

Sub-Fund: Rockefeller Climate Solutions UCITS (the "Fund")
LEI:635400XQ5CX1NHEME964

1. Tiivistelmä

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Tämä artiklan 10 mukainen tietoasiakirja esittää rahaston kestävään sijoituspolitiikkaan liittyviä tietoja komission delegoidun asetuksen (EU) 2022/1288 (**SFDR, taso 2**) artiklojen 23 ja 37–49 vaatimusten mukaisesti. Seuraavat otsikot ovat SFDR:n tason 2 mukaisessa järjestyksessä, ja jokaisen otsikon alle sisältyvät tiedot liittyvät sijoittajille annettaviin tietoihin edellä mainittujen artiklojen mukaisesti.

Kuten jäljempänä tarkemmin kuvataan, rahasto on Rockefeller Capital Management UCITS ICAV -rahaston alarahasto ja sillä on kestävä sijoitustavoite.

Tiivistelmäosio on valmisteltu SFDR:n edistämiseksi, erityisesti SFDR:n tason 2 artiklan 38 edistämiseksi, ja se kokoa yhteen jäljemmissä osioissa mainitut avaintiedot.

Ei merkittävää haittaa kestävälle sijoitustavoitteelle	Rahastolla on kestävä sijoitustavoite. Rahastonhoitajan kehys sen varmistamiseksi, että sijoitus vastaa "kestävän sijoituksen" määritelmää ja täyttää "ei merkittävää haittaa" -periaatteen vaatimukset, sisältää pakollisten pääasiallisten haitallisten vaikutusten (PAI) mittareiden systemaattisen seulonnan, joka hyödyntää kolmannen osapuolen, International Shareholder Servicesin (ISS), tarjoamia tietoja. Rahastonhoitaja on laatinut sellaisten hyväksyttävien kynnysarvojen viitekehysten, joiden osalta rahastonhoitaja on todennut, etteivät ne aiheuta merkittävää haittaa.
Rahoitustuotteen kestävä sijoitustavoite	Rahaston kestävä sijoitustavoiteena on pyrkiä edistämään ilmastonmuutoksen lieventämistä ja siihen sopeutumista.
Sijoitusstrategia	Rahasto pyrkii saavuttamaan kestävä sijoitustavoitteensa sijoittamalla ensisijaisesti sellaisten maailmanlaajuisten markkina-arvoltaan pienten, keski suurten ja suurten yritysten oman pääoman ehtoihin arvopapereihin, jotka keskittyvät ilmastonmuutoksen lieventämiseen tai jo tapahtuneisiin ilmastonmuutoksen vaikutuksiin sopeutumiseen, ja jotka tuottavat liikevaihtoa tuottamalla tuotteita tai palveluja esimerkiksi seuraavilla aloilla: vesi-infrastruktuuri ja -tekniikka, jätehuolto ja -tekniikka, energiatehokkuus, elintarvikkeet, maa- ja metsätalous, uusiutuva ja vaihtoehtoinen energia, terveydenhuolto, saasteiden torjuminen ja/tai ilmaston tukijärjestelmät (ilmastoratkaisuihin liittyvä liiketoiminta).
Sijoitusten osuus	Vähintään 85 prosenttia rahaston nettoarvosta sijoitetaan kestäviin sijoituksiin, joilla on ympäristötavoite. Se tarkoittaa, että 15 prosenttia rahaston nettoarvosta sijoitetaan varoihin, joiden luokitus on "ei kestävä", kuten käteisvaroihin ja käteistä vastaaviin varoihin, joita voidaan pitää lisälikviditeettinä tai suojaustarkoituksessa.
Kestävän sijoitustavoitteen seuranta	<p>Ennen sijoituksen tekemistä rahastonhoitaja hyödyntää kaksivaiheista lähestymistapaa seuratakseen rahaston kestävä sijoitustavoitteen saavuttamista ensin kvantitatiivisella seulonnalla, jossa käytetään kolmannen osapuolen, ISS:n, tarjoamia tietoja. Tuloksia verrataan määritettyihin raja-arvoihin. Jos yritys ei läpäise ensimmäistä vaihetta, toteutetaan toinen, kvalitatiivinen vaihe, joka suoritetaan rahastonhoitajan perustavanlaatuisen tutkimuksen avulla.</p> <p>Rahastonhoitaja toteuttaa edellä kuvaillun kaksivaiheisen lähestymistavan neljännesvuosittain tarkastellakseen rahaston kestävien sijoitusten määrää, testatakseen sijoitukset ei merkittävää haittaa -periaatteen osalta PAI-indikaattoreita hyödyntämällä sekä tarkastellakseen hyvään hallintotapaan liittyviä ominaisuuksia.</p>
Menetelmät	Rahaston kestävä sijoitustavoitteen saavuttamiseksi rahastonhoitaja keskittyy analyysissään yrityksiin, joiden ilmastoratkaisuihin liittyvän liiketoiminnan liikevaihto on

