

## Sustainability related disclosures – ARGA Global Equity Fund

23<sup>rd</sup> December 2022

**ARGA Global Equity Fund** (A sub-fund of Skyline Umbrella Fund ICAV, an Irish collective asset-management vehicle established as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended from time to time.)  
Legal entity identifier: 635400XP6TET21LFJK07

ARGA Global Equity Fund (the “fund”) is managed by IQ EQ Fund Management (Ireland) Limited (the “Manager”). The investment manager to the Fund is ARGAs Investment Management, LP (the “Investment Manager”).

Principle Adverse Impact Statements are produced monthly and available upon request from the Manager.

- (a) ‘Summary’;
- (b) ‘No sustainable investment objective’;
- (c) ‘Environmental or social characteristics of the financial product’;
- (d) ‘Investment strategy’;
- (e) ‘Proportion of investments’;
- (f) ‘Monitoring of environmental or social characteristics’;
- (g) ‘Methodologies’;
- (h) ‘Data sources and processing’;
- (i) ‘Limitations to methodologies and data’;
- (j) ‘Due diligence’;
- (k) ‘Engagement policies’;
- (l) where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, ‘Designated reference benchmark’.

<i>Section 1: Website Disclosures for Article 8 Funds</i>		
25	<p><b>Website section ‘Summary’ for financial products that promote environmental or social characteristics</b></p>	<p>1. In the website section ‘Summary’ referred to in Article 24, point (a), financial market participants shall summarise all the information contained in the different sections referred to in that Article about the financial products that promote environmental or social characteristics. The summary section shall have a maximum length of two sides of A4-sized paper when printed.</p> <p>2. The website section ‘Summary’ referred to in Article 24, point (a), shall be provided in at least the following languages:</p> <p>(a) one of the official languages of the home Member State and, where different and where the financial product is made available in more than one Member State, in an additional language</p> <p><b>Summary</b></p> <p>The Fund’s investment objective is to generate long-term returns by investing primarily in equity and equity linked securities trading globally, at a discount to their perceived intrinsic value.</p> <p>There is no guarantee or assurance that the investment objective of the Fund will actually be achieved.</p> <p>The Investment Manager has identified the Fund as an Article 8 product for the purposes of 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 ("SFDR"). For the purposes of Article 8 SFDR as amended by Regulation (EU) 2020/852 (the "Taxonomy"), the investments underlying the Fund promote environmental characteristics aligned with the environmental characteristic promoted by the Fund and make sustainable investments with an environmental objective of climate change mitigation.</p> <p>These investments are broadly defined as:</p> <ul style="list-style-type: none"> <li>• Issuers that have implemented sustainable business practices and/or derive a portion of revenue from sustainable products;</li> <li>• Issuers that have clear objectives and targets for climate change mitigation;</li> <li>• Issuers that have expressed intent and have the ability to undertake “Climate Change Mitigation Practices”, and are receptive to engagement from the Investment Manager on the matter;</li> <li>• Issuers that the Investment Manager has identified as having negative climate impact but where the Investment Manager believes through engagement the issuer can be influenced to undertake Climate Change Mitigation Practices; or</li> <li>• Issuers whose business does not contribute to climate change in a material way and are taking action or have expressed intent, through Climate Change Mitigation Practices, to take action towards climate change mitigation, of the section of their business that contributes to climate change.</li> </ul> <p>The Investment Manager defines Climate Mitigation Practices as including but not limited to: adoption of clear climate mitigation policies, or climate mitigation targets, commitment and financial ability to deploy CAPEX to reduce climate change effects. The Investment Manager aims to actively engage with companies on Climate Mitigation Practices during the initial due diligence phase or as soon as reasonably possible. The Investment Manager will seek</p>

