Sustainable Finance Disclosure Regulation

1. Introduction

European and Global Investments Limited ("EGIL" or the "Manager") is authorised by the Central Bank of Ireland as a UCITS Fund Management Company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as amended ("UCITS Regulations") and an Alternative Investment Fund Manager pursuant to the European Union (Alternative Investment Fund Managers) Regulations, 2013 (S.I. No. 257 of 2013) as amended ("AIFM Regulations").

EGIL meets the definition of a Financial Market Participant ("FMP") under the Sustainable Financial Disclosure Regulation (the "SFDR"). Under the SFDR, EGIL is required to publish a number of entity level disclosures on its website including:

- Information on how sustainability risk has been integrated into the investment decision making process (Article 3);
- Information on how its remuneration arrangements are consistent with the integration of sustainability risk into the investment decision making process (Article 5); and
- Information on how the adverse Impacts of investment decisions on sustainability factors are considered. (Article 4).

This statement has been prepared to address the above requirements as outlined under the SFDR by providing an overview of EGIL's approach to sustainability integration in the Investment Process.

2. Sustainability Risk

All Sub-Funds with the exception of The Plurima Apuano Flexible Bond Fund**, Plurima New Era Fund, Plurima Strategy Portfolio, Plurima Mosaico Fund, **Plurima KOINÉ Thematic Fund and Praude Funds ICAV

Under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial service sector ("SFDR"), the Manager is not under any obligation to nor does it currently promote environmental or social characteristics or have sustainable investment as an investment objective. As a result, the Sub-Funds are considered to be non-ESG funds. Further, the Manager in conjunction with the relevant Portfolio Manager has determined that sustainability risk (which is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the relevant investment (an "ESG Event")) is not relevant for the Sub-Funds due to the profile of the underlying investments of the Sub-Funds and their broad diversification.

The Plurima Apuano Flexible Bond Fund

The Sub-Fund promotes environmental and social characteristics in a way that meets the criteria contained in Article 8 of SFDR. Further, the management of sustainability risk forms an important part of the due diligence process implemented by the Portfolio Manager. The manner in which sustainability risk is integrated into the investment decisions of the Sub-Fund is disclosed in Section 15 hereof under the heading “Sustainability Risks”.

The Sub-Fund promotes environmental and social characteristics by following integration and screening methodologies developed by the Portfolio Manager (as described below) that result in the Sub-Fund investing in debt securities of companies with strong environmental, social and governance ratings.

Further details in relation to the Portfolio Manager ’s Responsible Investment philosophy is available at: https://www.twentyfouram.com/responsible-investment.

Screening

In identifying investments which allow the Sub-Fund to promote the above characteristics, the Sub-Fund assets will be screened in accordance with the Portfolio Manager’s view of appropriate sustainability parameters as measured using the Portfolio Manager ’s proprietary environmental (“E”), social (“S”) and governance ("G") scoring model (the "ESG Scoring Model").

The Portfolio Manager will positively screen companies through a comprehensive analysis process, which may include the use of specialised rating agencies and systems. The Portfolio Manager applies its proprietary scoring model to calculate an issuer’s E and S combined score. If issuers have an E and S combined score below a minimum threshold they will not be considered for investment. In terms of social and environmental factors, the Portfolio Manager 's proprietary ESG Scoring Model provides all analysts of the Portfolio Manager with sector specific and issuer specific information on key issues. This model helps the Portfolio Manager to identify key risks that a specific sector or issuer may be facing.

Governance Practices

The investee companies are assessed for good governance aspects using governance factors described in the Portfolio Manager ’s ESG Scoring Model, including but not limited to, membership of the UN PRI and UN Global Compact. The Portfolio Manager's corporate governance assessment may also include evaluating board practices and behaviour, remuneration, control and accountability, and ethics or controversies. The Portfolio Manager applies the insights from the E and S ratings alongside their own knowledge of issuers’ governance structures to set engagement priorities with issuers. The portfolio management team considers these risks together to decide whether an investment reasonably compensates the Sub-Fund for sustainability risks over the long and short-term.

Ongoing Monitoring

The Portfolio Manager monitors the contribution of the investee companies to the social and/or environmental characteristics outlined above on a periodic basis by focusing on sustainability indicators such as (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to social characteristics (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employees relations, remuneration of staff and tax compliance. The Portfolio Manager will use the analysis conducted by its portfolio management team, data from internal and external data providers as well as data provided by the investee companies in annual sustainability reports and through engagement directly with the investee company.

