# Supplementary Responsible Investment Information

Article 10 – SFDR Website Disclosure

## CT (Lux) Responsible Global Equity

April 2025[1]

[1] First published September 2023

# Summary

The Responsible Global Equity Fund promotes environmental and social characteristics, but does not have as its objective sustainable investment.

The fund promotes environmental and social characteristics by incorporating an “Avoid, Invest, Improve” philosophy in the investment policy. We apply a set of exclusion criteria to avoid investment in companies with socially or environmentally damaging products or services, or unsustainable business or governance practices. We invest in companies providing sustainable products and services and/or companies making a positive contribution to society or the environment. We engage with companies on significant ESG issues most relevant to their business to reduce risk, to support long-term returns, and to encourage better management of sustainability issues. An independent Responsible Investment Advisory Council (RIAC) provides ongoing oversight and advice.

Although the fund does not have a sustainable investment objective it will hold a minimum proportion of 67.5% of sustainable investments with an environmental objective and/or a social objective. However, these investments do not qualify as environmentally sustainable under the EU Taxonomy Regulation. We can demonstrate that the sustainable investments made by the fund do not significantly harm other sustainable investment objectives in three ways:

1) The fund excludes investments that are contrary to the goals of making positive contributions to the environment and/or society.

2) Sustainability risks and Environmental, Social and Governance (ESG) factors are considered throughout the investment cycle, to reduce the risks of significant harm. Where there are companies with material ESG issues that we don’t deem to be significantly harmful we will engage with them to improve their ESG practices.

3) Investments which are reported as sustainable have been assessed to ensure they do not significantly harm (DNSH) sustainability objectives using an in-house, data driven model and investment team due diligence.

We conduct pre and post-investment good governance assessments on all companies. We employ stringent criteria to determine the eligibility of investee companies’ good governance practices. We use proprietary ESG scores to assess performance on corporate governance, corporate behaviour, and human capital development. Companies scoring in the lowest segment of ESG scores will not be invested in, unless mitigating factors exist. We also monitor holdings using governance risk flags, which identify governance failures or risks which should be addressed by further research, voting or engagement where relevant. Qualitative reviews assessing the good governance practices of a company will similarly take place where data is limited.

The fund invests in an actively managed global equities portfolio. All investments, with the exception of ancillary assets, are subject to the exclusion criteria and may include assets that demonstrate the potential for a positive contribution to the environment and/or society. The fund will hold a minimum proportion of 67.5% in sustainable investments. The minimum proportion of investments held in the fund used to promote environmental or social characteristics is 90%. Other investments include ancillary liquid assets, money market instruments and hedging assets. Derivatives are permitted within the fund in order to assist with managing interest rate fluctuations or currency exposure. They are not used for the purposes of attaining the environmental or social characteristics but ESG criteria are considered when assessing counterparties.

Monitoring of our funds is a crucial part of our investment activities. It is performed at several stages during the investment process, by the investment teams and by independent oversight groups to ensure that the investment managers are adhering to their philosophy and process and that every fund is managed within its stated investment objectives and adheres to any investment restrictions.

To ensure companies held in the Responsible Fund range continue to meet our criteria, the Responsible Investment team conducts ongoing monitoring of all held companies. Each quarter the

Responsible Investment team reviews: any changes in companies' exposure to certain products, e.g. tobacco; any involvement in recent controversies that might indicate poor ESG practices; and any merger and acquisition activity. Furthermore, held companies are monitored quarterly for new or ongoing UN Global Compact breaches. If a genuine breach is identified, the company/security in question is re-rated as "Unacceptable" for the Responsible Fund range and must be sold.

With regard to the Responsible Fund range, if a security is approved for investment by the Responsible Investment team, the Investment Mandate Control team is notified. Approved companies are coded into the portfolio oder management system to prevent the Fund Managers/Investment Analysts from inadvertently investing in companies/securities which do not meet the Responsible Fund range's criteria. The Investment Mandate Control team ensures the fund invests only in companies which have been approved by the Responsible Investment team and conducts daily checks.