		<p>customary in the sphere of international finance;</p> <p>(b) where the financial product is made available in a host Member State, one of the official languages of that host Member State.</p>	<p>commitment from companies on policies and targets as well as CAPEX deployed towards climate mitigation in order to satisfy themselves that adequate steps will be taken to meet ESG objectives.</p>
26	<p><b>Website section ‘No sustainable investment objective’ for financial products that promote environmental or social characteristics</b></p>	<p>1. In the website section ‘No sustainable investment objective’ referred to in Article 24, point (b), financial market participants shall insert the following statement: “This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.”</p> <p>2. Where the financial product commits to making one or more sustainable investments, financial market participants shall in the website section ‘No sustainable investment objective’ referred to in Article 24, point (b), explain how the sustainable</p>	<p><b>No sustainable investment objective</b></p> <p>This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment. This financial product promotes environmental or social characteristics with an environmental objective of investments in economic activities that qualify as environmentally sustainable under the EU Taxonomy.</p> <p><u><i>Sustainable investment does not significantly harm any of the environmental or social objectives</i></u></p> <p>The Investment Manager looks to assess whether its investments “do no significant harm” vis-à-vis climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. As the Fund promotes the environmental characteristic of climate change mitigation, the "do no significant harm" principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>To ensure that investments do not cause significant harm to any environmental or social investment objectives, the Investment Manager’s research-based investment approach fully integrates ESG factors in investment decisions. While selecting the securities, potential ESG risks such as: emission output, environmental damage, water usage, waste management, pollution, biodiversity and ecosystem risks, workforce policies and corporate governance practices are analysed.</p> <p><u><i>Indicators for adverse impacts on sustainability factors</i></u></p>

		<p>investment does not significantly harm any of the sustainable investment objectives, including all of the following:</p> <p>(a) how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of that Annex I, are taken into account;</p> <p>(b) whether the sustainable investment is aligned with the 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.</p>	<p>The Investment Manager assesses key principal adverse indicators (PAI) for each investment and determines the impact these adverse indicators have on business sustainability. The Investment Manager has partnered with a third party ESG data provider that provides tailored SFDR and EU Taxonomy reporting including comprehensive Fund level PAI reporting. This further enhances the Investment Manager's ability to regularly monitor Fund PAI.</p> <p>To the extent possible PAI are also factored into financial forecasting and determination of the investment's long-term intrinsic value which in turn drives portfolio construction decisions. Where possible, these metrics are compared to sector peers.</p> <p><u><i>Sustainable investment aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights</i></u></p> <p>The spirit of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are incorporated in the Investment Manager's approach to ESG integration. Specifically, these considerations are integrated by:</p> <ul style="list-style-type: none"> <li>• Aligning the metrics used in the Investment Manager's proprietary global ESG Scoring Framework to the above-mentioned guidelines and principles. These metrics include: <ul style="list-style-type: none"> <li>○ Environmental emissions levels and reduction initiatives; key policies around environment, climate change and biodiversity; enhanced disclosures on environmental performance; signatory to initiatives like CDP, UN Global Compact, PRI; tracking key metrics like usage of water &amp; energy and waste generation.</li> <li>○ Practices targeted towards employee retention, ensuring workforce diversity, adequate employee health &amp; safety initiatives, presence of human rights policy and community considerations are considered as part of the social metrics.</li> <li>○ Governance-related parameters such as: Board composition, diversity, and oversight; supply chain practices like policy against child labor; presence of key policies around bribery, corruption, ethics.</li> </ul> </li> <li>• Aligning company engagement with the above stated guidelines. For example, where companies do not have appropriate policies and disclosures aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, the Investment Manager may engage with companies to prompt change.</li> <li>• Assessing companies on issues covered by OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as part of periodic data gathering and assessment of principle adverse indicator impact.</li> <li>• Monitoring and engaging for change with companies that are:</li> </ul>
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27	<p><b>Website section 'Environmental or social characteristics of the financial product' for financial products that promote environmental or social characteristics</b></p>	<p>In the website section 'Environmental or social characteristics of the financial product' referred to in Article 24, point (c), financial market participants shall describe the environmental or social characteristics that the financial products promote.</p>	<p><b>Environmental or social characteristics of the financial product</b></p> <p>The Fund has an ESG driven target of seeking to invest in securities of issuers that promote Climate Change Mitigation. The Investment Manager defines climate mitigation practices as including but not limited to: adoption of clear climate mitigation policies, or climate mitigation targets, commitment and financial ability to deploy CAPEX to enable substantial reduction of climate change effects. The Investment Manager also considers companies that generate revenue from products that enable a significant reduction in adverse effects of climate change.</p> <p>The Investment Manager aims to actively engage with companies on climate mitigation practices during the initial due diligence phase or as soon as reasonably possible. The Investment Manager's aim is to actively engage with issuers to assess environmental characteristics and where necessary advocate strategies that are conducive to climate change mitigation.</p> <p>The Investment Manager will seek commitment from companies on policies and targets as well as CAPEX deployed towards climate mitigation in order to satisfy themselves that adequate steps will be taken to meet ESG objectives. The Investment Manager has also established the goal of reducing the carbon footprint of the portfolio over the long-term.</p> <p>The Investment Manager shall also conduct a social and corporate governance assessment as part of its fundamental issuer analysis. In order to assess the investments' suitability for the long-term, the Investment Manager looks for companies that score above peers on social and governance characteristics, when using the Investment Manager's proprietary ESG Scoring Framework. When this is not the case the Investment Manager engages with companies to understand reason for poor score and establish remedial action.</p>
28	<p><b>Website section 'Investment strategy' for financial products that promote</b></p>	<p>In the website section 'Investment strategy' referred to in Article 24, point (d), financial market participants</p>	<p><b>Investment strategy</b></p> <p>The Fund seeks to generate long-term returns by investing primarily in equity and equity linked securities (such as debentures, Global and American depository receipts, notes or preferred stock) trading globally, that are deeply undervalued and have a substantial upside.</p>