	<p>merkittävä (vähintään 50 %) tai joiden liikevaihdon altistuminen on matalampi (yleensä vähintään 20 %), mutta joilla on potentiaalia kasvattaa ilmastoratkaisuihin liittyvän liiketoiminnan liikevaihtoa.</p> <p>Rahastonhoitaja aloittaa analyysinsä tyypillisesti muodostamalla käsityksen ilmastoratkaisuihin liittyvistä osakkeista, joilla on tunnistettavissa olevia pitkän aikavälin kasvun katalyytteja ja/tai jotka vaikuttavat aliarvostetuilta, ja jatkaa tutkimusvaiheeseen, jossa analyytikot suorittavat alhaalta ylöspäin suuntautuvan analyysin, jossa huomioidaan rahastonhoitajan kuuden keskeisen ominaisuuden viitekehys.</p>
Tietolähteet ja tietojen käsittely	Rahastonhoitajan sijoitusprosessissa käytetään sekä sisäistä perustavanlaatuista tutkimusta että ISS:ltä saatua ulkoista dataa, joita käytetään kestävän sijoitustavoitteen saavuttamiseen.
Menetelmiä ja tietoja koskevat rajoitukset	<p>Koska rahastonhoitaja on ISS:ltä saatujen tietojen varassa, se tiedostaa rajoitusten, kuten puuttuvien, ei saatavilla olevien ja epäluotettavien tietoaineistojen, olemassaolon.</p> <p>Vaikka on tiedossa, että alalla on tietoihin liittyviä rajoituksia, rahastonhoitaja uskoo saavansa riittävästi tietoa rahaston hallitsemiseksi tavalla, joka on linjassa rahaston kestävän sijoitustavoitteen kanssa.</p>
Asianmukainen huolellisuus	<p>Rahastonhoitaja tarkastaa kohde-etuuksien asianmukaisen huolellisuuden ennen sijoitusten tekemistä ja sen jälkeen säännöllisesti. Rahastonhoitaja toimii suoraan sijoitusyhtiöiden kanssa, perehtyy kestävän kehityksen raportteihin ja muihin sääntelyselvityksiä koskeviin vaatimuksiin sekä ISS:n toimittamiin tietoihin.</p> <p>Rahastonhoitaja keskittyy edellä kuvatulla tavalla analyysissään yrityksiin, jotka täyttävät ilmastoratkaisuihin liittyvän liikevaihdon kriteerit. Jotta liikevaihdon altistuksen taso voidaan määrittää, rahastonhoitaja analysoi kyseessä olevan yrityksen taloudelliset katsaukset ja voi olla yhteydessä suoraan yritykseen, mikäli lisätiedot ovat tarpeen.</p> <p>Rahastonhoitaja aloittaa analyysinsä tyypillisesti muodostamalla käsityksen ilmastoratkaisuihin liittyvistä osakkeista, joilla on tunnistettavissa olevia pitkän aikavälin kasvun katalyytteja ja/tai jotka vaikuttavat aliarvostetuilta, ja jatkaa tutkimusvaiheeseen, jossa analyytikot suorittavat alhaalta ylöspäin suuntautuvan analyysin, jossa huomioidaan rahastonhoitajan kuuden keskeisen ominaisuuden viitekehys.</p>
Vaikuttamispolitiikat	<p>Jos rahastonhoitaja katsoo, että salkun yritys ei enää täytä ilmastoratkaisuihin liittyviä kriteereitä, rahastonhoitaja voi pyrkiä aluksi korjaamaan tilanteen olemalla yhteydessä salkun yritykseen. Jos sijoitus katsotaan epäasialliseksi rahastonhoitajan ilmastoratkaisuihin liittyvien kriteerien ja rahaston sijoitustavoitteen ja -politiikan osalta, voidaan tehdä kaupallisesti kohtuullinen päätös lunastaa osuudet heti tai kohtuullista lunastussuunnitelmaa voidaan alkaa valmistella. Pakotetulle tuotonjaolle ei ole puitevaatimuksia.</p> <p>Rahastonhoitaja on myös kehittänyt äänestystoimintaohjeita ja ohjenuoria, joiden avulla pyritään kannustamaan yrityksiä kehittymään ja harjoittamaan hyvää johtajuutta esimerkiksi seuraavilla alueilla:</p> <ul style="list-style-type: none"> • Sellaisten tuotteiden ja palveluiden tuotanto, jotka ovat linjassa maailmantalouden kestävän kehityksen mallien kanssa • Inhimillisen pääoman hallintakäytännöt • Ympäristökäytännöt ja riskien lievennys
Kestävän sijoitustavoitteen saavuttaminen	Rahastolla ei ole nimettyä vertailuarvoa, joka olisi määritetty rahaston kestävän sijoitustavoitteen saavuttamisen seuraamiseen.