We use a combination of external and internal research and data to support the strategy. We have a data quality framework which includes validation checks, governance on models and change process with appropriate controls. The environmental and social characteristics are not limited by data limitations as we aim to supplement external data through the use of additional data providers and internal research and due diligence on a best endeavours basis. We assess data providers based on coverage, quality of their methodology, and data quality checks.

Engagement with companies is an important part of our ESG investment strategy. Our primary driver for engagement is to have constructive dialogue with companies to support long-term investment returns by mitigating risk, capitalising on opportunities linked to ESG factors, and reducing any material negative impact that our investment decisions could have on these factors. We believe that we can play a part in building a more sustainable and resilient global economy by encouraging companies to improve their ESG practices.

The fund does not have a designated reference benchmark that is used to measure whether it attains the environmental and/or social characteristics that the fund promotes.

# No sustainable investment objective

The fund promotes environmental and socialcharacteristics, but does not have as its objective a sustainable investment.

Although the fund does not have a sustainable investment objective it will hold a minimum of 67.5% in sustainable investments with an environmental and/or with a social objective. However, these investments do not qualify as environmentally sustainable under the EU Taxonomy.

We can demonstrate that the sustainable investments made by the fund do not significantly harm other sustainable investment objectives in three ways:

1. The fund excludes investments that are contrary to the goals of making positive contributions to the environment and/or society, for example, tobacco and weapons, and United Nations Global Compact breaches.
2. Sustainability Risks and ESG factors are considered throughout the investment cycle, to reduce the risks of significant harm. Where we identify companies with material ESG issues that we don't deem to be significantly harmful we will engage with them to improve their ESG practices.
3. Investments which are reported as sustainable have been assessed to ensure they do not significantly harm (DNSH) sustainability objectives using an in-house data driven model and investment team due diligence.

The model determines harm by comparing metrics against adverse impact indicators (known as Principle Adverse Indicators). Issuers which fall below a certain threshold are flagged as potentially harmful. We then consider the materiality of the harm, whether harm has or is occurring, and whether any remedial activities are underway to address the harm. Where data is not available we endeavour to satisfy that no significant harm has taken place through desk-based research or company engagement.

We monitor the investments in the fund every quarter, and any investment that no longer qualifies as a Sustainable Investment will no longer be counted in the proportion of sustainable investments held in the fund.

Our approach also takes account of international standards and principles as set out in OECD guidelines for multinational enterprises and the UN guiding principles on business and human rights, including:

- the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles;
- and Rights at Work and the International Bill of Human Rights.

We align to these guidelines through a combination of fund level exclusions and engagement with companies.

# Environmental or social characteristics of the financial product

The fund promotes environmental or social characteristics by:

- **Avoiding companies with environmentally or socially damaging products, or unsustainable business or governance practices** - Our Responsible Investment team reviews every company considered for inclusion in the fund against exclusion criteria. As a result, companies with environmentally or socially damaging products, or unsustainable business or governance practices, and companies which breach international standards and principles, including the UN Global Compact will be excluded.

- **Investing in companies that make a positive contribution to society and/or the environment** - we seek to invest in companies aligned to sustainability themes which have an environmental or social focus addressing the following:
    1. **Connect and protect** - recognising that technological advances create opportunities to accelerate our connectivity, as well as technology being placed to progress social well-being, supply chain efficiencies and sustainable cities.
    2. **Digital empowerment** - this is the opportunity set for data to be harnessed for good; enabling better healthcare, empowering smaller businesses, leading to broader competition and employment opportunities.
    3. **Energy transition** - transformation is required across all types of energy use, including power generation. Transport is another key area.
    4. **Health and well-being** - with increased globalisation and urbanisation comes rising communicable diseases. There are ageing demographics, rising obesity and an increasing prevalence of non-communicable diseases so the demand for healthcare is rising but the supply of healthcare remains constrained, particularly in emerging markets.
    5. **Resource efficiency** - how we use the planet's finite resources in a more sustainable way, while minimising the impact we have on the environment.
    6. **Sustainable cities** - a growing global population puts cities under increasing stress so this theme covers social issues like the provision of reliable healthcare and education and environmental challenges like global warming.
    7. **Sustainable finance** – by integrating sustainability into their business strategies and decision-making, financial institutions can play a significant role in adapting and promoting innovation to address global sustainability challenges.