	<p><b>environmental or social characteristics</b></p>	<p>shall describe all of the following:</p> <p>(a) the investment strategy used to meet the environmental or social characteristics promoted by the financial product;</p> <p>(b) the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.</p>	<p>The Investment Manager is committed to maximizing client returns through responsible investing and incorporates ESG characteristics into its investment process.</p> <p>The Fund has an ESG driven target of seeking to invest in securities of issuers that promote climate change mitigation through greater availability of climate policies, targets and actions. The Investment Manager has a plan of engagement for each issuer in its portfolio, as applicable. The Investment Manager's aim is to actively engage with issuers to assess and where necessary advocate strategies that address environmental footprint. The Investment Manager has also established the goal of reducing the carbon footprint of the portfolio over the long-term.</p> <p>For the purposes of Article 8 SFDR as amended by Regulation (EU) 2020/852 (the "Taxonomy"), the investments underlying the Fund promote environmental characteristics aligned with the environmental characteristic promoted by the Fund and make sustainable investments with an environmental objective of climate change mitigation. These investments are broadly defined as:</p> <ul style="list-style-type: none"> <li>• Issuers that have implemented sustainable business practices and/or derive a portion of revenue from sustainable products;</li> <li>• Issuers that have clear objectives and targets for climate change mitigation;</li> <li>• Issuers that have expressed intent and have the ability to undertake "Climate Change Mitigation Practices" and are receptive to engagement from the Investment Manager on the matter,</li> <li>• Issuers that the Investment Manager has identified as having negative climate impact but where the Investment Manager believes through engagement the issuer can be influenced to undertake Climate Change Mitigation Practices; or</li> <li>• Issuers whose business does not contribute to climate change in a material way and are taking action or have expressed intent, through Climate Change Mitigation Practices, to take action towards climate change mitigation, of the section of their business that contributes to climate change.</li> </ul> <p>The Investment Manager defines Climate Mitigation Practices as including but not limited to: adoption of clear climate mitigation policies, or climate mitigation targets, commitment and financial ability to deploy CAPEX to reduce climate change effects. The Investment Manager aims to actively engage with companies on Climate Mitigation Practices during the initial due diligence phase or as soon as reasonably possible. The Investment Manager will seek commitment from companies on policies and targets as well as CAPEX deployed towards climate mitigation in order to satisfy themselves that adequate steps will be taken to meet ESG objectives.</p>
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29	<p><b>Website section 'Proportion of investments' for financial products that promote environmental or</b></p>	<p>In the website section 'Proportion of investments' referred to in Article 24, point (e), financial market participants shall insert</p>	<p><b>Proportion of investments</b></p> <p>The fund shall invest a minimum proportion of 20% of sustainable investments. Additionally, the Investment Manager shall seek to manage the portfolio of the Fund such that the overall Fund composition is as follows:</p>

