

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

## Summary

J & E Davy Unlimited Company, LEI Code 63540061DPCBNMCGRY22 provides wealth management and investment banking services from five locations across Ireland and the UK. The scope of this statement relates to our investment activities within wealth management in Ireland, covering advisory and discretionary services to retail and institutional clients. The statement includes mandatory as well as additional voluntary principal adverse impacts (PAIs) for 2025. Davy is committed to responsible investing, with our approach to the embedding of Environment, Social and Governance (ESG) factors in our discretionary investment processes described in our responsible investment policy. We are a signatory of the UNPRI, and a party to a number of related collaborative engagements, a signatory to the UN Global Compact and have offered responsible investment solutions to our clients for more than a decade. We are now investing in an expansion of our advisory responsible investment solutions, as well as raising client and public awareness of the availability of our discretionary offering via dedicated marketing campaign. Simultaneously, we are working with partners to develop a more granular understanding of the factors underpinning ESG performance of our discretionary as well as our advisory portfolios to support our decision making.

The report which follows shows notable improvements in certain aspects of our primary indicators, specifically the GHG intensity of our underlying investments. These improvements have been driven substantially by our advisory portfolios. We do not have access to market-wide data to test our relative performance but will supplement our report once available. Against this, and reflecting changes in the composition of our advisory portfolios, the GHG intensity of our investee companies decreased through 2025.

A significant number of the additional metrics of note recorded an MSCI methodology change in 2025, reducing direct comparability with 2024, or have a reporting coverage so low as to impair reliability. We endeavour across the piece to provide an explanation on the underlying cause of the year-on-year change, split appropriately across advisory and discretionary, and describe actions which we are taking to make positive change. As additional information becomes available, we will update this statement appropriately.

## Adverse Impact Indicators

EU Sustainable Finance Disclosure Regulation (EU SFDR) aims to assist investors in making informed decisions about the sustainability characteristics of their investments. With this aim in mind, the Regulation seeks to standardise sustainability disclosures made by Financial Market Participants (FMPs) and Financial Advisers.

## Mandatory Principal Adverse Impact Indicators (PAIs)

“In line with EU SFDR, 18 mandatory PAIs are disclosed to provide investors with a comprehensive understanding of the potential adverse impacts that our investment decisions may have on the environment, society, and good governance. These indicators relate to 3 areas – Companies, Sovereigns, and Real Estate Assets.

The EU SFDR requires assessment and consideration of 18 mandatory indicators under the headings of Environmental and Social. A component of these disclosures will consider how J & E Davy assesses potential adverse impacts of its investment decisions and financial advice on the environment and social factors.”