  As well as mapping company's revenue alignment with these seven themes we also map to the targets which underpin the Sustainable Development Goals (SDGs) linked to environmental and social outcomes.

- Improving management of ESG issues through engagement and voting activity - we engage with companies to improve their management of material environmental, social and governance issues and enable them to contribute more positively to the environment and society.

# Investment strategy

To ensure that the environmental and/or social characteristics promoted by the fund are achieved, we embed an "Avoid, Invest, Improve" philosophy in the investment policy:

**Avoid**

We apply a set of exclusion criteria to avoid investment in companies with socially or environmentally damaging products or services or unsustainable business or governance practices. The current exclusion criteria are as follows:

**Product-based exclusions**

We review whether companies are involved in providing activities and services that are deemed to be negative from an ethical or sustainability perspective.

**Screening criteria**

| Issue | Criteria |
|---|---|
| **Alcohol** | Exclude companies that derive:<br>• >0% of their revenue from the production of alcohol.<br>• >33% of their revenue from selling alcohol (companies in the hotel, restaurant or leisure industries).<br>• >10% of their revenue from bottling, wholesale or sale (other industries). |
| **Deforestation** | Exclude companies that derive:<br>• >10% of their revenue from the production of palm oil – or sales/product ranges reliant on palm oil – and are not members of the Roundtable on Sustainable Palm Oil (RSPO)[i].<br>• >10% of their revenue from the production of soy and are not members of the Roundtable on Responsible Soy (RTRS)[ii].<br>• >10% of their revenue from the production of sugar and are not members of Bonsucro[iii].<br>• >10% of their revenue from timber-related activities and do not use FSC-/PEFC-certified timber[iv],[v]. |
| **Fossil Fuels** | Exclude companies with ownership of fossil fuel reserves.<br>**Coal** - Exclude companies that derive:<br>• >0% of their revenue from the mining of coal and its sale to external parties.<br>• >1% of their revenue from coal distribution.<br>• >1% of their revenue from coal refining.<br>• >50% of their revenue from equipment and services for coal-related activities.<br><br>**Oil** – Exclude companies that derive:<br>• >0% of their revenue from the extraction and production of oil and natural gas liquids.<br>• >5% of their revenue from the refining of oil fuels.<br>• >5% of their revenue from the distribution of oil and related products.<br>• >5% of their revenue from pipelines for oil and oil products or natural gas liquids.<br>• >5% of their revenue from the transportation of oil and oil products.<br>• >5% of their revenue from the retailing of oil and oil products[vi].<br>• >50% of their revenue from equipment and services for oil-related activities.<br><br>**Gas** – Exclude companies that derive:<br>• >0% of their revenue from the extraction and production of natural gas.<br>• >5% of their revenue from the processing of natural gas fuels.<br>• >5% of their revenue from the distribution of gas and related products.[vii]<br>• >5% of their revenue from natural gas pipelines.<br>• >5% of their revenue from the transportation of natural gas.<br>• >5% of their revenue from gas retail sales and liquefied petroleum gas (bottled gas) dealers.<br>• >50% of their revenue from equipment and services for gas-related activities.<br><br>NB. We expect companies to be actively decreasing their involvement in coal-/oil-/gas-related activities. |
| **Electricity generation** | Exclude companies that derive:<br>• >10% of their revenue from thermal coal-based power generation[viii].<br>• Companies that derive >10%-50% of their revenue from liquid fuel- and/or natural gas-based power generation must have a Science Based Targets initiative (SBTi) target set at 1.5 degrees Celsius/well-below 2 degrees Celsius.<br>• >50% of their revenue from liquid fuel- and/or natural gas-based power generation. |
| **Fur** | Exclude companies that:<br>• Produce fur.<br>• Derive >1% of their revenue from the sale of fur products. |
| **Gambling** | Exclude companies:<br>• Whose core business is gambling, such as casinos and betting shops.<br>• That derive >10% of their revenue from gambling, such as hotels. |
| **Genetic Modification (GM)** | Exclude companies involved in the manufacture of genetically modified seeds or crops. |
| **High interest rate lending** | Exclude companies that derive >10% of their revenue from the provision of home-collected credit ('doorstep lending') or unsecured short-term loans ('payday loans') with triple-digit or close to triple-digit Annual Percentage Rates (APR). |