	<p><b>social characteristics</b></p>	<p>the information referred to in Article 14 and shall distinguish between direct exposures in investee entities and all other types of exposures to those entities.</p>	<ul style="list-style-type: none"> <li>• Minimum 20% of the Fund's issuers to have emissions below sector peers (using the MSCI GICS sector definition);</li> <li>• Minimum 50% of the Fund's issuers to have environmental targets; and</li> <li>• Minimum 25% of the Fund's issuers to have environmental policies that address climate change mitigation</li> </ul> <p>Besides, the Investment Manager also considers investments (classified in the 'Other' category) in those companies that meet minimum environmental and social safeguards as defined in the Fund supplement, but do not entirely meet criteria for Taxonomy alignment or sustainable investment as defined by the Investment Manager.</p> <p>The Fund invests 80% of its NAV in 'other' assets comprising of companies subject to minimum environmental and social safeguards as referenced above. The other investments also comprise of cash and cash equivalents, which do not have any minimum environmental or social safeguards.</p> <p>The minimum proportion of investments in environmentally sustainable economic activities that are aligned with the EU Taxonomy is 0%. The minimum share of socially sustainable investments in the Fund currently is 0%.</p>
30	<p><b>Website section 'Monitoring of environmental or social characteristics' for financial products that promote environmental or social characteristics</b></p>	<p>In the website section 'Monitoring of environmental or social characteristics' referred to in Article 24, point (f), financial market participants shall describe how the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social</p>	<p><b>Monitoring of environmental or social characteristics</b></p> <p>As part of constant monitoring of ESG credentials of portfolios, sustainability performance is analysed from company reports and external sources to assess the intent, past and current progress, future plans to contribute towards the stated environmental and/or social goals.</p> <p><u>Monitoring environmental and social Risks/Opportunities</u></p> <p>Analysts monitor key factors, including where applicable environmental and social characteristics, for Fund companies, on an ongoing basis:</p> <ul style="list-style-type: none"> <li>• Analysts update any new, pertinent information, including ESG, in the company's valuation models.</li> <li>• Portfolio Construction Team members review Fund ESG metrics on a regular basis, including those companies with the highest/lowest ESG score according to the Investment Manager's proprietary ESG Scoring Framework.</li> </ul> <p>Regular reviews of ESG factors and risks are included in multiple analyst reports:</p>

		<p>characteristics promoted by the financial product are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.</p>	<ul style="list-style-type: none"> <li>• Investment thesis and company presentations - Include assessment of key ESG risks for the company and industry, and analysis of impacts on company valuation.</li> <li>• Company engagement notes reflecting emails, calls, and meetings with companies - Include ESG Questionnaires to gather company ESG data and steps taken to address ESG issues.</li> <li>• Company valuation models reflect effects of ESG risks and opportunities on company earnings, where material and quantifiable.</li> </ul>
31	<p><b>Website section ‘Methodologies for environmental or social characteristics’ for financial products that promote environmental or social characteristics</b></p>	<p>In the website section ‘Methodologies for environmental or social characteristics’ referred to in Article 24, point (g), financial market participants shall describe the methodologies to measure how the social or environmental characteristics promoted by the financial product are met</p>	<p><b>Methodologies for environmental or social characteristics</b></p> <p>The Investment Manager defines a number of sustainability indicators to measure the sustainable characteristics of investments. In particular the Investment Manager uses a number of indicators to determine whether investments promote Climate Change Mitigation.</p> <p>Examples of sustainability indicators considered include:</p> <ul style="list-style-type: none"> <li>• Proportion of companies turnover from or portion of capital expenditure/operating expenses to Taxonomy eligible activities, in line with guidance in the Delegated Act (2021/2178/EU);</li> <li>• Scope 1&amp;2 emissions and carbon intensity metrics more favourable than sector peers;</li> <li>• Availability of environmental targets and policies that promote climate mitigation practices; and</li> <li>• Company’s ESG score (as calculated by the Investment Manager) and underlying Environmental and/or Social scores, generally better than sector peers.</li> </ul> <p>The Investment Manager prepares Principle Adverse Indicator (PAI) Reports for the Fund and actively monitors several PAIs at company level, as part of its sustainability research, which is also used to measure and monitor the portfolio’s environmental and social characteristics.</p> <p>Considerations of the indicators for adverse impacts on sustainability are reviewed and incorporated as part of the investment decision making process and fundamental research specifically through:</p> <ul style="list-style-type: none"> <li>• Information gathering on principle adverse indicators on a company by company basis.</li> </ul>

