

No consideration of adverse impacts of investment decisions on sustainability factors

NRP Anaxo Management AS (NAXM)

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Principal adverse impacts (PAI) of investment decisions on sustainability factors

It is a criterion for an economic activity to be deemed environmental or sustainable that it fulfills one or more of the Taxonomy's six environmental goals, at the same time as it does not cause any principal adverse impacts to the other six goals.

PAI is only applicable for the share of a Fund's investments that are deemed sustainable according to SFDR article 2 nr. 17 or according to EUs criteria for environmentally sustainable investments (the Taxonomy). The rest of the Fund's investments does not take the Taxonomy into consideration.

NAXM does not currently consider principal adverse impacts of investment decisions on sustainability factors within the meaning of SFDR. This is due to, inter alia, the regulatory uncertainty related to the regulatory technical standards supplementing SFDR. Consideration of PAIs within the meaning of SFDR will require collecting, measuring, validating, and reporting correct and precise data on a number of mandatory sustainability indicators, whereas this information may not be readily available. NAXM will on an ongoing basis reassess its position on whether to consider principal adverse impacts on sustainability factors within the meaning of SFDR, based on the availability of relevant data from the portfolio investments.

On a general level, NAXM has identified several methods to include sustainability risk in the investment process to minimise risk of principal adverse impact, such as negative screening and quality checks related to ESG-matters of the portfolio companies. This enables NAXM make an informed decision on the sustainability risks before a potential investment as well as monitoring sustainability risk in the companies currently in the portfolio of the Fund managed by NAXM. The Fund consider PAIs on the environmental and social characteristics promoted by the Fund.

For more information, please see the SFDR disclosure for NRP Anaxo Management AS on our website.

Version history of this document

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