June 2025

Statement on Principal Adverse Impacts of investment decisions on sustainability factors

Financial market participant: J.P. Morgan Asset Management (Europe) S.à r.l. (549300XWGTGPPNVKZY94)

Summary[1]

J.P. Morgan Asset Management (Europe) S.à r.l. ("JPMAME") is part of the asset management line of business ("J.P. Morgan Asset Management" or "JPMAM[2]") of JPMorgan Chase & Co ("JPMC") and acts as a UCITS Management Company and Alternative Investment Fund Manager[3]) for investment funds domiciled in Luxembourg, France and Ireland (the "Funds") and managed by JPMAM entities. It also provides discretionary portfolio management services to clients ("Client(s)"). With some exceptions, JPMAME has delegated the investment management function for the Funds and for the discretionary Client mandates to legal entities within JPMAM which act as delegated investment managers ("DIMs").

This document ("Statement") outlines JPMAME's approach to evaluating the Principal Adverse Impacts ("PAIs") of investment decisions on sustainability factors for the Funds and applicable client portfolios at the entity level, through activities conducted by its DIMs. The data aggregation is contingent upon data availability, coverage, and quality, and involves measuring, monitoring, and—subject to product design, intentionality of investment decisions aiming to reduce the potential negative effects on chosen sustainability factors of its investments.

This Statement covers the reference period 1 January 2024 to 31 December 2024 and data on PAI indicators compared to the previous reference period of 1 January 2023 to 31 December 2023 (unless indicated otherwise).

This Statement applies to investments in listed equities, listed corporate and sovereign fixed income instruments held in UCITS Funds and client portfolios managed by JPMAME and certain alternative illiquid assets (certain timber investments) ("In-Scope Investments"). Certain activities described in this Statement may also be applied in the context of segregated mandates with Clients, as agreed with them.

This Statement does not apply to the following:

- all instances where JPMAME has delegated the investment management to investment managers outside JPMAM,[4] and
- for certain illiquid alternative Funds (such as real estate, infrastructure and transportation), given issues related to insufficient, dated or unreliable data.

1 In case of any inconsistency in translations of this statement, the English version will prevail.

2 J.P. Morgan Asset Management (JPMAM) is the marketing name for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide.

3 Management Company subject to Chapter 15 of the Luxembourg Law of 17 December 2010 relating to Undertakings for Collective Investment and an authorised Alternative Investment Fund Manager subject to the Luxembourg Law of 12 July 2013

4 Whilst not part of the JPMAME PAI framework in respect of the data reported, Table 1 below does partially include the PAIs related to investments where JPMAM has sub-delegated the investment management to a third-party DIM outside JPMAM.

Summary of Principal Adverse Impacts

As an asset manager, JPMAME understands its primary duties as a fiduciary, managing assets on behalf of clients. We also understand that our clients have diverse investment preferences that are designed to meet their own long-term financial objectives.

Subject to the limitations described above, JPMAME measures the mandatory PAI indicators and two voluntary indicators defined by the Sustainable Finance Disclosure Regulation (SFDR).[5]

JPMAME's approach with regards to PAIs are further outlined in the internal JPMAM Policy on Principal Adverse Impacts. In adhering to this policy, JPMAME or its DIMs, as applicable, apply multiple approaches to seek to identify and mitigate potential PAIs. These approaches include:

- the execution of JPMAM's long-term Investment Stewardship priorities, which are, among others, informed by PAIs to a selected set of investee companies identified through JPMAM's Centralized Engagement Framework ("CEF")
- the incorporation of the consideration of PAIs of its Funds' investments within the investment process for such Funds.

Norms and values-based filters are used to fully or partially exclude certain companies or issuers, based on specific revenue thresholds, while considering certain PAIs in the investment inclusion criteria. This approach applies to Funds that meet internal classification standards, including whether they align with Article 8 or Article 9 under the SFDR. It also considers the extent to which these Funds commit to investments with environmental and/or social characteristics and/or sustainable investments, as defined by SFDR and/or JPMAM's internal processes.

Where applicable policies, frameworks and approaches in relation to sustainable investing are regularly reviewed to ensure they remain consistent with JPMAMEs fiduciary duty.

The PAI indicators disclosed in tables 1-3 relate to the assets managed by JPMAME on behalf of its clients and are influenced by multiple factors including, but not limited to: investment decisions by clients and the products they choose to invest in; investment decisions by DIMs which are based on a variety of factors such as market conditions or data availability.

Year on year changes to PAI indicator values are also influenced by multiple factors, including but not limited to: product or fund investment strategy, market conditions, data availability for underlying investee companies, contractual obligations and client demand for in-scope products.