Table 1

Indicators applicable to investments in investee companies

| Adverse sustainability indicator                        | Metric           | Impact year 2025      | Impact year 2024 | Coverage* year 2025 | Explanation | Actions taken, and actions planned and targets set for the next reference period  |
|---|------------------|-----------------------|------------------|---------------------|-------------|---|
| <b>Climate and other environment-related indicators</b> |                  |                       |                  |                     |             |   |
| Greenhouse gas emissions                                | 1. GHG emissions | Scope 1 GHG emissions | 412,436.65 tCO2e | 388,575.31 tCO2e    | 92.51%      | <p>Davy's Responsible Investment (RI) Policy defines our approach to integrating ESG considerations into investment research and portfolio construction across assets managed by the Davy Private Clients investment team. As a signatory to the United Nations-supported Principles for Responsible Investment (PRI) and a regulated financial market participant within the European Union, our approach continues to evolve in line with regulatory expectations and industry best practice. A core element of our RI framework is engagement. Given that the majority of client assets are invested via third-party funds, Davy applies a two-pronged engagement approach consisting of:</p> <ul style="list-style-type: none"> <li>▪ Collaborative engagement, and</li> <li>▪ Manager-level engagement</li> </ul> <p>Manager-level engagement remains a key mechanism through which we influence outcomes. We actively engage with external investment managers to enhance transparency, strengthen ESG integration, and ensure alignment with Davy's Responsible Investment Policy, including adherence to PRI principles and the UN Global Compact (UNGC). This includes ongoing dialogue on material sustainability issues such as climate change and human rights.</p> <p>Davy has formalised its engagement policy with external managers and expanded its participation in collaborative initiatives. Key actions include:</p> <ul style="list-style-type: none"> <li>▪ Endorsing Advance, a PRI-led initiative focused on human rights and social issues</li> <li>▪ Participating in a global investor letter ahead of COP29, alongside over 650 financial institutions representing more than \$33 trillion in assets, calling for urgent climate action</li> </ul> <p>Davy will continue to leverage these initiatives to guide engagement priorities and inform discussions with investment managers, particularly where direct company engagement is not feasible. From a portfolio construction perspective, Davy's RI solutions continue to demonstrate lower exposure to Principal Adverse Impact indicators (PAIs 1-4) compared to non-RI solutions. This is primarily achieved through the selection of third-party funds with stronger sustainability characteristics and robust ESG integration practices across asset classes.</p> <p>Looking ahead, Davy has committed to strengthening its approach to PAI monitoring and integration. Planned actions include:</p> <ul style="list-style-type: none"> <li>▪ Expanding PAI monitoring beyond the Social Focus Strategy (currently reviewed monthly by the Responsible Investment Committee) to additional discretionary portfolios and investment committees, particularly within multi-asset strategies</li> <li>▪ Enhancing data quality and coverage, through continued monitoring of evolving PAI data and engagement with data providers and external managers</li> <li>▪ Embedding PAI considerations more systematically across the investment framework, including fund selection, due diligence, and ongoing oversight processes</li> <li>▪ Developing action plans for individual PAI indicators, guided by the Davy Sustainability Executive Committee, the Investment Governance Committee, and the Investment Team</li> <li>▪ Davy will continue to refine its sustainability strategy as data availability and regulatory guidance evolve, with the objective of improving transparency, strengthening ESG integration, and reducing adverse sustainability impacts across client portfolios.</li> </ul> <p>Coverage of GHG emissions has improved year-on-year, increasing to 92.5% in 2025 from 91.5% in 2024.</p> <p>Several factors contributed to changes in greenhouse gas emissions over the reference period. Notably, the growth in Davy's assets under management resulted in higher reported GHG emissions under PAI 1 and PAI 2 metrics. The increase in Scope 1 and Scope 2 emissions was primarily driven by the Advisory book, while the Discretionary book recorded a reduction of approximately 2% in 2025.</p> <p>The most significant rise in total GHG emissions was observed in Scope 3, which reflects estimated emissions across companies' value chains. This increase was evident across both Advisory and Discretionary books and was influenced not only by improved data availability but also by changes in asset allocation.</p> <p>Despite these trends, our Responsible Investing (RI) solution continues to demonstrate a lower impact across these principal adverse indicators (PAIs) compared to non-RI solutions. This is largely attributable to its use of third-party funds with more robust sustainability criteria.</p> |