2. **No significant harm to the sustainable investment objective**

The Investment Manager's framework to ascertain whether an investment qualifies as a "sustainable investment" and satisfies "do no significant harm" test includes a systematic screening on metrics related to all mandatory Principal Adverse Impact ("**PAI**") indicators using third party data provided by International Shareholder Services ("**ISS**"). Some results of this screening are binary, yielding a true or false value. Those metrics are listed here:

- Fossil Fuel Involvement (PAI 4)
- Negative Effect on Biosensitive Areas (PAI 7)
- UNGC OECD Guidelines Violations (PAI 10)
- Lack of Processes Around UNGC OECD Guidelines (PAI 11)
- Involvement in Controversial Weapons (PAI 14)

On the other hand, other metrics are non-binary, yielding quantitative values rather than true/false results. In order to make a judgment on these non-binary metrics, the Investment Manager has established a framework for acceptable thresholds which the Investment Manager has determined do not result in significant harm. The framework uses a combination of peer relative as well as absolute number rules.

These non-binary metrics include:

- GHG Emissions – Scope 1 (PAI 1)
- GHG Emissions – Scope 2 (PAI 1)
- GHG Emissions – Scope 3 (PAI 1)
- GHG Emissions – Scope 1 & 2 (PAI 1 and PAI 2)
- GHG Emissions – Scope 1, 2, & 3 (PAI 1 and PAI 2)
- GHG Emissions – Emissions Intensity - Total Emissions Scope 1 & 2 (PAI 3)
- GHG Emissions – Emissions Intensity - Scope 1, 2, & 3 Emissions (PAI 3)
- Non-renewable Energy Consumption (PAI 6)
- Non-renewable Energy Production (PAI 5)
- CR Raw – Energy Use - Coal (PAI 5)
- CR Raw – Energy Use - Natural Gas (PAI 5)
- Energy Consumption Intensity (PAI 6)
- COD Emissions – Chemical Oxygen Demand (PAI 8)
- Hazardous Waste (PAI 9)
- Unadjusted Gender Pay Gap (mean) (PAI 12)
- Women on Board (%) (PAI 13)

The Investment Manager utilizes metrics that screen for investee companies that have been involved in violations of the UN Global Compact principles or OECD Guidelines for Multinational Enterprises. Additionally, the Investment Manager seeks to identify a lack of processes and compliance mechanisms to monitor compliance with the aforementioned UN Global Compact principles and OECD Guidelines for Multinational Enterprises, and avoid investment in such investee entities.

3. **Sustainable investment objective of the financial product**

The Fund's sustainable investment objective is to seek to advance climate change mitigation and adaptation solutions.

This sustainable investment objective shall be achieved through investment in companies which generate revenue by delivering products or services primarily from, but not limited to, water infrastructure and technologies, waste management and technologies, energy efficiency, food, agriculture and forestry, renewable and alternative energy, healthcare, pollution control, and/or climate support systems (the "**Climate Solutions Activities**").

4. **Investment strategy**

The Fund seeks to achieve its sustainable investment objective primarily through equity investments in global small, mid and large capitalisation companies focused on climate change mitigation or adaptation solutions and which are engaged in Climate Solution Activities (as defined above).