Description of the principal adverse impacts on sustainability factors

Table 1: Statement on principal adverse impacts of investment decisions on sustainability factors

Details of how the values shown in Table 1 were calculated can be found in the Methodology section below.

Data from third-party data vendors was used for calculating the values in Table 1, 2, and 3. Due to a change of vendor, some of the values in the tables are not directly comparable year-on-year. PAIs 10, 14 and 15 have not been affected by the data vendor change and are comparable year-on-year.

The year-on-year changes (either positive or negative) on adverse sustainability indicator (ASIs) values outlined in the tables are a reflection and direct consequence of the corresponding changes in the composition, size and specific investments undertaken for fund and client portfolios.

[5] 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.

Adverse sustainability indicator (ASI)		Metric	Impact 2024	Impact 2023[6]	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	7,325,191 tons 65% coverage	10,817,203 tons 76% coverage	Scope 1 emissions are emissions caused directly by an organization's activities (e.g. company facilities / vehicles)	JPMAME has established and developed a sustainable investing framework that incorporates the consideration of PAIs at an entity level; and at both a product and asset level. The degree to which PAIs are considered is correlated to the design and intentionality of JPMAME products and underlying investments. As part of this approach, JPMAME endeavors to mitigate PAIs through both investment stewardship and engagement across funds and client portfolios; and in addition for those funds categorized as Article 8 or 9 under SFDR, according to their respective investment strategies, by 'screening in' assets that in the view of the DIM exhibit relatively peer leading ASI's and 'screening out' some of those which in the view of the DIM exhibit relatively material worse performance. As part of ongoing efforts to enhance data quality and coverage JPMAM changed data provider during the reporting period. JPMAME will continue to monitor data quality and coverage and seek to use, in its view, the most appropriate provider for the business. JPMAM engaged with companies to address climate change risks and opportunities as part of its investment stewardship activities. In 2024, 343 companies globally were engaged, demand-side companies and sectors most exposed to transition risks were prioritized. The strategy focused on encouraging companies to set scientifically credible emissions-reduction targets and transition plans, while gaining a better understanding of barriers to the plans such as high costs and inadequate policy incentives. Further information on how JPMAM engaged with companies on climate change can be found in the JPMAM Investment Stewardship Report, available here.
		Scope 2 GHG emissions	1,909,114 tons 65% coverage	2,633,310 tons 76% coverage	Scope 2 emissions are indirect emissions resulting from an organization's energy consumption (e.g. purchased electricity)	
		Scope 3 GHG emissions	68,057,639 tons 64% coverage	83,654,087 tons 60% coverage	Scope 3 emissions are all other indirect emissions including. value chain (e.g. leased assets, business travel, distribution)	
		Total GHG emissions	76,458,242 tons 64% coverage	92,893,838 tons 60% coverage	Total GHG emissions is the sum total annual Scope 1, Scope 2 and estimated Scope 3 GHG emissions associated with the market value of the in-scope investments	
	2. Carbon footprint	Total GHG emissions expressed per EUR million invested (JPMAM has applied the total for scope 1+2+3)	177 tons CO2e per EUR m Invested 64% coverage	216 tons CO2e per EUR m Invested 60% coverage	Calculated as the total scope 1+2+3 GHG emissions per EUR million invested.	
	3. GHG intensity of investee companies	GHG intensity of investee companies	783 tons CO2e per EUR m Invested 68% coverage	805 tons CO2e per EUR m Invested 63% coverage	Scope 1+2+3 GHG intensity of investee companies in the in-scope accounts	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	4% 71% coverage	1.14% 28% coverage	This represents the % of companies in the in-scope accounts that have exposure to fossil fuel related activities such as extraction, storage or distribution of oil or gas	

[6] Absent prescribed formulas within the original Annex I Delegated Regulation, JPMAM has applied the formulas contained within the Joint Consultation Paper review of SFDR Delegated Regulation regarding PAI and financial product disclosures issued April 12th 2023 for PAIs 4, 5, 6, 7, 14, 15, and 16.

