi dell'SFDR. |
| Baring International Fund Managers (Ireland) Limited ("BIFMI" eller "Selskapet")) [LEI: 213800MW2KGI7H31B177] vurderer de vigtigste negative effekterne av | Baring International Fund Managers (Ireland) Limited ["BIFMI" o la "Sociedad"] [LEI: 213800MW2KGI7H31B177] tiene en cuenta las principales incidencias adversas de |

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

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| <p>sine investeringsbeslutninger på bærekraftsfaktorer ("PAI-indikatorer). Denne erklæringen er den konsoliderede rapporten om selskabets PAI-indikatorer. Denne rapporten om PAI-indikatorerne dækker referanseperioden fra 1. januar 2023 til 31. desember 2023 og gis ut i samsvar med forskriften (EU) 2019/2088 om bærekraftsrelatert-rapportering i finanstjenestesektoren og dens tekniske reguleringsstandarder ("SFDR")[1]. BIFMI er å anse som en "deltaker på finansmarkedet" med henhold til SFDR.</p> | <p>sus decisiones de inversión sobre los factores de sostenibilidad ("Indicadores de PIA"). La presente declaración es la declaración consolidada acerca de los indicadores de las principales incidencias adversas (PIA) de la Sociedad. La presente declaración sobre las PIA abarca el período de referencia comprendido entre el 1 de enero de 2023 y el 31 de diciembre de 2023 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")[1]. A BIFMI se la considera "participante del mercado financiero" a efectos del SFDR.</p> |
| <p>Baring International Fund Managers (Ireland) Limited („LBIFMI“ oder die „Gesellschaft“) [LEI: 213800MW2KGI7H31B177] berücksichtigt wesentliche nachteilige Auswirkungen seiner Anlageentscheidungen auf Nachhaltigkeitsfaktoren („PAI-Indikatoren“). Bei der vorliegenden Erklärung handelt es sich um die konsolidierte Erklärung zu den PAI-Indikatoren der Gesellschaft. Diese Erklärung zu den PAI-Indikatoren bezieht sich auf den Referenzzeitraum vom 1. Januar 2023 bis zum 31. Dezember 2023 und wird gemäß der Verordnung (EU) 2019/2088 über nachhaltigkeitsbezogene-Offenlegungspflichten im Finanzdienstleistungssektor und ihren regulatorischen technischen Standards (die „SFDR“) veröffentlicht[1]. BIFMI gilt für die Zwecke der SFDR als „Finanzmarktteilnehmer“.</p> | <p>Baring International Fund Managers (Ireland) Limited ("BIFMI" of de "Onderneming") [LEI: 213800MW2KGI7H31B177] houdt rekening met de wezenlijke ongunstige effecten van zijn beleggingsbeslissingen op duurzaamheidsfactoren ("PAI-Indicatoren"). Deze verklaring is de geconsolideerde verklaring inzake de PAI-Indicatoren van de Onderneming. Deze verklaring inzake de PAI-Indicatoren heeft betrekking op de referentieperiode van 1 januari 2023 tot en met 31 december 2023 en wordt gepubliceerd overeenkomstig Verordening (EU) 2019/2088 betreffende informatievervalsing over duurzaamheid- in de financiële dienstensector (de "SFDR") en de technische reguleringsnormen van de SFDR[1]. BIFMI wordt als "financiële marktdeelnemer" beschouwd in de zin van de SFDR.</p> |
| <p>Baring International Fund Managers (Ireland) Limited (« BIFMI » ou la « Société ») [LEI : 213800MW2KGI7H31B177] tient compte des principales incidences négatives de ses décisions d'investissement sur les facteurs de durabilité (« les indicateurs des PIN »). Le présent document est la déclaration consolidée relative aux indicateurs des PIN de la Société. La présente déclaration relative aux indicateurs des PIN couvre une période de référence allant du 1er janvier 2023 au 31 décembre 2023 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 »)[1]. BIFMI est considéré comme un « acteur des marchés financiers » aux fins du SFDR.</p> | |

| Description of the principal adverse impacts on sustainability factors Indicators applicable to investments in investee companies | | | | | | |
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| Adverse sustainability indicator | | Metric | Impact [2023] | Impact [2022] | 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 | 1,922,187.17 | 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. As further detailed below in the "Historical Comparison" section, the calculation methodology for this indicator has changed from the previous reference period and it has been renormalised for missing data and over the corporate sub-portfolio. | <p>In 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 91 engagements (initiated or updated) with 83 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis.</p> <p>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.</p> |

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| | | Scope 2 GHG emissions | 437,520.43 | 234,073.57 | Sum of portfolio companies' Carbon Emissions – Scope 2 (Tco2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. As detailed below in the "Historical Comparison" section, the calculation methodology for this indicator has changed from the previous reference period and it has been renormalised for missing data and over the corporate sub-portfolio. | <p>In 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 91 engagements (initiated or updated) with 83 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis.</p> <p>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.</p> |
| | | Scope 3 GHG emissions | 11,026,690.59 | 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 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 91 engagements (initiated or updated) with 83 issuers related to emissions, environmental impact and |