Table 1

## Climate and other environment-related indicators

|                          |   |   |  |  |           |  |           |
|--------------------------|---|---|--|--|-----------|--|-----------|
|                          | Scope 2 GHG emissions                                       | 66,777.18 tCO <sub>2</sub> e  | 61,962.86 tCO <sub>2</sub> e           | 92.52%                                 | See above | See above  |           |
|                          | Scope 3 GHG emissions                                       | 3,141,766.59 tCO <sub>2</sub> e   | 2,816,275.21 tCO <sub>2</sub> e        | 92.52%                                 | See above | See above  |           |
|                          | Total GHG emissions   | 3,634,175.48 tCO <sub>2</sub> e   | 3,234,278.13 tCO <sub>2</sub> e        | 92.47%                                 | See above | See above  |           |
| Greenhouse gas emissions | 2. Carbon footprint   | Carbon footprint  | 350.56 tCO <sub>2</sub> e/€mn invested | 355.57 tCO <sub>2</sub> e/€mn invested | 92.47%    | <p>Coverage has improved for carbon footprint metric year on year, 92.5% in 2025 vs 91.5% in 2024.</p> <p>The Carbon Footprint as measured by the total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio have fallen, as displayed.</p> <p>The increased level of coverage and changes in assets under management &amp; asset allocation have contributed to the decrease in this metric.</p>  | See above |
|                          | 3. GHG intensity of investee companies                      | GHG intensity of investee companies   | 730.31 tCO <sub>2</sub> e/€mn sale     | 767.38 tCO <sub>2</sub> e/€mn sale     | 93.67%    | <p>Coverage has improved for carbon footprint metric year on year, 92.5% in 2025 vs 91.5% in 2024.</p> <p>The Carbon Footprint as measured by the total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio have fallen, as displayed.</p> <p>The increased level of coverage and changes in assets under management &amp; asset allocation have contributed to the decrease in this metric.</p>  | See above |
|                          | 4. Exposure to companies active in the fossil fuel sector   | Share of investments in companies active in the fossil fuel sector  | 5.57%                                  | 6.11%                                  | 93.29%    | <p>Coverage for exposure to companies active in the fossil fuel sector has remained broadly stable at approximately 93%, in line with previous years.</p> <p>Changes in assets under management and asset allocation have contributed to an overall decrease in this metric. This reduction was driven by the Advisory book, while the Discretionary book experienced a slight increase in exposure over the period.</p>   | See above |
|                          | 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 | 57.37%                                 | 58.50%                                 | 76.71%    | <p>Coverage of the share of non-renewable energy consumption and production metric has improved marginally year-on-year. The combination of increased data coverage, along with changes in assets under management and asset allocation, has contributed to an overall decrease in this metric.</p> <p>A particularly notable improvement was observed within the Credit Union asset universe, which was a key driver of the positive trend during the period.</p> | See above |

Table 1

## Climate and other environment-related indicators

| Greenhouse gas emissions | 6. Energy consumption intensity per high impact climate sector | NACE Code  | 2022 | 2021 | Change (%) | Notes  |           |
|--------------------------|--|--|------|------|------------|--|-----------|
|                          |  |  |      |      |            | 2022   | 2021      |
|                          |  | NACE Code A (Agriculture, Forestry and Fishing)                                    | 0.58 | 0.54 | 77.21%     | <p>Coverage for Energy Consumption intensity per high impact climate sector has decreased year on year.</p> <p>The indicators related to NACE Code C (Manufacturing), NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply), NACE Code E (Water Supply; Sewage, Waste Management and Remediation Activities), NACE Code F (Construction) and NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles) have improved year on year.</p> <p>Whilst the indicators related, NACE Code A (Agriculture, Forestry and Fishing), NACE Code B (Mining and Quarrying), NACE Code H (Transportation and Storage) and NACE Code L (Real Estate Activities) have increased year on year.</p> <p>Changes in asset under management and asset allocation have contributed to the changes across these indicators.</p> | See above |
|                          |  | NACE Code B (Mining and Quarrying)   | 1.36 | 1.02 | 77.21%     | See above  | See above |
|                          |  | NACE Code C (Manufacturing)  | 0.54 | 1.17 | 77.21%     | See above  | See above |
|                          |  | NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply)                  | 2.26 | 3.07 | 77.21%     | See above  | See above |
|                          |  | NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities)  | 0.59 | 1.10 | 77.21%     | See above  | See above |
|                          |  | NACE Code F (Construction)   | 0.06 | 0.12 | 77.21%     | See above  | See above |
|                          |  | NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles) | 0.15 | 0.19 | 77.21%     | See above  | See above |
|                          |  | NACE Code H (Transportation and Storage)   | 3.57 | 3.40 | 77.21%     | See above  | See above |
|                          |  | NACE Code L (Real Estate Activities)   | 0.53 | 0.24 | 77.21%     | See above  | See above |