			<ul style="list-style-type: none"> <li>• Periodic monitoring of adverse impacts, their effect on sustainability factors of Fund companies and evolution over time.</li> <li>• Aggregation and review of adverse impacts at Fund level.</li> <li>• Active engagement with companies where adverse impacts are deemed to be considerable or have materially worsened, as applicable. Engagement is also aimed at addressing sustainability issues, improving long-term business valuation and enhancing data transparency and availability.</li> </ul> <p>Additionally, in order to achieve the Fund's social and environmental characteristic, the Investment Manager shall use its best endeavours to ensure that the Fund shall:</p> <ul style="list-style-type: none"> <li>• Not invest in tobacco issuers as defined by MSCI GICS Industry Classification (Number 302030 – Tobacco Industry);</li> <li>• Not invest in issuers that derive more than 35% of revenues from coal production and mining of coal;</li> <li>• Not invest in issuers that derive more than 50% of revenues from oil sands exploration;</li> <li>• Generally limit investments to no more than circa 20%, in issuers that derive more than 50% of revenues from fossil fuel exploration which do not have clear targets for considerable climate mitigation; and</li> <li>• Generally limit investments in issuers that derive more than 20% of revenues from controversial weapons and without clear targets for considerable reduction.</li> </ul> <p>The Investment Manager uses the above sustainability indicators, including ESG findings from its global ESG Scoring Framework as well as further, detailed, fundamental research, to assess in detail a company's environmental and social characteristics.</p>
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32	<p><b>Website section ‘Data sources and processing’ for financial products that promote environmental or social characteristics</b></p>	<p>In the website section ‘Data sources and processing’ referred to in Article 24, point (h), financial market participants shall describe all of the following:</p> <p>(a) the data sources used to attain each of the environmental or social characteristics promoted by the financial product;</p> <p>(b) the measures taken to ensure data quality;</p> <p>(c) how data are processed;</p> <p>(d) the proportion of data that are estimated.</p>	<p><b>Data sources and processing</b></p> <p>The Investment Manager uses <b>Bloomberg</b> ESG data as primary data source for its proprietary ESG Scoring Framework. The Framework :</p> <ul style="list-style-type: none"> <li>• <i>Produces an overall ESG score:</i> A company’s overall ESG score is a weighted average of 13 individual E, S and G scores, compared to the average ESG score for the corresponding MSCI ACWI sector.</li> <li>• <i>Score metrics:</i> Each individual E, S, and G score is a weighted average of 4-5 underlying metrics on relevant issue. The E score combines metrics for Resource Intensity, Waste Management, Emissions and Environmental Impact. The S score combines metrics for Employee retention, Employee Diversity, Employee safety and Community impact. The G score combines metrics for Board independence, diversity, compensation, Employee policies, Supply Chain practices, Customer practices and Operations. Each metric is ranked versus peers.</li> <li>• <i>Underlying data inputs:</i> Each metric aggregates multiple underlying data points (average 30) – e.g., the Emissions score incorporates data on emissions reductions initiatives, reported CO2 emissions, greenhouse gas emissions intensity per employee and per EBITD, travel emissions, etc.</li> </ul> <p>The ESG Scoring Framework does not estimate missing ESG data, the Investment Manager engages with companies to gather missing data and generally encourage greater transparency.</p> <p>Data quality is ensured by:</p> <ul style="list-style-type: none"> <li>• Using reputable data sources</li> <li>• Spot checking data against multiple sources where available</li> <li>• Engaging with companies on their data reporting.</li> </ul> <p>The ESG findings from the Investment Manager’s proprietary ESG Scoring Framework are used as a flag for further, detailed, fundamental research into the impact ESG risks and opportunities will have on the business sustainability.</p> <p>Additional data is then sourced by research team members from various sources including: company sustainability reports, and annual reports, sell-side broker information, Clarity AI, CDP, company reports and industry guidance from ESG organizations such as SBTi, UN PRI, Climate Action 100+ and others. The Investment Manager has engaged the services of</p>
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			<p>Clarity AI ESG analytics third party firm to further support with analysis of sustainable investments and specifically those aligned with EU taxonomy guidelines.</p> <p>The Investment Manager has also engaged the services of an ESG analytics third party firm to further support with analysis of investments and their potential for do no significant harm.</p>
33	<p><b>Website section ‘Limitations to methodologies and data’ for financial products that promote environmental or social characteristics</b></p>	<p>In the website section ‘Limitations to methodologies and data’ referred to in Article 24, point (i), financial market participants shall describe all of the following:</p> <p>(a) any limitations to the methodologies referred to in Article 24, point (g), and to the data sources referred to in Article 24, point (h);</p> <p>(b) how such limitations do not affect how the environmental or social</p>	<p><b>Limitations to methodologies and data</b></p> <p>Evaluation of ESG factors is based on the Investment Manager’s proprietary Global ESG Scoring Framework and ensuing fundamental research. ESG evaluation may differ from evaluations made by other investment advisers.</p> <p>Evaluation of ESG factors and implementation of ESG-related investment restrictions rely on availability of timely, complete, and accurate ESG data reported by issuers and/or third-party research providers. To the extent relevant data is unavailable or inaccurate, Investment Manager’s ability to evaluate ESG factors and successfully implement ESG-related investment restrictions may be limited. Where ESG data is considered incomplete, the Investment Manager may engage with the company to solicit additional data and advocate for greater transparency. The Investment Manager will use best efforts to analyse the ESG risks and opportunities of individual investments, using available data, following the process described above. Given these efforts, data limitations should not affect how the environmental and social characteristics promoted by the financial product are met.</p>