| | |
|---|---|
| **Nuclear energy** | Exclude companies that:<br>• Derive >0% of their revenue from power production based on nuclear sources.<br>• Derive >3% of their revenue from selling products or services to the nuclear power industry, except those that provide standard, non-customised or safety-related products/services.<br>• Own or operate active uranium mines. |
| **Pornography, harmful and violent materials** | Exclude:<br>• Companies involved in the production or distribution of pornographic, harmful or violent materials.<br>• Retailers and telecom companies that derive >3% of their revenue from the sale of pornographic or violent material. |
| **Transport** | Transport is responsible for a substantial portion of global carbon dioxide emissions [ix]. Exclude:<br>• Companies whose core business is the operation of commercial airlines or airports [x].<br>• Companies that operate railways deriving >33% of their revenue from the transportation of coal and/or oil [xi].<br>• Shipping companies that derive >10% of their revenue from the transportation of coal and/or oil.<br>• Companies running cruise lines.<br>• Companies that derive >33% of their revenue from building roads in developed markets. |
| **Tobacco** | Exclude companies that derive:<br>• >0% of their revenue from the production of tobacco products.<br>• >5% of their revenue from the manufacture of Next Generation products (including e-cigarettes) and their components.<br>• >5% of their revenue from the distribution of tobacco products.<br>• >10% of their revenue from the retail of tobacco products.<br>• >10% of their revenue from the supply of products which are essential to the tobacco industry, e.g. machinery and packaging materials. |
| **Toxic chemicals** | A wide range of synthetic chemicals are used to manufacture everyday products that can cause environmental or public health damage. Of particular concern are persistent organic compounds (POPs), which include endocrine disrupting chemicals (EDCs).<br>Exclude companies:<br>• Involved in Polyvinyl Chloride (PVC) manufacturing if they derive >10% of their revenue from PVC.<br>• Involved in the manufacturing or trading of POPs and other substances banned or restricted under international conventions. |
| **Weapons**[xii] | Exclude companies that derive:<br>• >0% of their revenue from the production or retail of weapons.<br>• >0% of their revenue from the production of controversial and/or nuclear weapons components*.<br>• >5% of their revenue from the production of other weapons components and/or goods and services which are customised for strategic military use. |

## Conduct Based Exclusions

In addition to the above criteria, the strategies will exclude companies that fail to address the key ethical, environmental and social impacts of their operations.

**Screening criteria**

| Issue | Criteria |
|---|---|
| **Human rights** | • Exclude companies whose activities clearly infringe international agreements (such as the International Bill of Human Rights) and which are complicit in human rights abuses, either deliberately or through neglect.<br>• Exclude companies whose operations directly and significantly contribute to the persistence of an oppressive regime, e.g. by generating a meaningful part of government income or being complicit in human rights violations. Reference may also be made to a regime's use of the death penalty.<br>• Exclude companies that fail to cooperate in legitimate remediation.<br>• Exclude companies that fail to respond to significant concerns of local communities, including indigenous communities, or that have very poor relations with them. |