Taxonomy

While the Sub-Fund promotes environmental characteristics in a way that meets the criteria contained in Article 8 of SFDR , it does not currently commit to investing in any "sustainable investments" within the meaning of Article 2 (17) of the SFDR. Accordingly, it should be noted that the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Plurima New Era Fund

The Sub-Fund promotes environmental and social characteristics in a way that meets the criteria contained in Article 8 of SFDR. Further, the management of sustainability risk forms an important part of the due diligence process implemented by the Portfolio Manager.

The environmental characteristics promoted by the Sub-Fund comprise of activities that are designed to support certain best practices linked to environmental issues, such as energy efficiency, carbon emissions and pollutants, sustainable packaging and hazardous waste.

The social characteristics promoted by the Sub-Fund comprise of activities that are designed to support better social practices, such as tackling inequality, fostering social cohesion, social integration and improving labour relations.

In order to promote environmental and/or social characteristics described above, the Portfolio Manager will focus on the environmental and social characteristics of the issuer.

As regards investments in collective investment vehicles, the Portfolio Manager employs a thorough due diligence process, both before initial investment as well as on an ongoing basis, to assess the approach of the investment manager of the underlying scheme in integrating ESG factors into its decision-making process and the integration of ESG factors in the portfolio of the underlying funds.

The Fund may also invest in passively managed schemes where the Portfolio Manager is satisfied that the ESG focus of such schemes is consistent with the ESG characteristics promoted by the Fund.

Screening

In identifying investments which allow the Sub-Fund to promote the above characteristics, the Sub-Fund assets will be screened in accordance with the Portfolio Manager's view of appropriate sustainability parameters as measured using the Portfolio Manager's proprietary environmental ("E"), social ("S") and governance ("G") scoring model (the "ESG Scoring Model").

The Portfolio Manager will positively screen companies through a comprehensive analysis process, which may include the use of specialised rating agencies and systems. The Portfolio Manager applies its proprietary scoring model to calculate an issuer's E and S combined score. If issuers have an E and S combined score below a minimum threshold they will not be considered for investment. In terms of social and environmental factors, the Portfolio Manager 's proprietary ESG Scoring Model provides all analysts of the Portfolio Manager with sector specific and issuer specific information on key issues. This model helps the Portfolio Manager to identify key risks that a specific sector or issuer may be facing. The investment universe consists of all companies that issue debt securities to the capital markets and securitisations offered in the capital markets within the parameters of the UK IA Corporate Bond Sector.

Governance Practices

The issuers are assessed for good governance aspects using governance factors described in the Portfolio Manager 's ESG Scoring Model (mainly through the use of third party data and analysis of the Portfolio Manager's approach of the underlying scheme regarding investments in collective investment vehicles).

Ongoing Monitoring

The Portfolio Manager monitors the contribution of the investee companies to the social and/or environmental characteristics outlined above on a periodic basis by focusing on sustainability indicators such as greenhouse gas emissions per unit revenue, management remuneration, percent women on the corporate board, compliance with UN norms and exposure to controversial weapons. The Portfolio Manager will use the analysis conducted by its in-house analysts and ESG specialists, data from data providers as well as data provided by the investee companies in annual sustainability reports and through engagement directly with the investee company.

Sustainability Risks

The Manager in conjunction with the Portfolio Manager has determined that sustainability risk (which is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the relevant investment (an "**ESG Event**") is relevant for the Sub-Fund due to the exposure of the Sub-Fund to the equity and debt markets. The Portfolio Manager has determined that the sustainability risk (being the risk that the value of the Fund could be materially negatively impacted by an ESG Event) faced by the Sub-Fund is low.

Taxonomy

While the Sub-Fund promotes environmental characteristics in a way that meets the criteria contained in Article 8 of SFDR, it does not currently commit to investing in any "sustainable investments" within the meaning of Article 2 (17) of the SFDR. Accordingly, it should be noted that the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Plurima Strategy Portfolio Fund

The Sub-Fund promotes environmental and social characteristics in a way that meets the criteria contained in Article 8 of SFDR. Further, the management of sustainability risk forms an important part of the due diligence process implemented by the Portfolio Manager.