In selecting and maintaining the Fund's holdings, the Investment Manager implements a framework to ensure that the Fund's investments qualify as Sustainable Investments.

The Investment Manager selects investments for the Fund using a bottom-up, fundamental investment approach to build an active, relatively concentrated portfolio (typically 40 to 60 names) of public equity companies that appear positioned to perform favourably alongside global macro-economic and societal trends like global warming, technological innovation, middle class expansion, changing consumer preferences, increased regulation and urbanisation.

Ideas for potential investments are sourced by the Investment Manager utilising internal and external research, including from relationships with climate focused organisations and industry collaborations such as non-governmental organisations (NGOs) and other non-profit organisations. In general, the Investment Manager will focus its analysis on companies that either derive material revenue (50% or greater) from Climate Solution Activities or which have a lower level of revenue exposure (generally at least 20%) with the potential to grow the revenue associated with Climate Solution Activities. In order to determine this level of revenue exposure, the Investment Manager will analyse the financial reports of the relevant company and may engage with the company for further information if required.

Companies that meet the Investment Manager's climate solutions revenue criteria are considered for inclusion in the portfolio on a case-by-case basis. Climate solutions stocks with clearly identifiable long-term growth catalysts or near-term price dislocations advance to a research phase where analysts conduct intensive, bottom-up analysis alongside the Investment Manager's Six Key Characteristic framework which incorporates the following factors:

1. **Growth Catalysts:** Climate change will increasingly damage infrastructure, increase air pollution, threaten human health, disrupt power supplies, destabilise food prices, threaten water quality and forced migration. This will likely transform economies and markets through:
 - Changing Public Policy: Regulation, central bank policy and fiscal policy.
 - Changing Consumer Behaviour: Shifting buying preferences, establishing new societal norms and altering voting behaviour.
 - Technological Innovation: Creating new industry niches, transforming established industries and efficiency gains to reduce costs.
2. **Competitive Moat:** The Investment Manager favours firms that it considers to have distinct competitive advantages including through technology, intellectual property, operational efficiencies and distribution capabilities, to name a few.
3. **Valuation Profile:** The Investment Manager will seek companies where potential growth in revenue and earnings can be bought at an attractive price relative to estimated growth rates and peer groups. This analysis may include, for example, enterprise value (which looks at the company's total value) to earnings before interest, taxes, depreciation, and amortization or "EBITDA" (used as an indicator of the overall profitability of a business), price to earnings ratio, price to cash-flow ratio and price to sales ratio.
4. **Management Quality:** The Investment Manager seeks companies which in its view have high quality management teams who have the skillsets to build scalable, enduring businesses.
5. **Product or Service Viability:** The Investment Manager will use its judgement to assess if the product or service being offered by a company can successfully contribute to a climate mitigation or adaptation solution. The Investment Manager may speak with climate focused non-profit organisations to assist in this process.
6. **Business Model Resilience:** The Investment Manager looks for the ability of the business to thrive over the long run throughout varying economic cycles. The Investment Manager believes that companies operating in attractive markets with competitive advantages, high quality management teams and abilities to manage their balance sheet will have a higher probability of succeeding throughout economic cycles.

In accordance with SFDR, each of the investee companies in the Fund's portfolio must be determined to follow good governance practices, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance. In order to make this determination, the Investment Manager utilizes negative screens, using data from third party providers, to rule out corporate involvement in certain thematic areas, including bribery, accounting, anti-competitive behavior, money laundering, child labor, forced labor,

workplace discrimination, labor standards, and taxes. Additionally, the Investment Manager systematically screens against breach of international standards and failure to respect established norms.

5. **Proportion of investments**

At least 85% of the Fund's net asset value will be invested in sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy. The Fund has a 0% minimum alignment with the EU Taxonomy. Given the Fund's environmental focus, the Fund is not committing to invest any fixed percent of assets in sustainable investments with a social objective.

This means 15% of the Fund's net asset value will be invested in assets considered "not sustainable". These "not sustainable" investments include cash and other cash equivalents that may be held as ancillary liquidity or for hedging purposes. The Fund has minimum environmental or social safeguards in place for these holdings, such that they will be in line with, and will not affect, the delivery of the Fund's sustainable investment objective.

The asset allocation may change over time and percentages should be seen as an average over an extended period of time.