		characteristics promoted by the financial product are met.	
34	<b>Website section ‘Due diligence’ for financial products that promote environmental or social characteristics</b>	In the website section ‘Due diligence’ referred to in Article 24, point (j), financial market participants shall describe the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.	<p><b>Due diligence</b></p> <p>The Investment Manager ensures full compliance with the investment guidelines and exclusions outlined in the supplement. The Investment Manager utilizes an application (which is integrated with the order management system), to monitor account restrictions pre- and post-trade. The application integrates compliance checks and monitoring on a pre- and post-trade basis, with automated intra-day compliance alerts and notifications of violations directly to the Chief Compliance Officer (“CCO”) and members of the Trading Team.</p> <p>The Investment Manager has instituted trading and compliance rules to meet the environmental and social characteristic of the Fund. The rules undergo multiple levels of review, including reviews by the CCO. The rules are then tested thoroughly by placing “fake” trades to ensure restrictions are captured by the system.</p> <p>The Investment Manager has also devised an internal process to review companies that potentially fall under the Fund’s restrictions. Reviews are done by the Investment Manager’s ESG team and members of the Fund’s Portfolio Construction Team.</p> <p>This process ensures that stated environmental and social exclusions and restrictions are adhered to.</p>
35	<b>Website section ‘Engagement policies’ for financial products that promote environmental or social characteristics</b>	In the website section ‘Engagement policies’ referred to in Article 24, point (k), financial market participants shall describe the engagement policies implemented where engagement is part of the environmental or social investment strategy, including any management	<p><b>Engagement policies</b></p> <p>Issuer engagement is a main component of the Investment Manager’s investment process with proxy voting considered an additional form of engagement. The Investment Manager engages with issuers with a view to promoting changes that improve long-term shareholder returns and activities which contribute to climate change mitigation. The Investment Manager does not seek to be an activist investor; thus, much importance is placed on understanding all potential risks to a firm ahead of investing, then incorporating these risks in valuation models. Engagement with issuers focuses on, but is not limited to:</p> <ul style="list-style-type: none"> <li>• Improving data disclosure and transparency</li> <li>• Advocating for climate mitigation activities that can lead to substantial reduction in climate change impact</li> <li>• Raising awareness of activities that may be damaging climate mitigation efforts</li> </ul>