The environmental characteristics promoted by the Sub-Fund comprise of activities that are designed to support certain best practices linked to environmental issues, such as energy efficiency, carbon emissions and pollutants, sustainable packaging and hazardous waste.

The social characteristics promoted by the Sub-Fund comprise of activities that are designed to support better social practices, such as tackling inequality, fostering social cohesion, social integration and improving labour relations.

In order to promote environmental and/or social characteristics described above, the Portfolio Manager will focus on the environmental and social characteristics of the issuer.

As regards investments in collective investment vehicles, the Portfolio Manager employs a thorough due diligence process, both before initial investment as well as on an ongoing basis, to assess the approach of the investment manager of the underlying scheme in integrating ESG factors into its decision-making process and the integration of ESG factors in the portfolio of the underlying funds.

The Fund may also invest in passively managed schemes where the Portfolio Manager is satisfied that the ESG focus of such schemes is consistent with the ESG characteristics promoted by the Fund.

Screening

In identifying investments which allow the Sub-Fund to promote the above characteristics, the Sub-Fund assets will be screened in accordance with the Portfolio Manager’s view of appropriate sustainability parameters as measured using the Portfolio Manager’s proprietary environmental (“E”), social (“S”) and governance ("G") scoring model (the "ESG Scoring Model").

The Portfolio Manager will positively screen companies through a comprehensive analysis process, which may include the use of specialised rating agencies and systems. The Portfolio Manager applies its proprietary scoring model to calculate an issuer’s E and S combined score. If issuers have an E and S combined score below a minimum threshold they will not be considered for investment. In terms of social and environmental factors, the Portfolio Manager 's proprietary ESG Scoring Model provides all analysts of the Portfolio Manager with sector specific and issuer specific information on key issues. This model helps the Portfolio Manager to identify key risks that a specific sector or issuer may be facing. The investment universe consists of all companies that issue debt securities to the capital markets and securitisations offered in the capital markets within the parameters of the UK IA Corporate Bond Sector.

Governance Practices

The issuers are assessed for good governance aspects using governance factors described in the Portfolio Manager ’s ESG Scoring Model (mainly through the use of third party data and analysis of the Portfolio Manager’s approach of the underlying scheme regarding investments in collective investment vehicles).

Ongoing Monitoring

The Portfolio Manager monitors the contribution of the investee companies to the social and/or environmental characteristics outlined above on a periodic basis by focusing on sustainability indicators such as greenhouse gas emissions per unit revenue, management remuneration, percent women on the corporate board, compliance with UN norms and exposure to controversial weapons. The Portfolio Manager will use the analysis conducted by its in-house analysts and ESG specialists, data from data providers as well as data provided by the investee companies in annual sustainability reports and through engagement directly with the investee company.

Sustainability Risks

The Manager in conjunction with the Portfolio Manager has determined that sustainability risk (which is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the relevant investment (an “**ESG Event**”)) is relevant for the Sub-Fund due to the exposure of the Sub-Fund to the equity and debt markets. The Portfolio Manager has determined that the sustainability risk (being the risk that the value of the Fund could be materially negatively impacted by an ESG Event) faced by the Sub-Fund is low.

Taxonomy

While the Sub-Fund promotes environmental characteristics in a way that meets the criteria contained in Article 8 of SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of Article 2 (17) of SFDR. Accordingly, it should be noted that the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Plurima Mosaico Fund

The Sub-Fund promotes environmental and social characteristics in a way that meets the specific criteria contained in Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial service sector (“**SFDR**”).

The environmental characteristics promoted by the Fund comprise of activities that are designed to support certain best practices linked to environmental issues, such as energy efficiency, carbon emissions and pollutants, sustainable packaging and hazardous waste.

The social characteristics promoted by the Fund comprise of activities that are designed to support better social practices, such as tackling inequality, fostering social cohesion, social integration and improving labour relations.

ESG (environmental, social and governance) factors are fully integrated into the Sub-Fund’s investment process, as such factors are deemed to have a potential material impact on the valuations and financial performance of securities within the Sub-Fund’s investment universe.

The investment process integrates ESG factors based on proprietary and third-party research to evaluate investment risks and opportunities.

Security Selection

When selecting the Sub-Fund’s investments, the ESG characteristics of issuers are taken into account to increase or decrease the target weight.