Adverse sustainability indicator (ASI)		Metric	Impact 2024	Impact 2023[6]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions (continued)	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	Consumption 36% 50% coverage Production 1.4% 1.8% coverage	Consumption 1.21% Production 1.02% 1% coverage	This represents the in-scope accounts weighted average of investee companies energy consumption and/or production from non-renewable sources as a % of the total energy used and/or generated	JPMAME intends, as far as is reasonably practicable, to continue to refine its approach to the consideration of PAIs under its sustainable investing framework. In parallel, JPMAME intends to continue to deploy its PAI led central engagement framework. For in-scope funds and client accounts that have stated carbon reduction targets, JPMAME will continue to measure progress towards such target. JPMAME offers a wide range of investment products, many of which do not have a carbon reduction focus. Clients are free to invest in any product which best suits their long-term financial goals. The existence of investment products which have a carbon reduction focus does not influence the portfolio strategy or constrain the investment universe of any other portfolios.
	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 NACE (Nomenclature of Economic Activities) is the European statistical classification of economic activities / industry sectors.	0.3 GWh per EUR m Invested 18% coverage	0.00 GWh per EUR m Invested 0.02% coverage	This represents the weighted average of energy consumption intensity for investee companies with NACE Code A: Agriculture, forestry and fishing	
			0.6 GWh per EUR m Invested 41% coverage	0.02 GWh per EUR m Invested 2% coverage	This represents the weighted average of energy consumption intensity for investee companies with NACE Code B: Mining and quarrying	
			0.2 GWH per EUR m Invested 69% coverage	0.01 GWH per EUR m Invested 1% coverage	This represents the weighted average of energy consumption intensity for investee companies with NACE Code C: Manufacturing	
			2 GWh per EUR m Invested 42% coverage	1.01 GWh per EUR m Invested 22% coverage	This represents the weighted average of energy consumption intensity for investee companies with NACE Code D: Electricity, gas, steam and air conditioning supply	
			0.2 GWh per EUR m Invested 20% coverage	0.01 GWh per EUR m Invested 2% coverage	This represents the weighted average of energy consumption intensity for investee companies with NACE Code E: Water supply; sewerage; waste management and remediation activities	
			0.1 GWh per EUR m Invested 34% coverage	0.00 GWh per EUR m Invested 0.05% coverage	This represents the weighted average of energy consumption intensity for investee companies with NACE Code F: Construction	
			0.1 GWh per EUR m Invested 46% coverage	0.00 GWh per EUR m Invested 0.35% coverage	This represents the weighted average of energy consumption intensity for investee companies with NACE Code G: Wholesale and retail trade; repair of motor vehicles and motorcycles	

Adverse sustainability indicator (ASI)		Metric	Impact 2024	Impact 2023[6]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions (continued)	6. Energy consumption intensity per high impact climate sector (continued)		0.7 GWh per EUR m Invested 45% coverage	0.11 GWh per EUR m Invested 2% coverage	This represents the weighted average of energy consumption intensity for investee companies with NACE Code H: Transporting and storage	
			0.1 24% coverage	0.00 0.16% coverage	This represents the weighted average of energy consumption intensity for investee companies with NACE Code L: Real estate activities	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas[7]	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	3% 51% coverage	2.06% 2% coverage	This represents the percentage of the in-scope accounts market value exposed to investee companies 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.	Nature and biodiversity are one of JPMAME's investment stewardship priorities, engagement on these topics is informed by the Central Engagement Framework. In 2024, as part of its ongoing investment stewardship activities, JPMAME engaged with companies on a broad range of biodiversity related topics, including natural capital and ecosystems. In 2024 JPMAME engaged with 188 issuers across 34 markets, emphasizing the importance of managing nature-related financial risks. Efforts included addressing plastic waste and water scarcity, which are significant contributors to biodiversity loss. Companies were encouraged to adopt sustainable practices, improve transparency, and set credible targets to mitigate these risks. Investment stewardship and engagement on this topic is intended to continue in 2025.
Water	8. Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.01 tons per EUR m Invested 1% coverage	0.51 tons per EUR m Invested 4% coverage	This represents the total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with EUR 1 million invested	In 2024, as part of its routine investment stewardship activities, JPMAME undertook a broad range of engagements including those to address emissions into water. Focus was on sectors with high water dependency, such as consumer staples and utilities, to discuss and learn how to mitigate water-related risks. Engagements emphasized the importance of improving water efficiency, reducing water pollution, and implementing advanced wastewater treatment processes. Investment stewardship and engagement on this topic is intended to continue in 2025.

[7] The sustainable use and protection of water and marine resources; and the protection and restoration of biodiversity and ecosystems, are considerations that have been incorporated in exclusion methodologies applied for the determination of investments considered as sustainable (in adherence to Article 2.17 of EU SFDR).