| | |
|---|---|
| **Labour standards** | Companies are responsible for providing fair and safe working conditions for employees. The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work sets out basic principles and rights at work.<br>Exclude companies with repeated and significant violations or fines related to the below where there has been inadequate remedial action:<br>• Equal opportunities<br>• Diversity<br>• Health and safety<br>Exclude companies with no evidence of response to repeated allegations of breaches of core ILO conventions on: child labour in their own operations; child labour in their supply chain; forced labour in their own operations; forced labour in their supply chain; and international labour standards. |
| **Product safety** | To ensure product safety, some companies are required to conduct tests and research as part of product development. They should ensure these processes are conducted safely and in an ethical manner.<br>Exclude companies with:<br>• Repeated and significant violations related to product safety and failure to take adequate corrective action.<br>• Significant and repeated controversies related to the management of clinical trials and failure to take adequate corrective action. |
| **Animal testing and welfare** | Animal testing is still needed to meet regulatory requirements, especially in the approval of new drugs and medicines. It is important, however, that such use of animals, even where required by law, be subject to careful scrutiny, and carried out with in accordance with appropriate standards of animal housing and care.<br>Exclude companies that:<br>• Do not adopt and apply the three Rs – that is, they should replace, reduce and refine animal testing, where possible, to minimise harm and enhance welfare<br>• Test on great apes, due to their closeness to humans in social and cognitive capacities. Exclude cosmetics manufacturers that are currently conducting animal testing.<br>Exclude companies involved in significant or repeated controversies related to animal welfare.<br>Animal welfare: Companies involved in producing animals for food should have robust systems to uphold good standards for breeding, rearing, transport, housing and slaughter. |
| **Responsible sales and marketing** | Exclude companies with repeated or significant prosecutions related to mis-selling and/or mis-advertising products. |
| **Governance** | |
| **Bribery and corruption** | Exclude companies with repeated and significant violations related to bribery and corruption. |
| **Compliance and ethics** | Internal controls and a company's culture are key to managing conflicts of interest, preventing violations and managing business ethics.<br>• Exclude companies with a fundamental regulatory breach or a pattern of significant/persistent breaches.<br>• Exclude companies with a track record of unfair or inappropriate practices towards customers.<br>• Exclude financial institutions where management has failed to take effective measures to respond to incidents of misconduct and/or unethical behaviour, or those where these are persistent.<br>• We expect companies to pay fair and appropriate taxes. |
| **Environment** | |
| **Climate change** | Exclude companies in high impact sectors that do not have comprehensive climate change strategies that seek to measure and control their greenhouse gas emissions, as well as those in their supply chains, and demonstrate an understanding of the impact of climate change on their business strategy. |
| **Biodiversity loss** | Exclude companies if they are high impact and are not able to demonstrate an understanding of their negative impacts on biodiversity and an intention, such as an appropriate management system, to reduce this impact to acceptable levels. |
| **Waste management** | • Exclude companies with a poor track record in complying with national regulations and international agreements regarding managing waste in the countries where they operate.<br>• Exclude companies that generate waste deemed high-risk or hazardous unless the company has evidence of strong policies and an effective record of implementation.<br>• Exclude companies that dispose of tailings into rivers or seas.<br>• Exclude companies involved in leaching methods that are particularly damaging to the environment, e.g. in-situ, heap or tank leaching. |
| **Water consumption** | Exclude companies with a poor track record in complying with national regulations and international agreements regarding managing water consumption in the countries where they operate. |

### International codes and standards

We exclude companies with breaches of the UN Global Compact's (UNGC) Principles and/or the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. In assessing business conduct, we also refer to the International Labour Organization (ILO) Core Conventions, the UN Guiding Principles on Business and Human Rights and the Norges Bank excluded companies list.

The Fund complies with the Paris-aligned Benchmark exclusions contained in Article 12 (1) (a)-(g) of Article 12(1)(a)-(g) of Commission Delegated Regulation (EU) 2020/1818).

### Invest

We invest in companies providing sustainable products and services and/or companies making a positive contribution to society or the environment.

### Improve

We engage with companies on significant ESG issues most relevant to their business. We engage to reduce risk, to support long-term returns, and to encourage better management of sustainability issues. Our engagement focuses on the following core themes:

- Environmental Stewardship
- Climate Change
- Human Rights
- Labour Standards
- Public Health
- Business Ethics
- Corporate Governance

An independent Responsible Investment Advisory Council (RIAC) provides ongoing oversight and advice on the development of the exclusion criteria and screening decisions as well as input on key ESG trends and engagement priorities.

## Good governance

We conduct a pre-investment good governance assessment and ongoing post-investment review of governance practices on all issuers. We use third-party data to assess a company's governance practices and supplement this with investment research.

**Pre-investment:** We assess all issuers before investment. We may engage with a company to better understand or to encourage improvements relating to any flagged issues. If, however, we conclude that the issuer demonstrates poor governance practices, we won't invest.

**Post-investment:** Issuers are monitored on an ongoing basis to confirm that there has been no material decline in governance practices. If any issues are flagged, we may engage with the issuer to better understand these. However, if the company no longer demonstrates good governance practices, the securities will be divested.