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| | | | | | <p>As detailed below in the “Historical Comparison” section, the calculation methodology for this indicator has changed from the previous reference period and it has been renormalised for missing data and over the corporate sub-portfolio.</p> | <p>energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis.</p> <p>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.</p> |
| | | Total GHG emissions | 13,386,398.20 | 7,776,212.00 | <p>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).</p> <p>As detailed below in the “Historical Comparison” section, the calculation methodology for this indicator has changed from the previous reference period</p> | <p>In 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 91 engagements (initiated or updated) with 83 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis.</p> <p>Going forward, while targets are not set to determine the level of</p> |

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| | | | | | and it has been renormalised for missing data and over the corporate sub-portfolio. . | 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 | 693.91 | 189.58 | <p>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> <p>As detailed below in the "Historical Comparison" section, the calculation methodology for this indicator has changed from the previous reference period and it has been renormalised for missing data and over the corporate sub-portfolio.</p> | <p>In 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 91 engagements (initiated or updated) with 83 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis.</p> <p>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 carbon footprint where material</p> |

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| | | | | | | risks/opportunities are identified. |
| | 3. GHG intensity of investee companies | GHG intensity of investee companies | 1,214.86 | 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). | <p>In 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 91 engagements (initiated or updated) with 83 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis.</p> <p>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.</p> |
| | 4. Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | 4.82% | 3.31% | The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and | In 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 91 engagements (initiated or |

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| | | | | | transportation of petroleum products, natural gas, and thermal and metallurgical coal. | <p>updated) with 83 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis.</p> <p>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 fossil fuel where material risks/opportunities are identified.</p> |
| | 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 | 79.12% | 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 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 91 engagements (initiated or updated) with 83 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis. |

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| | | | | | | <p>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 non-renewable energy consumption and production where material risks/opportunities are identified.</p> |
| | <p>6. Energy consumption intensity per high impact climate sector</p> | <p>Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector</p> | | | | <p>In 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 91 engagements (initiated or updated) with 83 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis.</p> <p>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</p> |

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| | | | | | | disclosure or practice related to energy consumption intensity per high impact climate sector where material risks/opportunities are identified. |
| | | NACE Code A (Agriculture, Forestry and Fishing) | 0.13 | 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) | 1.00 | 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) | 1.65 | 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) | 4.94 | 10.53 | The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code D (Electricity, | |

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| | | | | | Gas, Steam and Air Conditioning Supply). | |
| | | NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities) | 0.51 | 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) | 0.28 | 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) | 0.19 | 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) | 1.49 | 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) | 0.19 | 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). | |
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| 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 | 2.67% | 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 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 15 engagements (initiated or updated) with 13 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 | 0.55 | 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 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 44 engagements (initiated or |

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| | | as a weighted average | | | <p>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). As detailed below in the "Historical Comparison" section, the calculation methodology for this indicator has changed from the previous reference period and it has been renormalised for missing data and over the corporate sub-portfolio.</p> <p>updated) with 38 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.</p> <p>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.</p> |
| 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 | 1.81 | 0.27 | <p>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). As detailed below in the "Historical Comparison" section, the calculation methodology for this indicator</p> <p>In 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 39 engagements (initiated or updated) with 32 issuers related to product lifecycle/supply chain (environmental). The Barings investment teams usually engage on a thematic basis rather than</p> |

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| | | | | | has changed from the previous reference period and it has been renormalised for missing data and over the corporate sub-portfolio. | <p>an individual indicator basis.</p> <p>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.</p> |
| 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 | 0.53% | 0.25% | The percentage of the portfolio's market value exposed to issuers that fail alignment with the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. | <p>In 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 86 engagements (initiated or updated) with 81 issuers related to community relations, consumer/society, labour (employees & supply chain) and product lifecycle/supply chain (social). The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis. Going forward, while targets are not set to</p> |
| | 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational | 1.52% | 16.74% | The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact. | |

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| | OECD Guidelines for Multinational Enterprises | Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | | | | 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 risks/opportunities are identified. |
| | 12. Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | 7.02% | 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 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 35 engagements (initiated or updated) with 32 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 matters where |
| | 13. Board gender diversity | Average ratio of female to male board members in investee companies, expressed as a percentage of all board members | 24.87% | 22.27% | The portfolio holdings' weighted average of the ratio of female to male board members. | |

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| | | | | | | material risks/opportunities are identified. |
| | 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% | 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 do not include related safety products. | <p>N/A. The Barings Sustainability Policy (version in effect for the reporting period), details that, whilst Barings' investment teams prefer to engage rather than exclude, we will not, however, directly invest in companies or knowingly hold securities issued by companies that are materially involved in the production, stockpiling and use of cluster munitions, anti-personnel mines, and chemical and biological weapons at the time of investment. Barings reserves the right to use its discretion to make investment decisions consistent with our fiduciary duty and applicable regulatory requirements.</p> <p>Barings' Compliance Department performs monitoring of the policy as part of the firm's guideline management oversight function.</p> |

| Indicators applicable to investments in sovereigns and supranationals | | | | | | |
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| Adverse sustainability indicator | Metric | | Impact [2023] | Impact [year 2022] | Explanation | Actions taken, and actions planned and targets set for the next reference period |
| Environmental | 15. GHG intensity | GHG intensity of investee countries | 731.08 | 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. |