Adverse sustainability indicator (ASI)		Metric	Impact 2024	Impact 2023[6]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Waste	9. Hazardous waste and radioactive waste ratio	Tons of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1 ton per EUR m Invested 57% coverage	3.02 tons per EUR m Invested 23% coverage	This represents the total annual hazardous waste (metric tons reported) associated with EUR 1 million invested	JPMAME has established and developed a sustainable investing framework that incorporates the consideration of PAIs at an entity level; and at both a product and asset level. The degree to which PAIs are considered is correlated to the design and intentionality of JPMAME products and underlying investments. JPMAME endeavors to mitigate PAIs through both investment stewardship and engagement across funds; and in addition for those funds categorized as Article 8 or 9 under SFDR, according to their respective investment strategies, by 'screening in' assets that in the view of the DIM exhibit relatively peer leading ASI's and 'screening out' some of those which in the view of the DIM exhibit relatively material worse performance. JPMAME intends as far as is reasonably practicable to continue to refine its PAI relevant sustainable investing framework . In parallel, JPMAME intends continue to deploy its PAI led central engagement model.
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	0.02% 51% coverage	0.04% 46% coverage	This represents the percentage of in-scope accounts market value exposed to issuers with severe or very severe controversies related to the company's operations and/or products.	JPMAME has established and developed a sustainable investing framework that incorporates the consideration of PAIs at an entity level; and at both a product and asset level. The degree to which PAIs are considered is correlated to the design and intentionality of JPMAME products and underlying investments. JPMAME endeavors to mitigate PAIs through both investment stewardship and engagement across funds; and in addition for those funds categorized as Article 8 or 9 under SFDR, according to their respective investment strategies, by 'screening in' assets that in the view of the DIM exhibit relatively peer leading ASI's and 'screening out' some of those which in the view of the DIM exhibit relatively material worse performance. JPMAME engaged with 188 issuers to address social stakeholder and human capital management matters. Our engagements focused on understanding of transparency, accountability, and governance structures within companies. We highlighted stakeholder engagement, workforce management, social risks associated with environmental challenges as areas of interest. Investment stewardship and engagement on this topic will continue in 2025
	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	84% 87% coverage	28.9% 71% coverage	This represents the percentage of the in-scope accounts market value exposed to issuers that are not signatories in the UN Global Compact, not in compliance with UN Global Compact grievance principles, or not in compliance with OECD Guidelines.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	9% 56% coverage	2.79% 15% coverage	This represents the average of the difference between the average gross hourly earnings of male and female employees for investee companies held in in-scope accounts	

Adverse sustainability indicator (ASI)		Metric	Impact 2024	Impact 2023[6]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters continued	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	23 women on board per 100 men 67% coverage Taking into account regional differences, considerations on board gender diversity are among the topics that are incorporated in the PAI led centralized engagement framework (as outlined below) to identify investee companies that we consider for enhanced engagement	6.00 women on board per 100 men 19% coverage Taking into account regional differences, considerations on board gender diversity are among the topics that are incorporated in the PAI led centralized engagement framework (as outlined below) to identify investee companies that we consider for enhanced engagement.	This represents the weighted average of the ratio of female to male board members, expressed as a percentage of all board members for investee companies held in in-scope accounts.	JPMAME intends as far as is reasonably practicable to continue to refine its PAI relevant sustainable investing framework . In parallel, JPMAME intends continue to deploy its PAI led central engagement model. In keeping with Luxembourg law, JPMAME has implemented a policy that in relation to its UCITS funds, except for certain passively managed Irish ETFs, and segregated mandates as applicable that seeks to restrict investments in securities issued by companies that have been identified by third party providers as being involved in the manufacture, production or supply of cluster munitions, depleted uranium ammunition and armour or antipersonnel mines.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0% 0% coverage	0.00% 0.02% coverage	This represents the percentage of investee companies held in in-scope accounts with an industry tie to controversial weapons such as landmines, cluster munitions, chemical weapons, or biological weapons	
Indicators applicable to investments in sovereigns and supranationals						
Environmental **Social**	15. GHG intensity	GHG intensity of investee countries	71 Tons per EUR Million GDP 2% coverage	29.2 Tons per EUR Million GDP 9% coverage	This represents the weighted average of sovereign issuers' GHG Emissions Intensity (Scope 1, 2 and 3 emissions/ EUR million GDP), for investee companies held in in-scope accounts "GDP" refers to the nominal gross domestic product of a country.	JPMAME has established and developed a sustainable investing framework that incorporates the consideration of PAIs at an entity level; and at both a product and asset level. The degree to which PAIs are considered is correlated to the design and intentionality of JPMAME products and underlying investments. The more sustainable a product intends to be, the greater the extent to which PAIs are considered.
	16. Investee countries subject to social violations	Number of investee countries subject to social violations	Number: 0 Percentage: 0% 0% coverage	Number: 1 Percentage: 0.00% 0.001% coverage	This represents the absolute number of sovereign issuers held with in-scope accounts that are subject to EU Sanctions, and countries subject to EU sanctions as a % of total number of countries held in in-scope accounts.	JPMAME endeavors to mitigate PAIs through both investment stewardship and engagement across funds; and in addition for those funds categorized as Article 8 or 9 under SFDR, according to their respective investment strategies, by 'screening in' assets that in the view of the DIM exhibit relatively peer leading ASI's and 'screening out' some of those which in the view of the DIM exhibit relatively material worse performance. JPMAME intends as far as is reasonably practicable to continue to refine its PAI relevant sustainable investing framework . In parallel, JPMAME intends continue to deploy its PAI led central engagement model.