**Table 1**

**Climate and other environment-related indicators**

|              |   |  |       |       |        |   |           |
|--------------|---|--|-------|-------|--------|---|-----------|
| 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 | 9.07% | 7.57% | 93.22% | Coverage has remained largely unchanged year-on-year at approximately 93%. Overall exposure has increased during the period, with both the Advisory and Discretionary books contributing to this upward movement. | See above |
| Water        | 8. Emissions to water   | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average   | 0.15  | 0.14  | 4.12%  | Coverage for the emissions to water indicator remains limited, at approximately 4%, which is insufficient to enable a robust or reliable assessment of this metric.   | See above |
| 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  | 4.27  | 6.05  | 31.33% | Coverage for the hazardous and radioactive waste ratio remains relatively low, at 31%, which limits the ability to conduct a comprehensive and reliable assessment of this metric.                                | See above |

Table 1

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

|                                    |   |   |              |              |               |  |  |
|------------------------------------|---|---|--------------|--------------|---------------|--|--|
| <p>Social and employee matters</p> | <p>10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</p> | <p>Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</p> | <p>0.07%</p> | <p>0.06%</p> | <p>93.25%</p> | <p>Coverage remains broadly similar to previous years, 93.3%</p> <p>The exposure to share of investments in investee companies that have been involved in violations of UNGC principles or OECD Guidelines for Multinational Enterprises has marginally risen during 2025 from 0.06% to 0.07%</p> <p>Factors including, changes in asset under management and asset allocation have contributed to the decrease in this metric</p> | <p>Davy's Responsible Investment (RI) Policy defines our approach to integrating ESG considerations into investment research and portfolio construction across assets managed by the Davy Private Clients investment team. As a signatory to the United Nations-supported Principles for Responsible Investment (PRI) and a regulated financial market participant within the European Union, our approach continues to evolve in line with regulatory expectations and industry best practice. A core element of our RI framework is engagement. Given that the majority of client assets are invested via third-party funds, Davy applies a two-pronged engagement approach consisting of:</p> <ul style="list-style-type: none"> <li>▪ Collaborative engagement, and</li> <li>▪ Manager-level engagement</li> </ul> <p>Manager-level engagement remains a key mechanism through which we influence outcomes. We actively engage with external investment managers to enhance transparency, strengthen ESG integration, and ensure alignment with Davy's Responsible Investment Policy, including adherence to PRI principles and the UN Global Compact (UNGC). This includes ongoing dialogue on material sustainability issues such as climate change and human rights. Davy has formalised its engagement policy with external managers and expanded its participation in collaborative initiatives. Key actions include:</p> <ul style="list-style-type: none"> <li>▪ Endorsing Advance, a PRI-led initiative focused on human rights and social issues</li> <li>▪ Participating in a global investor letter ahead of COP29, alongside over 650 financial institutions representing more than \$33 trillion in assets, calling for urgent climate action</li> </ul> <p>Davy will continue to leverage these initiatives to guide engagement priorities and inform discussions with investment managers, particularly where direct company engagement is not feasible. From a portfolio construction perspective, Davy's RI solutions continue to demonstrate lower exposure to Principal Adverse Impact indicators (PAIs 1-4) compared to non-RI solutions. This is primarily achieved through the selection of third-party funds with stronger sustainability characteristics and robust ESG integration practices across asset classes. Looking ahead, Davy has committed to strengthening its approach to PAI monitoring and integration. Planned actions include:</p> <ul style="list-style-type: none"> <li>▪ Expanding PAI monitoring beyond the Social Focus Strategy (currently reviewed monthly by the Responsible Investment Committee) to additional discretionary portfolios and investment committees, particularly within multi-asset strategies</li> <li>▪ Enhancing data quality and coverage, through continued monitoring of evolving PAI data and engagement with data providers and external managers</li> <li>▪ Embedding PAI considerations more systematically across the investment framework, including fund selection, due diligence, and ongoing oversight processes</li> <li>▪ Developing action plans for individual PAI indicators, guided by the Davy Sustainability Executive Committee, the Investment Governance Committee, and the Investment Team</li> <li>▪ Davy will continue to refine its sustainability strategy as data availability and regulatory guidance evolve, with the objective of improving transparency, strengthening ESG integration, and reducing adverse sustainability impacts across client portfolios.</li> </ul> |
|------------------------------------|---|---|--------------|--------------|---------------|--|--|