		<p>procedures applicable to sustainability-related controversies in investee companies.</p>	<ul style="list-style-type: none"> <li>Promoting ESG changes that the Investment Manager believes can also lead to sustainable, long-term shareholder returns.</li> </ul> <p>If management refuses to engage or is not addressing ESG issues, the Investment Manager may escalate via proxy voting, third-party institutions and other shareholders. Analysts continue to monitor governance through correspondence with regulators, auditor opinions, management compensation, board independence, transparency, and other measures.</p> <p>The Investment Manager has defined various ESG best practices that it seeks to promote through engagement and hold the companies accountable to. These practices have been informed by the Investment Manager's experience as practitioners as well as broad industry standards and guidance from organizations such as UN PRI and TCFD. These ESG targets include:</p> <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>Policies on greenhouse gas emissions, climate change, emissions reduction targets, waste management, water consumption/conservation, etc.</li> <li>Impacts of the Paris Agreement on operations, policies, and processes.</li> <li>Carbon emissions to be among lowest 50% of peers (measured as emissions tons/assets and emissions tons/revenue).</li> <li>Water usage, including water recycling and renewable water sources, to be among top 50% efficiency vs peers.</li> </ul> <p><b>Social</b></p> <ul style="list-style-type: none"> <li>Adherence to international labor laws.</li> <li>Adequate safeguards for workforce protection.</li> <li>Employee turnover rates in line with industry averages and without large YoY increases.</li> <li>Risk management policies that assess the impact of products and manufacturing processes on consumers and community.</li> </ul> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>Board composition and diversity - 2/3 board independence with appropriate gender diversity.</li> <li>Fair compensation structure aligned with shareholder interests and long-term oriented (absent of large optionality or bonuses exceeding 2X salary, etc.).</li> </ul>
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			<p>The Investment Manager also engages with other stakeholders to further promote ESG and raise awareness of key issues. Examples include engagement with governing bodies, ESG institutions such as UN PRI etc.</p> <p>The Investment Manager also has a process to engage with company management in a bid to address principle adverse effects of key indicators. Further ways in which the Investment Manager incorporates ESG and specifically principle adverse indicators in fundamental company research and portfolio construction include:</p> <ul style="list-style-type: none"> <li>• Proprietary global ESG Scoring Framework which provides an objective, data driven, starting point for flagging potential ESG issues, including those that can adversely impact sustainability. The ESG Scoring Framework provides information on PAI such as: scope 1, 2 and 3 emissions, waste management, water emissions and recycling, environmental and social aspects of supply chain, employee safety, board independence and diversity, policy against child labor, anti-corruption and anti-bribery, amongst others.</li> <li>• Integration of ESG risks and opportunities, including those related to PAI in global industry models, ensuring that Investment Manager's analysis of these is applied uniformly across all companies within an industry.</li> <li>• Company engagement, which is aimed at addressing ESG issues, improving long-term business valuation and enhancing data transparency and availability.</li> </ul> <p>The Investment Manager may choose to invest in issuers that they have identified as possessing a future potential for climate change mitigation while currently being considered to have a negative impact on sustainability, but employing Climate Change Mitigation Practices.</p>
36	<p><b>Website section 'Designated reference benchmark' for financial products that promote environmental or social characteristics</b></p>	<p>1. In the website section 'Designated reference benchmark' referred to in Article 24, point (l), financial market participants shall describe whether an index has been designated as a reference benchmark to meet the environmental</p>	<p><b>Designated reference benchmark</b></p> <p>The Fund does not have an additional reference benchmark, specifically for environmental/social characteristics.</p>

		<p>or social characteristics promoted by the financial product, and how that index is aligned with the environmental or social characteristics promoted by the financial product, including the input data, the methodologies used to select those data, the rebalancing methodologies and how the index is calculated.</p> <p>2. Where part or all of the information referred to in paragraph 1 is published on the website of the administrator of the reference benchmark, a hyperlink shall be provided to that information.</p>	
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