Adverse sustainability indicator (ASI)		Metric	Impact 2024	Impact 2023[6]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in real estate assets						
Fossil fuels	16. 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% 100% coverage	0% 100% coverage	No real estate assets are involved in the extraction, storage or manufacture of fossil fuels. Consequently this PAI is being reported with a zero value.	
Energy efficiency	17. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	0% 20% coverage	0%	JPMAME funds hold real estate assets in some APAC countries and North America however these assets are not subject to European EPC/NZEB standards. The real estate assets held by JPMAME funds located in European countries have limited data availability and for those where energy performance data is available, share of investments in energy inefficient assets is reported as zero.	

Other indicators for principal adverse impacts on sustainability factors

As required by SFDR, in addition to the set of mandatory indicators above, JPMAME considers two additional indicators (subject to data availability and quality).

JPMAME considers, where applicable, “Emissions (Emissions of air pollutants)” No.2 from Table 2; and “Social and employee matters (Number of days lost to injuries, accidents, fatalities or illness)” No.3 from Table 3 within its entity and product level PAI aligned frameworks.

Table 2: Additional climate and other environment-related indicators

Adverse sustainability indicator	Metric	Impact 2024	Impact 2023[8]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Emissions of air pollutants	Tons of air pollutants equivalent per million EUR invested, expressed as a weighted average	0.02 tons per EUR m Invested 4% coverage	1.09 tons per EUR m Invested 16% coverage	This refers to the amount of direct emissions of sulphur dioxides, nitrogen oxides, non-methane organic compounds, and fine particulate matter per EUR millions invested	JPMAME has established and developed a sustainable investing framework that incorporates the consideration of PAIs at an entity level; and at both a product and asset level. The degree to which PAIs are considered is correlated to the design and intentionality of JPMAME products and underlying investments. Investment stewardship and engagement on this topic is intended to continue in 2025.

[8] Absent prescribed formulas within the original Annex I Delegated Regulation, JPMAM has applied the formulas contained within the Joint Consultation Paper review of SFDR Delegated Regulation regarding PAI and financial product disclosures issued April 12th 2023 for PAIs 4, 5, 6, 7, 14, 15, and 16.

Table 3: Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator	Metric	Impact 2024	Impact 2023[9]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and Employee Rights	Number of days lost to injuries, accidents, fatalities or illness	0.02 days 10% coverage	0.09 days 25% coverage	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average of the in-scope accounts	JPMAME has established and developed a sustainable investing framework that incorporates the consideration of PAIs at an entity level; and at both a product and asset level. The degree to which PAIs are considered is correlated to the design and intentionality of JPMAME products and underlying investments. Investment stewardship and engagement on this topic is intended to continue in 2025.

[9] Absent prescribed formulas within the original Annex I Delegated Regulation, JPMAM has applied the formulas contained within the Joint Consultation Paper review of SFDR Delegated Regulation regarding PAI and financial product disclosures issued April 12th 2023 for PAIs 4, 5, 6, 7, 14, 15, and 16.

Description of policies to identify and prioritise principal adverse sustainability impacts

A summary of JPMAME's policy to identify and prioritise principal adverse impacts on sustainability factors is set out below.

Governance

JPMAME's Board approved its commitment to the policy to identify and prioritise principal adverse sustainability impacts ("PAI Policy") on 8 Jun 2022. The PAI Policy defines PAIs as those impacts of its investment decisions and financial advice that result in material negative effects on sustainability factors (i.e. environmental, social and governance (ESG) matters, respect for human rights, anti- corruption and anti-bribery matters). The PAI Policy applies to JPMAME and its DIMs within JPMAM.

Within JPMAM, governance of activities related to sustainable investing is provided by the Sustainable Investing Oversight Committee ("SIOC"). The SIOC provides strategic oversight of sustainable investing activities including, among others, the PAI Policy and some engagement activities.

In addition to the SIOC oversight of investment stewardship, including some engagement activities, and proxy voting activities is provided by the Investment Stewardship Oversight Committee ("ISOC"), which was formed in March 2025.