The investments mentioned above shall be made directly by the Fund. The Fund does not utilise financial derivative instruments.

6. **Monitoring of the sustainable investment objective**

Pre-investment, the Investment Manager uses a two-phase approach to monitor the attainment of the sustainable investment objective by the Fund, beginning with a quantitative screen using metrics from third party data provider, ISS, and measuring those results against proprietary thresholds. If a company fails the first phase, a second phase is conducted which is qualitative in nature, and draws upon all aspects of the Investment Manager's fundamental research.

A combination of proprietary quantitative screens and data from ISS is utilised to measure the attainment of the Fund's sustainable investment objective. The Investment Manager's analysis typically begins with an understanding of climate solutions stocks with identifiable long-term growth catalysts and/or which appear undervalued and will advance to its research phase where its analysts conduct, bottom-up analysis taking in to consideration the Investment Manager's "Six Key Characteristic" framework as is further detailed below.

The Investment Manager utilises data from ISS to validate its view on the environmental or social sustainable investment objective of the Fund's investments. This includes the Fund's consideration of PAI indicators as detailed above and a quantitative review of each company to determine the minimum contribution to at least one UN Sustainable Development Goal (SDG) based on net sales, and whether the company has targets for green house gas ("GHG") emissions reduction. If determined that a further review is necessary, a qualitative process is carried out based on the Investment Manager's proprietary framework.

On a quarterly basis, the Investment Manager carries out the two-phase approach outlined above in order to review the amount of sustainable investments held by the Fund, along with testing for do no significant harm factors ("DNSH") through the use of PAIs, as well as reviewing for good governance.

7. **Methodologies**

To assess good governance as well as sustainable investments while doing no significant harm, the Investment Manager uses a two-phase approach. This begins with a quantitative screen using metrics from ISS, and then measuring those results against proprietary thresholds. If a company fails the first phase, a second phase is conducted which is qualitative in nature, and draws upon all aspects of the Investment Manager's fundamental research related to ESG.

Beyond SFDR requirements, this strategy incorporates processes specific to its thematic mandate. Therefore, in order to attain the sustainable investment objective of the Fund, the Investment Manager will focus its analysis on companies that either derive material revenue (50% or greater) from Climate Solution Activities or which have a lower level of revenue exposure (generally at least 20%) with the potential to grow the revenue associated with Climate Solution Activities. In order to determine this level of revenue exposure, the Investment Manager will analyse the financial reports of the relevant company and may engage with the company for further information if required. Companies that meet the Investment Manager's climate solutions revenue criteria are considered for inclusion in the portfolio on a case-by-case basis.

The Investment Manager's analysis typically begins with an understanding of climate solutions stocks with identifiable long-term growth catalysts and/or which appear undervalued and will advance to its research phase where its analysts conduct, bottom-up analysis taking in to consideration the Investment Manager's "Six Key Characteristic" framework. In addition, the Fund has committed to achieve a sustainable investment objective which involves the application of PAI analysis as is detailed above.

8. Data sources and processing

The Investment Manager's investment process uses both internal fundamental research and external data provided by ISS to assist in attaining its sustainable investment.

ISS have been selected as they are an industry leading data provider of specialised third party sustainability research. The Investment manager does not conduct a formal periodic review of ISS data, however it engaged in a due diligence exercise on ISS, and other potential providers, prior to making the determination to select ISS to provide these services to the Fund. The Investment Manager deemed ISS' data to be more comprehensive and of higher quality, as well as more aligned with the prescriptive themes outlined in the requirements of SFDR.

Data provided by ISS is processed/utilized within the first phase of the Investment Manager's two phase approach described above. The Investment Manager's internal research is processed and utilised in terms of initially identifying prospective investments for the Fund and also in the second qualitative phase of the investment process. In addition the Investment Manager utilizes negative screens, using data from ISS, in order to ensure that investee companies meet good governance standards.

To assess company involvement in different activities, the Investment Manager and ISS strive to obtain information directly from companies. Sources of data include shareholder engagement, annual reports, regulatory filings, sustainability reports, press releases, investor presentations, company websites, and other company disclosures. Industry databases may be cross-referenced to complement company disclosures.