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| 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 | 2.00 | 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). | Specifically, Barings' Sovereign Debt team initiated or updated 51 engagements with 38 issuers in 2023 of which 11 engagements related to emissions, environmental impact and energy and 5 related to community relations, consumer health and safety and occupational health and safety . 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 risks/opportunities are identified. |
| | | | 2.21% | 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 [2023] | Impact [year 2022] | 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 | 0.05% | 0.03% | The portfolios do not invest in assets involved in extraction or manufacture of fossil fuels, | Any exposure, including secondary, is tracked and mitigated (e.g. where |

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| | | extraction, storage, transport 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. | 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 | 33.61% | 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 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. | Opportunities to improve energy performance and thus reduce exposure to inefficient real estate assets are incorporated into annual business plans, with 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 [2023] | Impact [year 2022] | 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 | 20.19% | 11.75% | The percentage of the portfolio's market value exposed to issuers without a carbon emissions reduction target aligned with the Paris Agreement. | <p>In 2023, the Barings investment teams across the Public Equities and Public Fixed Income platforms recorded 91 engagements (initiated or updated) with 83 issuers related to emissions, environmental impact and energy. The Barings investment teams usually engage on a thematic basis rather than an individual indicator basis.</p> <p>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</p> |
| Human Rights | 14. Number of identified cases of severe human | Number of cases of severe human rights issues and incidents connected to | 0.55% | 0.32% | The portfolio's weighted average of issuers' number of Severe and Very Severe controversy cases in the last | In 2023, the Barings investment teams across the Public Equities and Public Fixed Income |

| | | | | | | |
|--|-----------------------------|--|--|--|--|--|
| | rights issues and incidents | investee companies on a weighted average basis | | | three years related to human rights violations issues. | platforms recorded 86 engagements (initiated or updated) with 81 issuers related to community relations, consumer/society, labour (employees & supply chain) and product lifecycle/supply chain (social). 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 severe human rights issues and incidents where material risks/opportunities are identified. |
|--|-----------------------------|--|--|--|--|--|

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”). Although the Company operates its own due diligence to satisfy sectoral regulation, portfolio management is delegated to affiliates, who have the responsibility to consider the principal adverse impacts on sustainability factors. The Company and the affiliates² form part of the wider Barings group (“Barings”). [Barings Global Sustainability & ESG 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 at least annually and kept under review in case material amendments are required. The Investment Managers obtain data on the 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’ PAI Indicators, where applicable. The Investment Managers will prioritise PAI Indicators in accordance with the investment objectives and policies of the Portfolios.

Additional Indicators

In addition to 18 mandatory PAI Indicators provided for under SFDR, 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 PAI Indicators will have an adverse and potentially irremediable impact on sustainability factors. The data required to calculate the PAI Indicators’ metrics in accordance with SFDR are limited or unavailable across many asset classes and markets in which the Portfolios invest. The Investment decisions of the Investment Managers are based on internal research, which encompass both their proprietary financial underwriting and ESG assessment. External sources of research are utilised to understand market consensus and gather data but often research availability can be limited. The Investment Managers have access to third party resources to supplement their own ESG research. For the purposes of this statement, PAI 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 preclude Barings from providing a meaningful historical comparison.

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

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

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

statement's reference period, Barings does not have the infrastructure to integrate PAI Indicators sourced directly from companies for certain private assets with third 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' 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 a public supporter of the Task Force on Climate-related Financial Disclosures (TCFD) and its first TCFD report was published last year on Barings' website [here](#). An updated TCFD report will be published on Barings' website in summer 2024.

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 2023, Barings was approved as a signatory to the U.K. Stewardship Code.

Historical comparison

In the previous Statement, it was explained that given the broad range of assets within the Company's Portfolios, the coverage and quality of data would continue to create challenges. It was also explained that, although Barings expected that both would improve over time, there could be temporary fluctuations in the data relied upon to assess the PAI Indicators. Barings also indicated that 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, which would also create unpredictability in the PAI Indicators reported and which may preclude the Company from providing a meaningful historical comparison.

Barings note the following change to calculation methodologies when calculating sustainability indicators for the reference period 1 January 2023 to 31 December 2023 compared to reference period 1 January 2022 to 31 December 2022. Some of the indicators were renormalised for missing data and calculated over the corporate sub-portfolio. This inflates the values of those indicators as compared to the previous statement since data coverage is below 100%. Given this change, Barings believe that any historical comparison will not at this stage provide a meaningful explanation of the progress made against mitigating the principle adverse impacts on the reported sustainability indicators and is likely to mislead investors.