Table 1

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

|  |   |   |       |       |        |   |           |
|--|---|---|-------|-------|--------|---|-----------|
|  | 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance / complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 0.61% | 1.03% | 93.30% | <p>Coverage remains broadly consistent with previous years, at approximately 93%.</p> <p>Exposure to investments in companies lacking policies to monitor compliance with the UN Global Compact (UNGC) principles or OECD Guidelines for Multinational Enterprises, or lacking grievance and complaints mechanisms to address potential breaches, has decreased significantly by approximately 41% overall. This improvement was observed across both the Advisory and Discretionary books.</p> | See above |
|--|---|---|-------|-------|--------|---|-----------|

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

|                             |  |   |        |        |        |  |           |
|-----------------------------|--|---|--------|--------|--------|--|-----------|
| Social and employee matters | 12. Unadjusted gender pay gap  | Average unadjusted gender pay gap of investee companies   | 19.72% | 18.26% | 55.06% | <p>Coverage has improved significantly year-on-year, rising to 55.1% in 2025 from 34.3% in 2024. This increased coverage has contributed to a higher reported exposure to the average unadjusted gender pay gap among investee companies. However, despite this improvement, overall coverage remains relatively low at 55%, which limits the ability to conduct a fully robust and comprehensive assessment of this metric.</p> | See above |
|                             | 13. Board gender diversity   | Average ratio of female to male board members in investee companies, expressed as a percentage of all board members | 38.38% | 37.37% | 91.74% | <p>The coverage on the average ratio of female to male board members in investee companies, expressed as a percentage of all board members has broadly remained similar year on year 91.7% (92.3% in 2025). The metric remains broadly static year on year, 38.4% in 2025 vs 37.4% in 2024</p>   | See above |
| Social and employee matters | 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          | 0.09%  | 0.05%  | 93.31% | <p>The coverage for share of investments in investee companies involved in the manufacture or selling of controversial weapons broadly remains similar to previous years, 93.3%.</p> <p>Exposure across both our Advisory and Discretionary books has risen to 0.09% from 0.05% in 2025. Changes in assets under management &amp; asset allocation have contributed to the increase in this metric.</p>                          | See above |

Table 1

Indicators applicable to investments in sovereigns and supranationals

|               |   |  |                                       |                                       |        |   |           |
|---------------|---|--|---------------------------------------|---------------------------------------|--------|---|-----------|
| Environmental | 15. GHG Intensity                                   | GHG intensity of investee countries  | 182.91 tCO <sub>2</sub> e / EUR M GDP | 190.41 tCO <sub>2</sub> e / EUR M GDP | 87.54% | Coverage for the GHG intensity of investee countries (in sovereigns and supranationals) is broadly similar to previous years.<br><br>We have experienced an improvement across both our advisory & discretionary books. Changes in assets under management & asset allocation have contributed to the decrease in this metric.  | See above |
| Social        | 16. Investee countries subject to social violations | Number of investee countries subject to social violations (absolute number), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law                                   | 5                                     | 7                                     | 86.75% | China is a sovereign issuer that currently features on the list of European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports. It represents a significant portion of Global Aggregate fixed income, as a result global fixed income exposures will likely have China exposure. This exposure drives the majority of 5.3% shown in the 2025 indicator. Other country exposures are significantly smaller and are predominantly driven by instruments held in our Advisory book. Changes in assets under management and asset allocation have contributed to the increase in this metric. | See above |
|               |   | Number of investee countries subject to social violations (relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law | 5.26%                                 | 8.09%                                 | 86.75% | See above   | See above |

Indicators applicable to investments in real estate assets

|                   |   |  |     |     |   |  |   |
|-------------------|---|--|-----|-----|---|--|---|
| Fossil fuels      | 17. Exposure to fossil fuels through real estate assets | Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels | N/A | N/A | - | Not currently available from 3rd party data provider | - |
| Energy efficiency | 18. Exposure to energy-inefficient real estate assets   | Share of investments in energy-inefficient real estate assets  | N/A | N/A | - | Not currently available from 3rd party data provider | - |