Both committees are chaired by the JPMAM Global Head of Sustainable Investing and Stewardship. Members include representatives of each of DIMs asset classes such as Chief Investment Officers (CIOs) and heads of control functions (Risk and Compliance), as well as non-voting members including the Global Head of Investment Stewardship, Global Head of Sustainable Investing Research and JPMAM's General Counsel. The SIOC meets quarterly with additional meetings as required, the ISOC meets biannually with additional meetings as required. Escalation of any issues related to the management of PAIs from a controls and risk oversight perspective, can be made to the DIMs Regional Asset Management Business Control Committee[10] (JPMAM EMEA BCC) and the JPMAM Fiduciary Committee (for specific fiduciary responsibilities).

Policies in relation to PAIs

The JPMAME PAI policy requires its DIMs to identify and prioritise PAIs. In practice this is implemented as a part of the Investment Stewardship and Engagement process (as established by the global JPMAM Investment Stewardship framework); and the ESG credentials and intentionality applied to its funds. JPMAME approach can be described as follows:

- SFDR Article 8 Funds aim to consider Principal Adverse Impact Indicators (PAIIs) (as appropriate) through the investment process.
- SFDR Article 9 Funds aim to undertake a portfolio level Principal Adverse Impact (PAI) assessment.
- SFDR Article 6, 8 and 9 Funds' underlying investments in companies and sovereigns form the pool from which candidates for the PAI led central engagement framework are selected.

Investment Stewardship and Engagement are key pillars in JPMAME's framework response to the financially material PAIs related to its financial products and services, as implemented by its delegates.

The DIMs Investment Stewardship framework targets the following short and long term priority areas:

- governance
- strategy alignment with the long term
- climate change
- natural capital and ecosystems
- human capital management
- stakeholder engagement

Within each priority area, the framework identifies related themes which are financially material and which it seeks to address over a shorter time frame. These sub-themes are expected to continue evolving over time as the JPMAM Investment Stewardship team engages with companies to understand issues and promote best practice, and other issues emerge. This combination of long-term priorities and evolving, shorter-term themes is intended to provide JPMAME with a structured and targeted framework to guide its engagement with investee companies globally.

This approach is further recognised within the below Engagement Model section and forms part of the JPMAM Investment Stewardship Report.

10 The JPMAM BCC committee (and the relevant BCC of the relevant region) provides oversight of the operational risks and control environment across the entire DIMs business, with respect to proper identification, management and monitoring of existing and emerging operational risks, control issues and trends. This committee, which is co-chaired by the DIMs CEO and Business Control manager, includes decision making members comprising all heads of controls functions, CIOs across all asset classes/product groups and heads of all major business areas within the DIM.

Centralised Engagement Framework

The PAI led centralised engagement framework, where applicable,[11] identifies companies which rank poorly in relation to prioritised PAIs and corresponding adverse sustainability indicators; and focuses on investee companies where the DIM has a significant investment holding and that are deemed suitable for engagement.

Investee companies identified as requiring an adverse sustainability indicator led engagement are subject to a multi-year engagement and internal review process. Only a select number of investee companies are chosen for this enhanced engagement model.[12] More detail on the enhanced engagement model is detailed in the JP Morgan Investment Stewardship Report.

Process and product level considerations

In addition to the above-described "top down" entity-level approach to the consideration of PAIs via investment stewardship and engagement, PAIs may also be considered as part of the investment process at the level of investment analysis and portfolio construction for in-scope funds and segregated mandates managed by DIMs; or their consideration is reflected at a product level in funds and certain mandates managed by JPMAME classified as either Article 8 or Article 9 under SFDR ("bottom up").

a) ESG Integration: Sustainability risk (i.e. material negative impact of ESG issues on the value of investments) and PAIs, (i.e. the environmental and social impact of investment activities), can be seen as representing "two legs" under the impact and financial materiality approach. Where in terms of direction and outcome PAIs overlap with sustainability risks, they may be identified and considered in the portfolio construction and implementation process through the DIMs systematic integration of financially material ESG factors, where applicable.

   However, not being a binding criteria, sustainability risk considerations would not by themselves prohibit an investment. Instead, sustainability risk forms part of the overall risk management processes, and is one of many risks which may, depending on the specific investment opportunity, be relevant to a determination of overall risk. For more information on how JPMAME integrates sustainability risks where applicable, please refer to the summary of the JPMAM Sustainability Risk Policy.

b) Inclusion and exclusion criteria: Further, binding product features may represent the consideration of PAIs, as applicable at the level of the funds and segregated mandates managed by JPMAME. The degree to which PAIs are considered is correlated to the degree to which a financial product or advisory service has binding conditions which apply Environmental, Social and Governance minimum safeguards; promote environmental and / or social characteristics, commit to investing in sustainable investments and/or is aligned to a sustainable objective. This includes but is not limited to United Nations Global Compact (UNGC) and certain values based considerations.

c) Portfolio level assessment: In addition to ESG integration, subject to data availability, product type and the identification of an appropriate benchmark, funds classified as Article 9 products under SFDR apply a portfolio level assessment of adverse sustainability indicators relative to a designated benchmark, whereby adverse sustainability indicators are compared for the purpose of identifying materially significant outliers. Where an adverse sustainability indicator is materially worse within the fund relative to the benchmark, this adverse sustainability indicator is further assessed.