The Portfolio Manager's assessment of each issuer under consideration for investment includes assessment against an ESG Framework Scoring System, which is proprietary to the Portfolio Manager (the “**Scoring System**”) for discrete environmental, socio-economic and corporate governance issues. The Scoring System aims at identifying material strong or weak practices relating, among other matters to employee health and safety, labour relations, community impact, sustainability of supply chain and raw materials and other resources, sustainability of product and services, management accountability, corruption controls and regulatory compliance. The Portfolio Manager's Scoring System is based on data provided by third parties ESG assessment providers, like for example (but not limited to): S&P Global ESG rank, Sustaynalitics rank, Sustaynalitics Environment Percentile, Sustaynalitics Social Percentile, Sustaynalitics Government Percentile, ISS Quality Score, CDP Integrated Performance Score, Bloomberg ESG Score, and informed by data such as company reports and extra-financial sources.

Companies that fail to pass the minimum threshold specified by the Scoring System (ie in the lowest quintile of the scoring system) are excluded from selection for the Sub-Fund's portfolio. Issues identified by this ESG analysis may cause the Portfolio Manager to conduct additional analysis to understand the potential financial risks associated with an investment.

Exclusions

The strategy applies an additional ESG exclusion policy that prevents the Sub-Fund from implementing direct investment in companies or seeking exposure to securities of issuers and countries that are deemed incompatible with the Portfolio Manager's approach to responsible investment. In particular, the exclusion policy relates to issuers involved in the manufacture or production of controversial weapons (i.e. weapons of mass destruction, nuclear weapons, biological weapons, chemical weapons, depleted uranium weapons, cluster munitions or landmines). In addition, the Sub-Fund also excludes companies considered by the Portfolio Manager to be significantly involved in the production of tobacco or in the generation, extraction and/or refining of certain fossil fuels. The Portfolio Manager continually monitors and re-evaluates companies and sectors that should be considered for exclusion.

Governance Practices

The Portfolio Manager also assesses the governance practices of issuers through the use of third party data and the Portfolio Manager's Scoring System, as described under "Security Selection" in order to satisfy itself that the relevant issuers follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

ESG Monitoring

The Portfolio Manager monitors compliance with the social and/or environmental characteristics outlined above on a regular basis through the Scoring System described above under "Security Selection".

The assessment of the ESG characteristics and sustainability risks and factors mitigating them may result in various outcomes, including the decision to overweight or underweight exposure to those securities in the Sub-Fund's portfolio, or to avoid investment in the securities. The Portfolio Manager's assessment of ESG characteristics and sustainability risks relating to an investment for the Sub-Fund may evolve as it continues to conduct fundamental research concerning that issuer, its industry or sector, and other interested entities and stakeholders.

The combination of the security selection based on the criteria described in the Investment Strategy and in the ESG approach has the final aim of creating an overall equity portfolio characterized by higher quality, lower risk and greater upside potential than the market.

Plurima KOINÉ Thematic Fund

The Sub-Fund promotes environmental and social characteristics in a way that meets the criteria contained in Article 8 of SFDR. Further, the management of sustainability risk forms an important part of the due diligence process implemented by the Portfolio Manager.

The environmental characteristics promoted by the Sub-Fund comprise of activities that are designed to support certain best practices linked to environmental issues, such as energy efficiency, carbon emissions and pollutants, sustainable packaging and hazardous waste.

The social characteristics promoted by the Sub-Fund comprise of activities that are designed to support better social practices, such as tackling inequality, fostering social cohesion, social integration and improving labour relations.

In order to promote environmental and/or social characteristics described above, the Portfolio Manager will focus on the environmental and social characteristics of the issuer.

As regards investments in collective investment vehicles, the Portfolio Manager employs a thorough due diligence process, both before initial investment as well as on an ongoing basis, to assess the approach of the investment manager of the underlying scheme in integrating ESG factors into its decision-making process and the integration of ESG factors in the portfolio of the underlying funds.

The Fund may also invest in passively managed schemes where the Portfolio Manager is satisfied that the ESG focus of such schemes is consistent with the ESG characteristics promoted by the Fund.