\*The coverage in year 2025 column in this statement shows the extent of the financial instrument-level data actually used by MSCI in MSCI's calculation of each PAI metric for 2025

# Other indicators for principal adverse impacts on sustainability factors

In addition to the mandatory PAIs, entities must report on at least 1 additional indicator related to principal adverse impacts on climate or environmental related sustainability factors and at least 1 additional indicator related to principal adverse impacts on a social, employee, human rights, anti-corruption or anti-bribery sustainability factor.

Davy has selected one emissions focused additional climate indicator, **Investments in companies without carbon emission reduction initiatives** (Table 2, Indicator 4) and one anti-corruption and anti-bribery focused additional indicator, **Investments in entities lacking anti-corruption and anti-bribery policies** (Table 3, Indicator 15).

| Table 2  |   |   |                  |                  |                     |  |  |
|--|---|---|------------------|------------------|---------------------|--|--|
| Indicators applicable to investments in investee companies |   |   |                  |                  |                     |  |  |
| Adverse sustainability indicator                           | Adverse impact on sustainability factors (qualitative or quantitative)    | Metric  | Impact year 2025 | Impact year 2024 | Coverage* year 2025 | Explanation  | Actions taken, and actions planned and targets set for the next reference period |
| Climate and other environment-related indicators           |   |   |                  |                  |                     |  |  |
| 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 | 39.47%           | 40.93%           | 92.62%              | Coverage for the share of investments in investee companies without carbon emission reduction initiatives aligned with the Paris Agreement has remained broadly stable at approximately 93%. Overall, this metric has decreased by approximately 4%, reflecting an improvement across both the Advisory and Discretionary books. | See above  |

\*The coverage in year 2025 column in this statement shows the extent of the financial instrument-level data actually used by MSCI in MSCI's calculation of each PAI metric for 2025.

| Table 3  |  |  |                  |                  |                     |   |  |
|--|--|--|------------------|------------------|---------------------|---|--|
| Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters |  |  |                  |                  |                     |   |  |
| Adverse sustainability indicator   | Adverse impact on sustainability factors (qualitative or quantitative) | Metric   | Impact year 2025 | Impact year 2024 | Coverage* year 2025 | Explanation   | Actions taken, and actions planned and targets set for the next reference period |
| Indicators applicable to investments in investee companies   |  |  |                  |                  |                     |   |  |
| Anti-corruption and anti-bribery   | 15. Lack of anti-corruption and anti-bribery policies                  | Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption | 0.91%            | 2.18%            | 93.24%              | Coverage has remained broadly consistent year-on-year at approximately 93%. Exposure to entities without policies on anti-corruption and anti-bribery, aligned with the United Nations Convention against Corruption, has decreased significantly by approximately 58%. This improvement was observed across both the Advisory and Discretionary books. | See above  |

\*The coverage in year 2025 column in this statement shows the extent of the financial instrument-level data actually used by MSCI in MSCI's calculation of each PAI metric for 2025.

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

The EU defines a Principal Adverse Impact (PAI) as follows: “Negative, material or likely to be material effects on sustainability factors that are caused, compounded by or directly linked to investment decisions and advice performed by the legal entity.”

Principal Adverse Indicators are identified and assessed at an investment solution level by our Portfolio Management Group. The Investment Selection Team perform initial and ongoing due diligence of third-party investment managers and a key part of this process is gaining an understanding of how prospective and existing managers consider Environmental, Social and Governance (ESG) and sustainability factors in their investment process.

Davy Private Clients’ methods of identifying adverse impact is based upon a broad set of data taken from multiple providers including MSCI ESG Research, MSCI Index Data, Bloomberg and Style Analytics, in addition to data and reports provided by third party investment managers.