Further information about the funds can be found in the prospectuses and the respective exclusion policy which can be accessed here.

The PAI led central engagement model is monitored and overseen by both the SIOC and ISOC.

Methodologies

As an asset manager, JPMAM and JPMAME understands its primary duties as a fiduciary, managing assets on behalf of clients. JPMAME endeavors to mitigate PAIs through both investment stewardship and engagement across funds; and in addition, for those funds categorized as Article 8 or 9 under SFDR according to their respective investment strategies, by 'screening in' assets that in the view of the DIM exhibit relatively peer leading ASI's and 'screening out' some of those which in the view of the DIM exhibit relatively material worse performance.

The methodologies used to identify and assess PAIs disclosed in this report are based on the 18 mandatory and two selected voluntary PAI indicators, as defined in the SFDR Regulatory Technical Standards (RTS), and the methodologies that are used by our data vendor to calculate the relevant PAI indicators. The two voluntary PAI indicators that have been selected for inclusion in this report are: (1) emissions of air pollutants, and (2) social and employee rights.

[11] The centralised engagement framework cannot be implemented with respect to certain US equities.

[12] Engagement with these companies is conducted in accordance with applicable national laws and regulatory guidelines.

JPMAME utilizes third-party data providers, to obtain the PAI data used in this report and to calculate the PAI metric values. This third-party data is used in conjunction with JPMAME's internal portfolio position level data, utilizing a snapshot taken on 31 December 2024. Quarterly snapshots were also captured internally for position data as of March 31st , June 30th, September 30th of the relevant year. For this report, each final PAI values in the tables were calculated using an average of the PAI and AUM values at the end of each quarter in 2024. The data vendor's datasets are built based on proprietary methodologies and are informed by data from investee companies, market and industry peers, media, NGOs, multilateral and other institutions.

JPMAME periodically reviews the third-party vendors it uses to provide data for a variety of purposes, including the provision of the data which is used for calculating PAI values. To improve consistency with JPMAMEs internal investment frameworks, one of the third-party vendors was changed prior to the production of this report[13] resulting in some values not being comparable year-on-year. PAIs 10, 14 and 15 have not been affected by the data vendor change and are comparable year-on-year.

Where practicable, JPMAME aims at continuing to enhance its existing PAI identification and monitoring capability and technology. In addition, the manner in which PAIs are required to be considered by JPMAM is periodically reviewed, is evolving and may be subject to change.

The underlying data required to determine the principal adverse impacts of investments may, based on availability, have varying degrees of maturity and timing alignment. The information sourced is applied to the calculations contained within this report for the reference period 1 January 2024 to 31 December 2024.

While JPMAME looks to data inputs that have been subject to its internal due diligence controls and which it believes to be reliable, JPMAME cannot guarantee the accuracy, availability or completeness of its proprietary system or third-party data. The criteria used by third-party providers can differ significantly, and data can vary across providers and within the same industry for the same provider. Data inputs from third-party data providers or companies may prove to be based on data sets and assumptions that may be insufficient, of poor quality or contain biased information. Where JPMAME has identified an issue related to the above, JPMAME endeavors to take commercially reasonable efforts to assess and, where possible, rectify the issue.

When calculating the principal adverse impact values of investments for the 2024 reporting period, all investments held in in-scope accounts except cash and derivatives are included in the numerator, where data is available, the denominator includes everything except derivatives.[14]

More information about the external data sources used is available upon request.

Engagement policies

Engagement policy

JPMAME adheres to a JPMAM group policy on engagement and proxy voting which, among others, is designed to meet the requirements under the Shareholder Rights Directive II.[15]

JPMAME's DIMs apply an investment stewardship approach that aims to create long-term value through engagement with a focus on responsible allocation of capital. At the heart of this approach lies a close collaboration between portfolio managers, research analysts and investment stewardship specialists, who are in contact with the companies in which the DIM invests.

It is important to note that company engagements may be unsuccessful, however, securities of companies may be purchased and retained for reasons other than financially material ESG factors.