Screening

In identifying investments which allow the Sub-Fund to promote the above characteristics, the Sub-Fund assets will be screened in accordance with the Portfolio Manager’s view of appropriate sustainability parameters as measured using the Portfolio Manager’s proprietary environmental (“E”), social (“S”) and governance ("G") scoring model (the "ESG Scoring Model").

The Portfolio Manager will positively screen companies through a comprehensive analysis process, which may include the use of specialised rating agencies and systems. The Portfolio Manager applies its proprietary scoring model to calculate an issuer’s E and S combined score. If issuers have an E and S combined score below a minimum threshold they will not be considered for investment. In terms of social and environmental factors, the Portfolio Manager 's proprietary ESG Scoring Model provides all analysts of the Portfolio Manager with sector specific and issuer specific information on key issues. This model helps the Portfolio Manager to identify key risks that a specific sector or issuer may be facing. The investment universe consists of all companies that issue debt securities to the capital markets and securitisations offered in the capital markets within the parameters of the UK IA Corporate Bond Sector.

Governance Practices

The issuers are assessed for good governance aspects using governance factors described in the Portfolio Manager ’s ESG Scoring Model (mainly through the use of third party data and analysis of the Portfolio Manager’s approach of the underlying scheme regarding investments in collective investment vehicles).

Ongoing Monitoring

The Portfolio Manager monitors the contribution of the investee companies to the social and/or environmental characteristics outlined above on a periodic basis by focusing on sustainability indicators such as greenhouse gas emissions per unit revenue, management remuneration, percent women on the corporate board, compliance with UN norms and exposure to controversial weapons. The Portfolio Manager will use the analysis conducted by its in-house analysts and ESG specialists, data from data providers as well as data provided by the investee companies in annual sustainability reports and through engagement directly with the investee company.

Sustainability Risks

The Manager in conjunction with the Portfolio Manager has determined that sustainability risk (which is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the relevant investment (an "**ESG Event**")) is relevant for the Sub-Fund due to the exposure of the Sub-Fund to the equity and debt markets. The Portfolio Manager has determined that the sustainability risk (being the risk that the value of the Fund could be materially negatively impacted by an ESG Event) faced by the Sub-Fund is low.

Taxonomy

While the Sub-Fund promotes environmental characteristics in a way that meets the criteria contained in Article 8 of SFDR, it does not currently commit to investing in any "sustainable investments" within the meaning of Article 2 (17) of SFDR. Accordingly, it should be noted that the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Praude Funds ICAV

Sustainable finance is a relatively new field of finance and currently, there is no universally accepted framework or list of factors to consider to ensure that investments are sustainable. Furthermore, the legal and regulatory framework governing sustainable finance is still under development in particular the level 2 draft regulatory technical standards (the "**Draft RTS**") referred to in Regulation (EU) 2019/2088 on sustainability –related disclosures in the financial services sector (the "**SFDR**).

The lack of common standards may result in different approaches to setting and achieving environmental, social and governance ("**ESG**") objectives. ESG factors may vary depending on investment themes, asset classes, investment philosophy and subjective use of different ESG indicators governing portfolio construction. The selection and weightings applied, may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. ESG information, whether from an external and/or internal source, is, by nature and in many instances, based on a qualitative and subjective assessment, especially in the absence of well-defined market standards and due to the existence of multiple approaches to sustainable investment. An element of subjectivity and discretion is therefore inherent to the interpretation and use of ESG data. It may consequently be difficult to compare strategies integrating ESG factors.

ESG information from third-party data providers ("**ESG data providers**") may be incomplete, inaccurate or unavailable. As a result, there exists a risk of incorrectly assessing a security or issuer, resulting in the incorrect inclusion or exclusion of a security. ESG data providers are private undertakings that offer their services to a variety of issuers. The ESG data providers may change the evaluation of issuers or instruments at their discretion and from time to time, due to ESG or other factors.

The approach to sustainable finance may evolve and develop over time, both due to a refinement of investment decision-making processes to address ESG factors and risks and because of legal and regulatory developments.

Sustainability Risks

Sustainability factors including environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters may represent a sustainability risk that, if it occurs, similarly to other risks, could cause an actual or potential material negative impact on the value of the investments held by a Fund. In a similar way, sustainability factors may represent an opportunity for a Fund that, if it occurs, could case an actual or potential material positive impact on the value of investments in the Fund.