We employ stringent criteria to determine the eligibility of investee companies' good governance practices. We use proprietary ESG scores to assess performance on corporate governance, corporate behaviour, and human capital development. Companies scoring in the lowest segment of ESG scores will not be invested in, unless mitigating factors exist. We also monitor holdings using governance risk flags, which identify governance failures or risks which should be addressed by further research, voting or engagement where relevant. Qualitative reviews assessing the good governance practices of a company will similarly take place where data is limited.

# Proportion of investments

The fund invests in global equities. All equity investments are subject to the sustainability criteria.

The fund will hold a minimum of 67.5% in sustainable investments. The minimum proportion of investments held in the fund used to promote environmental or social characteristics is 90%.

Other investments include ancillary liquid assets, money market instruments and hedging assets. Derivatives are permitted within the fund in order to assist with managing interest rate fluctuations, price falls in equity markets, and currency exposure.

Derivatives are not used for the purposes of attaining the environmental or social characteristics but ESG criteria are considered when assessing counterparties.

# Monitoring of environmental or social characteristics

Prior to investment each company is reviewed and approved by the Responsible Investment team and coded into the portfolio order management system.

The Investment Mandate Control team undertakes daily independent pre- and post-trade monitoring to ensure compliance with investment restrictions and house policies. Any breach is immediately communicated to the relevant Fund Manager, Responsible Investment team, Client Director, and internal committees.

To ensure investments held in the fund continue to meet our criteria, the Responsible Investment team conducts ongoing monitoring.

Each quarter the Responsible Investment team reviews:

- any changes in companies' exposure to certain products, e.g. tobacco;
- any involvement in recent controversies that might indicate poor ESG practices;
- any merger and acquisition activity;
- any new or ongoing UN Global Compact breaches. If a genuine breach is identified, the issuer will be re-rated as "Unacceptable" and must be sold.

The Compliance Monitoring Team also undertakes a quarterly control review of SFDR Article 8/9 funds. Trades are selected randomly. The relevant investment team's research and meeting notes are reviewed to ensure the relevant ESG characteristics have been considered.

To enable investment teams to continuously monitor the environmental and social haracteristics of the fund, we produce daily portfolio exposure reports that detail exposure to exclusion criteria, conduct related controversy flags, alignment of the fund to the SDGs and flags related to Principal Adverse Impacts. The investment team can also monitor engagement activity through our engagement tracking tool.

Investment teams have access to range of ESG data sources, analytical tools, and a Responsible Investment team to support research if issues are identified through monitoring.

## Methodologies

We use the following sustainability indicators to measure the attainment of the environmental and social characteristics promoted by the fund:

- The number of companies determined to be in breach of the fund's exclusion criteria and/or international standards and principles.
- The percentage of the fund which aligns to its key sustainability themes.
- Held companies' revenue alignment with the targets which underpin the Sustainable Development Goals (SDGs).
- The number of environmental- and social-linked engagement objectives and/or milestones achieved.

## Data sources and processing

To identify the ESG characteristics of the fund we use external data sources and supplement this with our internal engagement research.

We typically construct ESG data into proprietary models including ESG ratings, SDG mappings, Net Zero alignment and Principle Adverse Impact models, therefore our ESG inputs are typically derived rather than estimated data, though estimated data may be utilised. We also source ESG ratings and research which is reliant on vendors' underlying methodology which may make use of estimated data or subjective analysis. This is further supplemented with internal investment research which may use various assumptions. Given the investment teams also have access to thousands of distinct ESG datapoints which they may or may not draw on, we are not able to define the proportion of estimated data which is used in the research process.

We have a data quality framework which includes validation checks, governance on models and change process with appropriate controls.

Data is processed through our operational framework. If the data is not available, we use our qualitative and quantitative assessment for decision making.

## Limitations to methodologies and data

We use a combination of external and internal research and data to support the fund.

We assess data providers based on coverage, quality of their methodology, and data quality checks. While data gaps and errors may occur, our main suppliers use a variety of means to address this such as:

- Validation quality assurance to validate data including qualitative data.
- Checks for disclosure detection to improve coverage.
- Checks for large variations or anomalies in data.