Engagement is based on four principles:

- **Intentionality**: Acting in the best interests of clients by encouraging investee companies to focus on prudent allocation of capital and long-term value creation.
- **Materiality**: Understanding how factors impacting sustainability are financially significant to individual companies over time, understanding that the regions, cultures, and organisations in which JPMAM invests differ greatly.
- **Additionality**: Focusing on strategic issues that are most urgently in need of JPMAM involvement in order to deliver better long-term return to clients.
- **Transparency**: Seeking to be clear with regards to the investment stewardship work JPMAM undertakes, being transparent with stakeholders, and seek that same level of transparency of investee companies.

[13] This change was reviewed and approved following the internal governance model.

[14] Clarification in relation to the treatment of derivatives in the calculation of PAI indicators is expected in the future revisions of the applicable rules of the SFDR and SFDR Regulatory Technical Standards. JPMAM continues to monitor these developments.

[15] Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (Shareholder Rights Directive II).

JPMAM Investment Stewardship program

JPMAME utilizes the JPMAM Investment Stewardship program. DIM's engagement with investee companies is in part initially determined by the identification of the most significant PAIs and is designed to promote a better understanding of the issues they face and encourage them to adopt robust operational and strategic practices, with the goal of addressing financially material PAIs and improving risk-adjusted financial returns which will indirectly contribute to our wider approach to PAIs. As long-term investors, many of JPMAMs engagements with investee companies may cover months or, in some cases, several years.

DIMs use an Enhanced Engagement Program which is intended to be consistent with expectations of JPMAM's global investment teams across asset classes, and of JPMAME's as well as market developments, to help mitigate the most significant financially material PAIs and promote long-term shareholder value at investee companies.

The three key pillars of the enhanced engagement program are:

I. **Focus List** companies where JPMAM have meaningful exposure and research has identified financially material ESG risks and opportunities:

II. **Thematic Projects** where engagements are targeted to align with specific themes with JPMAM Investment Stewardship priorities; and

III. **Reactive Engagements** where JPMAM may engage if ESG issues arise as a result of controversies or matters arising from proxy voting processes. Reactive engagement also includes regulatory-driven engagement, which includes engagement activities which address PAIs – as referenced above.

Proxy Voting

Within the JPMAM group, the Investment Stewardship team manage the voting rights of the shares entrusted to JPMAM in the same way as we would manage any other asset. JPMAM has comprehensive proxy voting guidelines and procedures which are designed to support voting in the best long-term interests of clients. JPMAM also has proxy voting guidelines in each region, covering North America; Europe, the Middle East, Africa, Central America and South America; Asia ex-Japan; and Japan. These guidelines can be found on the sustainable investing section of the JPMAM website and further information may be found in the JPMAM External Policy on Engagement and Proxy Voting.

Please refer to the JPMAM Investment Stewardship Report for more information.

References to international standards

Overview

JPMAM is a signatory to, or cognizant of, a number of responsible business codes of conduct and internationally recognised standards. Some of these are linked to addressing PAIs. Outlined below are the key collaborations. Some of these groups speak to overarching approaches to sustainable investing, which are relevant to principle adverse impacts in terms of ambition and disclosure, while others relate to specific PAIs.

As part of JPMAM's understanding of being a responsible investor, it also engages with regulators, governments, standard-setters and non-governmental organisations on matters that may affect investee companies.

UN Global Compact

The United Nations Global Compact (UNGC) is a nonbinding voluntary initiative encouraging businesses to adopt policies and practices to meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. JPMAM uses third party research to identify companies that may be in breach of the UNGC. As referenced above, this data informs exclusion lists for funds identified as being aligned to Article 8 or 9 of SFDR and may serve as the basis of JPMAM's reactive engagements.

Principles for Responsible Investment (PRI)

JPMAM has been a signatory to the United Nations supported Principles for Responsible Investment (PRI)[16] since 2007. Over time, JPMAM has developed, implemented and enhanced the standards and processes it uses to evidence, implement and monitor ESG integration, which, where possible and appropriate, may also be used to guide and inform on adverse impacts on sustainability factors.

Forward-looking climate scenarios

JPMAM continues to develop its climate scenario modelling capabilities. It is conducting an assessment of the metrics and methodologies provided by a variety of vendors to ascertain appropriate data sources and providers.

Historical comparison

Overview

This statement on PAI on sustainability factors covers the reference period 1 January 2024 to 31 December 2024. A historical comparison is also made with the previous reporting year of 1 January 2023 to 31 December 2023. However, the year on year data is not directly comparable due to a change of data vendor for all but three PAIs as previous described.

[16] The PRI survey includes modules that solicit information from signatories, including J.P. Morgan Asset Management, on topics including an overall Investment Stewardship & Policy module and a number of modules covering individual asset classes, such as Listed Equity, Fixed Income and Infrastructure. Information is self-reported by signatories, including J.P. Morgan Asset Management, and was not audited by any party, including J.P. Morgan Asset Management, independent public accounting firms or PRI.

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