The consideration of sustainability factors and sustainability risks within the investment decision process may have either a positive or a negative impact on the value of investments and the overall performance of a Fund.

The AIFM is responsible for the assessment of the impact of sustainability risks, if any, on a Fund and, in their role as AIFM, for the risk management of a Fund.

No Fund promotes environmental or social characteristics, nor does it have sustainable investment as its objective. Each Fund is therefore considered as an “Article 6” financial product in accordance with the SFDR.

Further, the AIFM in conjunction with the Investment Manager has determined that sustainability risk (which is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the relevant investment (an “**ESG Event**”)) is not relevant for any Fund due to the profile of the underlying investments of the Fund and their broad diversification. However, the Investment Manager does not invest or invests in a limited manner only in certain sectors or companies whose products, services or activities could be considered contrary to the current trends regarding the promotion of ESG factors.

3. Principal Adverse Impact Reporting

The Manager does not currently consider the principal adverse impacts of its investment decisions on sustainability factors (which are defined in Article 2 of SFDR as “environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters”). The Manager has opted against doing so, primarily as the regulatory technical standards supplementing SFDR which will set out the content, methodology and information required in the principal adverse sustainability impact ("PASI") statement remain in draft form and have been delayed. The Manager intends to consider the principal adverse impacts of investment decisions on sustainability factors once the regulatory technical standards come into effect, which is expected to occur on 1 January 2022.

4. Due Diligence

EGIL's goal is to enhance and improve sustainability integration in a multi-step, and a multi-year, approach across the various Sub-Funds under its management and to monitor any improvement on an ongoing basis.

While the Manager considers ESG Factors to be relevant to the investment decision-making process, this does not mean that ESG Factors/sustainability considerations are the sole or foremost considerations for investment decisions and therefore the appointment of a Portfolio Manager. A different and deeper approach will be in place for Sub-Funds with more specific ESG considerations compared to less developed ESG product areas. Nonetheless, EGIL's long-term efforts will be towards seeing improvements across all areas, where possible.

EGIL understands that its investment decisions may have an impact on sustainability factors (such as climate and the environment, and social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters). EGIL believes that monitoring sustainability risks and the ESG scores of the Sub-Funds over time, can provide insight as to how its investment decisions could potentially have a material adverse impact on sustainability factors.

In respect of the assets under management, the Manager has appointed various Portfolio Managers to manage a portion of assets on its behalf. When selecting a delegate portfolio manager, EGIL undertakes due diligence initially and on an ongoing basis and ESG integration forms a key part of this due diligence. EGIL believes that ESG risks and opportunities should be assessed by the Portfolio Managers in stock selection and portfolio construction.

5. Stewardship/active ownership (via voting and engagement)

- **Proxy Voting**

EGIL believes stewardship (or active ownership) helps to realise long-term shareholder value by providing investors with an opportunity to enhance the value of companies more consistent with long-term investor timeframes. EGIL maintains its own Proxy Voting Policy as required by the relevant regulations. The Proxy Voting Policy sets out the measures and procedures adopted when exercising its right to vote on relevant securities relating to the Products under management. EGIL has engaged a proxy voting service to provide analysis on voting and tools to help enhance EGIL's ESG approach to voting over time. Through voting, EGIL aims to improve the environmental profiles of the portfolios over time. EGIL also maintains a Shareholder Engagement Policy as required under the European Union (Shareholders' Rights) Regulations 2020.

6. Remuneration Arrangements

EGIL maintains a Remuneration Policy in line with the UCITS and AIFMD requirements and any other applicable regulation. An underlying principle of the Remuneration Policy (the "Policy") is to promote sound and effective risk management that does not encourage excessive risk-taking with respect to the investment decision making process, this will include sustainability risk considerations. The Remuneration Policy already aims to ensure that the remuneration pay-outs are appropriate and that the risk profile, long term objectives and goals of the firm and interests of the investors are adequately reflected in them. Performance-based remuneration for staff is awarded in a manner which promotes sound risk management and does not encourage excessive risk-taking. As such EGIL is satisfied it's existing remuneration arrangements adopted under the Remuneration Policy are consistent with the Integration of ESG/sustainability risk considerations, where these are relevant.

7. Ongoing Review

EGIL will review its Sustainability Risk and any related prospectus/website disclosures on at least an annual basis to ensurethey are kept up to date.