Some data may not be quantifiable, particularly as investee companies' disclosure of the data required to make sustainability related assessments is limited, and in those cases a portion (but not quantifiable in terms of proportion as it depends on the portfolio construction at any given point in time) of the data may be estimated. As investee companies' disclosures and transparency improve, and more ESG data becomes verifiably audited and reviewed by companies themselves, the data availability should improve over time and the need for estimates will hopefully be reduced. Estimates are however not typically an issue for norm based research such as that pertaining to breach of international standards as it is based on information in public reports and in public statements and communication.

9. Limitations to methodologies and data

As the Investment Manager relies on data provided by ISS, it acknowledges that limitations do exist, such as missing or unavailable data sets. Some of the challenges around availability of data are detailed in section 8 above.

In addition, measurements and collation of data that involves snap shots, can have different reference timeframes. Due to point in time assessments of, for example, previous fiscal year revenues on an individual issuer, or statements made from such an issuer that has been subject to further qualitative analysis from a third-party provider, the assessment of sustainability and ESG factors for investee companies can result in a non-quantifiable margin of error. Lack of granularity in the data sources used in combination with using historical data published in, for example, annual reports means that there is both a significant time lag in snapshot metrics as well as challenges to data quality.

Limitations to norm-based research and controversial weapons research are related to the differences in methodologies rather than lack of or quality of data as they use publicly known alleged or verified incidents or controversies, such as violation of labour rights reported in the media.

Other limitations include a lack of ESG disclosure by issuers, a lack of data available from third-party providers on specific topics (such as biodiversity reporting), and a lag in the frequency with third-party providers publish updated ESG data points. As the regulatory landscape and expectations around company disclosure become formalised, it is expected that the quality and accuracy of data will improve.

A limitation within the data as referenced above, would trigger a second phase review, which is qualitative in nature, and draws upon all aspects of the Investment Manager's fundamental research to ensure that the Fund continues to attain its sustainable investment objective. While it is acknowledged that data limitations exist in the industry, the Investment Manager believes that it receives sufficient data, as outlined above, in order to manage the Fund in a manner which is aligned with its sustainable investment objective.

10. **Due diligence**

The Investment Manager conducts due diligence on underlying assets on both a pre-investment and an ongoing basis. The Investment Manager relies on engaging with investee companies directly, reading sustainability reports and other regulatory filings, as well as data provided by ISS.

In selecting and maintaining the Fund's holdings, the Investment Manager implements a framework to ensure that the Fund's investments qualify as sustainable investments and satisfy the "do no significant harm" test in accordance with the requirements of Article 9 of SFDR.

The Investment Manager selects investments for the Fund using a bottom-up, fundamental investment approach to build an active, relatively concentrated portfolio (typically 40 to 60 names) of public equity companies. Ideas for potential investments are sourced by the Investment Manager utilising internal and external research, including from relationships with climate focused organisations and industry collaborations such as non-governmental organisations (NGOs) and other non-profit organisations. In general, the Investment Manager will focus its analysis on companies that either derive material revenue (50% or greater) from Climate Solution Activities or which have a lower level of revenue exposure (generally at least 20%) with the potential to grow the revenue associated with Climate Solution Activities. In order to determine this level of revenue exposure, the Investment Manager will analyse the financial reports of the relevant company and may engage with the company for further information if required.

Companies that meet the Investment Manager's climate solutions revenue criteria are considered for inclusion in the portfolio on a case-by-case basis. The Investment Manager's analysis typically begins with an understanding of climate solutions stocks with identifiable long-term growth catalysts and/or which appear undervalued and will advance to its research phase where its analysts conduct, bottom-up analysis taking in to consideration the Investment Manager's "Six Key Characteristic" framework as described in section 4 above.

11. **Engagement policies**

If the Investment Manager determines that a portfolio company no longer meets its climate solutions criteria (such as the development of controversial behaviour, an acquisition, a change of business mix or due to new information), the Investment Manager may first seek to remediate through engagement with the portfolio company. Where the investment is deemed inappropriate in respect of the Investment Manager's climate solutions criteria and the investment objective and policy of the Fund, a commercially reasonable effort will be made to divest promptly. If divestment is not practical or would be inconsistent with sound financial management, the Investment Manager will develop a reasonable plan for divestment. There is no blanket requirement for forced disposals, and there may be occasions where the exposure to undesirable investments or restricted activities (in respect of the climate solutions criteria) may take a period of time to be eliminated.