- Data validation and constraints implemented on data input to ensure data consistency and completeness.
- Validation for consistency on Unit of Measurements.

The environtmental and social haracteristics are not affected by data limitations as we aim to supplement external data through use of additional data providers, internal research and due diligence on a best endeavours basis.

# Due diligence

For inclusion in the investable universe, stocks are submitted to the Responsible Investment team, which screens companies against exclusions criteria using data providers and primary research. An external, independent advisory council – the Responsible Investment Advisory Council – provides advice on the development of these criteria and reviews screening decisions.Where an investment is deemed a sustainable investment we will also assess it to ensure that:

- any corporate investment demonstrate good governance.
- the investment contributes to a sustainable objective.
- the investment does not significantly harm other sustainability objectives.

All holdings deemed eligible to be held in the fund are reviewed against the Principle Adverse Indicators that the fund has opted to consider for the purposes of engagement prioritisation.

# Engagement policies

Engagement with issuers is an important part of our investment approach. Active ownership enhances insights, drives change, and helps create future value.  We believe that engagement on environmental, social, and governance issues will have a positive impact on corporate performance and investment returns, as well as on society or the environment.

Our Responsible Investment Engagement Policy outlines our approach to engagement across asset classes, themes covered, how we prioritise and potentially escalate engagement.

Our primary driver for engagement is to have constructive dialogue with issuers to support long-term investment returns by reducing risk, capitalising on opportunities linked to ESG factors, and reducing any material negative impact that our investment decisions could have on these factors. We believe that we can play a part in building a more sustainable and resilient global economy by encouraging issuers to improve their ESG practices. This can also help drive positive impacts for the environment and society that are in line with the achievement of the United Nations Sustainable Development Goals (SDGs).

Our engagements focus on financial performance, sustainability risks and opportunities, operational excellence, capital allocation policies and managerial incentives, among other topics. Collaboration across asset classes, themes and sectors ensures an informed approach.

We will agree and set engagement objectives and timelines and use escalation strategies where appropriate, if companies do not demonstrate progress on matters that we believe are in our clients' best long-term interests. In considering engagement escalation strategies, we will make a case-by-case assessment of progress against our objectives and how companies respond to our engagement. We have at our disposal several different options for escalation, which include; Collaborative engagement, Public statements, Filing shareholder resolutions, AGMs' Proxy Voting and partial or complete divestment.

Engagement will be executed by our Responsible Investment team, by the fund managers, or jointly. Engagements will be documented in an internal database, and regular reporting to clients on engagement metrics will be made available.

# Designated reference benchmark

The fund  is an actively managed fund with the MSCI World NR Index used for a comparator benchmark.The fund has significant freedom to invest in a Portfolio that is materially different to the benchmark's own composition. The fund does not have a designated reference benchmark that is used to measure whether it attains the environmental and/or social characteristics that the Portfolio promotes. As such, the benchmark should only be used by investors as a comparison against the fund's financial performance.

[i] As members, if companies become involved in any significant environmental and/or social controversies then they need to take adequate corrective action.
[ii] Same as above.
[iii] Same as above.
[iv] Same as above.

[v] Timber companies, homebuilding companies, and paper products companies are in-scope.
[vi] The Fund is permitted to hold companies that exceed the 5% revenue threshold for the retailing of oil and oil products if they have robust net zero transition plans which cover their product emissions, and/or are substantially benefitting customers in remote/rural areas.
[vii] The Fund is permitted to hold companies that exceed the 5% revenue threshold if they have robust net zero transition plans which cover their product emissions, and/or are substantially benefitting customers in remote/rural areas; however, companies are excluded which derive >50% of their revenue from the distribution of gas and related products.
[viii] Companies with thermal coal-based power generation must have a Science Based Targets initiative (SBTi) target set at 1.5 degrees Celsius/well-below 2 degrees Celsius.
[ix] Source: International Energy Agency.
[x] We do not exclude companies that only own the infrastructure.
[xi] Same as above.
[xii] Conventional, unconventional and civilian weapons are in-scope.
*Our definition of controversial weapons encompasses the following types of weapons: biological; blinding lasers; chemical; cluster munitions; depleted uranium (incl. armour); incendiary; land mines; non-detectable fragments.