While the available dataset is extensive, it is important to note that ESG and Sustainability data is an evolving area. Data sources will be reviewed on an ongoing basis to ensure the best quality data is integrated into the investment process. Where data is missing or unavailable, Davy Private Clients may make use of assumptions and estimated data. Finally, the European ESG Template (EET) provides an additional source of adverse impacts data. Davy Private Clients will develop an approach to assessing differences in reported data points from multiple sources as the availability of EET data increases.

The dataset is available to the investment team, allowing for an assessment of the indicators to be applied across Davy Private Clients’ product range, providing a source of additional information when making investment decisions. The PAIs will be considered and assessed in non responsible investment approach products but may not be a deciding factor in investment decision making or in the provision of financial advice.

The prioritisation of Principal Adverse Impacts is currently dictated by the investment product’s objective and ESG priorities, consistent with the SFDR framework.

## Engagement policies

Davy Private Clients, as part of its investment manager due diligence process, engages with its third-party investment managers on many issues, including sustainability. As Davy’s investment approach employs a multi-manager approach most of our clients’ holdings are held via funds. We assess the funds and instruments we invest in and work out an engagement plan to interact on key initiatives that are a focus for Davy. In addition to engaging with investment managers; we will engage with industry and policymakers via collaborative engagement to further advocate for responsible investment. In addition, Davy engages directly with companies it invests in on behalf of Discretionary clients, consistent with the requirements of the revised Shareholder Rights Directive (SRD II). Further details can be found in the Shareholder Engagement Policy published on Davy’s website.

## References to international standards

J&E Davy conducts its business in a manner compliant with all applicable legislation and endorses and adheres to internationally recognised due diligence and reporting standards such as:

- United Nations Principles of Responsible Investing
- United Nations Sustainable Development Goals
- United Nations Global Compact

## Historical comparison

The tables above display the Principal Adverse Impact Indicators from the 2024 reporting period (1st January 2024 to 31st December 2024) and the 2025 reporting period (1st January 2025 to 31st December 2025). Details related to changes in Principal Adverse Impact Indicators from one reporting period to the next have been provided in the explanation columns in the tables above.

## **Additional disclosures**

### **Description of AUM universe**

This PAI statement covers Davy Private Clients (Advisory & Discretionary assets), Davy Credit Unions (Advisory & Discretionary assets).

Our data provider has increased its coverage of the Davy AUM universe for the 2025 reporting period. Assets lacking sufficient sustainability data have been excluded from this statement, examples include Private Equity, Structured Products and Direct Property.

Assets falling under Execution Only service are also excluded from this statement as Davy does not exercise any influence over investment decision making.

### **Statement methodology and limitations**

J & E Davy Unlimited Company have prepared this statement in conjunction with MSCI ESG Research. MSCI is a provider of ESG data to the financial services industry.

As of June 2024, MSCI's EU SFDR Dataset covered Mandatory and Additional PAIs for over 12,000 issuers, approximately 53,000 equity and fixed income funds. In addition, 6,000 indices are also covered.

The dataset is designed to help financial market participants consider sustainability as part of their financial decision making and the principal adverse impacts of their investments.

The statement output is subject to MSCI ESG Research calculation and estimation methodologies and limitations of available data. Davy's assessment of Principal Adverse Impact Indicator metrics is confined to those metrics with a sufficient level of coverage.

**Dublin Office**

Davy House  
49 Dawson Street  
Dublin 2  
D02 PY05  
Ireland

+353 1 679 7788  
dublin@davy.ie

**Belfast Office**

Donegall House  
7 Donegall Square North  
Belfast BT1 5GB  
Northern Ireland

+44 28 90 310 655  
belfast@davy.ie

**Cork Office**

Hibernian House  
80A South Mall  
Cork  
T12 ACR7  
Ireland

+353 21 425 1420  
cork@davy.ie

**Galway Office**

1 Dockgate  
Dock Road  
Galway  
H91 K205  
Ireland

+353 91 530 520  
galway@davy.ie

**London Office**

45 Gresham St,  
London EC2V 7EH  
United Kingdom

+44 207 448 8870  
london@davy.ie

[www.davy.ie](http://www.davy.ie)