Responsible Investing and Active Ownership

Shareholder engagement is an important part of the Investment Manager's investment process. The Investment Manager views conversations with investee companies as a critical component of the investment process. Through engagement, the Investment Manager seeks to create long-term shareholder value and improve ESG standards globally. The Investment Manager considers itself a constructivist, not an activist. The Investment Manager's Proxy Voting & Shareholder Engagement Committee oversees the engagement process which is aligned with the Investment Manager's views of international best practices.

Engagement

The Investment Manager takes a constructive, consultative approach to interacting with portfolio companies. While many engagements are productive from the start, there are times where steps are taken with certain companies to escalate attention to ESG issues. The Investment Manager has also leveraged its active participation in prominent investor industry groups to inform its engagement approach. The Investment Manager's longstanding work with organisations such as CERES, PRI and the Interfaith Centre for Corporate Responsibility (ICCR) has, in the past, resulted in collaborative engagements with large multinational

companies. The Investment Manager has also found value in participating in organisations dedicated to corporate governance, such as the Council of Institutional Investors (CII), to help enhance its own corporate governance analyses and will continue to do so when appropriate.

Proxy Voting

The Investment Manager believes that shareholder engagement and voting practices are interlinked. Voting is an integral part of the Investment Manager's responsibility as an asset manager of the Fund. The Investment Manager applies due care, diligence and judgment across all portfolio holdings in the interests of the Fund. Many ESG issues can be directly addressed through voting a proxy, and the Investment Manager believes that seeking to effect progress from within companies as a shareholder is an important way to provide impact and positive change. The Investment Manager sees proxy voting on behalf of the Fund as an effective market signal to the underlying companies.

The Investment Manager has developed voting principles and guidelines (the "**Guidelines**") that govern voting proxies in a prudent and diligent manner. The Investment Manager believes that non-financial issues such as ESG practices can have a significant economic impact on the value of an investee company, and evaluates these factors when voting on behalf of the Fund. The Investment Manager also believes that good citizenship is good business and that encouraging investee companies to improve their environmental and social responsiveness can lead to improved financial performance.

The Investment Manager does not automatically vote for or against any class of resolutions, but rather follows a list of preferences. When appropriate, cases are reviewed individually when the Investment Manager intends to deviate from the Guidelines. The Investment Manager will do so only after due research. The Investment Manager recognises that there are often circumstances that even well thought out guidelines fail to contemplate. Exceptions to the Guidelines can be made after further review has led the Investment Manager to conclude that a change in voting is warranted and in the best interests of the Fund.

On governance issues, the Investment Manager tends to favour resolutions that increase disclosure and reporting and that enhance the transparency of decision-making without placing an undue burden on the investee company or requiring the disclosure of proprietary or competitive information. In addition, the Guidelines favour proposals that:

- Preserve and enhance the rights of minority shareholders
- Increase the board's skill base
- Increase the accountability of both the board and management

With respect to environmental and social factors, the Investment Manager believes that companies should be able to demonstrate that they have appropriate policies and systems in place and that they encompass relevant sustainability risks and opportunities. The Guidelines seek to encourage progress and leadership from companies in areas such as:

- Production of products and services in a manner that is aligned with the sustainable development of the world's economy
- Human capital management policies and practices
- Environmental practices and risk mitigation

The Guidelines are based on three underlying principles, which the Investment Manager believes are fundamental to financial viability and long-term sustainability:

- The primacy of shareholders and the recognition of the standing of other stakeholders
- The independence of the directors and their duty to represent shareholders, including minority shareholders
- A commitment to promoting a culture of transparency and accountability throughout the investee company for sound corporate decision-making

The Guidelines address a broad range of issues reflecting the general views of the Investment Manager and are meant to be used in evaluating individual proxy proposals and to serve as a framework for exercising voting rights. They are not intended to provide a guide as to how the Investment Manager will vote in every instance. Rather, the Guidelines share the Investment Manager's view about corporate governance issues generally and provide insight into how the Investment Manager typically approaches issues on behalf of the Fund that commonly arise on corporate ballots. They are applied with policy discretion, taking into consideration the issues

and facts specific to the investee company and the individual ballot item. They are not meant as a comprehensive guide for assessing a corporation or an industry.

12. **Attainment of the sustainable investment objective**

The Fund does not have a reference benchmark that has been designated for the purpose of attaining the sustainable investment objective of the Fund.