GAM Star Fund Plc – GAM Sustainable Emerging Equity - Sustainability-related disclosures

GAM Sustainable Emerging Equity (The “Fund” or “Financial Product”) operates in accordance with Article 8 of Regulation (EU) 2019/2088 (“SFDR”) and this disclosure is written in accordance with Article 24-36, of the Commission Delegated Regulation (EU) 2022/ 1288 (the “SFDR Delegated Act”).

Summary

This Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

1. Selection of companies with lower carbon intensity relative to their sector to contribute to the Fund’s target of weighted average carbon intensity that is 30% lower than the Fund’s benchmark, namely the MSCI Emerging Markets (the “Benchmark”),
2. Tilt towards companies with best-in-class ESG scores (focused on the management of ESG risks and opportunities) relative to sector peers to contribute to a target MSCI ESG Fund Rating of A or above,
3. Exclusion of companies involved in specific activities considered to cause negative environmental and/or social impact, as described in the Sustainability Exclusion Criteria detailed below,
4. Assessed adherence to generally accepted international norms and standards set by the United Nations Global Compact (UNGC),
5. Consideration of Principal Adverse Impacts (PAIs) on sustainability factors as detailed in Table 1 of the Commission Delegated Regulation (EU) 2022/ 1288 (the “SFDR Delegated Act”),
6. Investments in companies assessed to follow good governance practices, and
7. Engagement with investee companies on environmental, social and governance issues as part of interactions with management, including engagements following sustainability controversies, PAI review and/or thematic engagement

These binding characteristics are achieved through the Investment Strategy as set out in this disclosure. Investors with specific sustainability preferences or sustainability-related objectives should consider the relevant disclosures in the Prospectus in detail to ensure that the sustainability profile of the Fund reflects such preferences or objectives, in addition to their financial objectives and risk tolerance. Any decision to invest in the Fund should take into account both the financial and non-financial characteristics of the Fund, as further described in the Prospectus. Investors should note that disclosures under the SFDR regime may be amended over time as further guidance is issued or practices evolve.

Investment Strategy

Carbon Intensity: The Fund targets a weighted average carbon intensity that is 30% lower than the Benchmark.

ESG Stock Rating: The bottom-up analysis and stock selection process is tilted towards the selection of companies with MSCI ESG Scores of AAA or AA (MSCI ‘ESG Leaders’). The Fund excludes securities rated as B or CCC according to the MSCI ESG Rating System[1].

ESG Fund Rating: The Co-Investment Manager targets an overall MSCI ESG Fund Rating of A or above[2].

*Sustainability Exclusion Criteria***:** Involvement by the investee company in the following activities, beyond the revenue threshold specified, would result in the investment being ineligible (other than where outlined):

- Involvement in controversial weapons, including anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, nuclear weapons, and white phosphorus. Involvement means direct exposure to the core weapon system, or components/services of the core weapon system that are considered tailormade and essential for the lethal use of the weapon.
- Derive over 10% of their annual revenue from the manufacture of military weapons systems, and/or tailor-made components of these weapons systems, and/or tailor-made products or services that support military weapons systems.
- Derive over 10% of their annual revenue from the manufacture and sale of assault weapons to civilian customers.
- Derive over 5% of their annual revenue from the manufacture of tobacco products.
- Derive over 25% of their annual revenue from the distribution and/or retail sale of tobacco products.
- Derive 25% of their annual revenue from the extraction of oil sands.
- Derive over 25% of their annual revenue from the mining of thermal coal or from generating electricity from thermal coal, unless the issuer has published a coal phase-out plan.

*International norms and standards***:** Companies are expected to adhere to minimum international norms and standards as defined by the United Nations Global Compact (the “UN Global Compact”). Companies assessed as having seriously breached the UN Global Compact are excluded, unless the issuer is considered to have taken substantial and adequate

[1] The MSCI ESG Rating system is designed to measure a company’s resilience to long-term, material ESG risks, with higher ratings denoting more effective management of ESG risks and opportunities.
[2] The MSCI ESG Fund Rating is designed to assess the resilience of a fund’s aggregate holdings to long-term ESG risks; highly rated funds consist of issuers with leading or improving management of key ESG risks.

steps to have addressed the allegations. The Co-Investment Manager uses third party data provider's framework and data to categorise serious breaches, which are intended to identify credible allegations of a violation of global norms. The Co-Investment Manager may use third party data and alternative sources, including engagement with the investee company, to form their judgement regarding the allegations and company response. The security may be held while the appropriate course of action is determined. The UN Global Compact is a special initiative of the United Nations Secretary-General which calls companies worldwide to align their operations and strategies with ten principles in the areas of human rights, labour rights, the environment and anti-corruption. Further information is available at www.unglobalcompact.org.

Principal Adverse Impacts on Sustainability Factors: The Fund takes into account PAIs, as detailed in Table 1, and selected indicators from Tables 2 and/or 3 of Annex I of the SFDR Delegated Act, on sustainability factors in a qualitative and/or quantitative way dependent on the relevance of the specific indicator and the quality and availability of data. The indicators are used to identify serious adverse impacts, prioritise action and guide further research and analysis. Particular emphasis is placed on the PAI indicators GHG Emissions and Exposure to Companies Active in Fossil Fuel Sector sections (Table 1 of Annex I of the SFDR), in line with GAM's Climate Change Statement and Net Zero Commitment; Biodiversity and Deforestation indicators (from Tables 1 and 2 of Annex I of the SFDR), in line with GAM's Deforestation Pledge; and any potential violations of UN Global Compact principles (Table 1 of Annex I of the SFDR), in line with GAM's commitment at the corporate level. These statements and pledges can be accessed at: https://www.gam.com/en/corporate-responsibility/responsible-investing

Good governance: The investment strategy incorporates a principles-based approach when assessing good governance. The assessment informs investment decisions and is used by the Co-Investment Manager to satisfy themselves that good governance practices are in place when selecting investments for the Fund. In addition, the assessment is conducted on an ongoing basis to inform voting decisions and engagement activity. This includes consideration of board structure and independence, alignment of remuneration, transparency of ownership and control, audit and accounting. Good governance is assessed in a qualitative and/or quantitative way dependent on the relevance of the specific indicator. In addition, good governance is supported by ensuring companies adhere to minimum standards of the UN Global Compact.

Engagement: The Fund engages on a range of sustainability issues including where sustainability controversies are identified, issues flagged as part of the PAI review, and/or thematic engagements with issuers where relevant.

Proportion of investments
A minimum of 80% of the fund is expected to be aligned with the environmental/social characteristics disclosed above. The remaining 20% may consist of cash / cash equivalents and certain derivatives.

Monitoring of environmental or social characteristics
To monitor and measure the attainment of each of those environmental or social characteristics promoted by the Fund, the Co-Investment Manager will report on selected sustainability indicators relating to each characteristic, as disclosed in the Prospectus, as part of the Fund's annual financial statements.

Methodologies
The indicators and processes are applied on a best-efforts basis by the Co-Investment Manager using investment controls, external data and/or external or internal research and analysis, as relevant to the particular environmental or social characteristics.

Data sources and processing
The Fund relies on third-party data for the characteristics promoted. This data may be supplemented by internal research and analysis where required.

Limitations to methodologies and data
Limitations to data on specific indicators will be reported in the Fund's periodic report alongside the relevant sustainability indicator and/or reporting section. Limitations may include data coverage, quality, and timeliness. These limitations are not expected to significantly affect how the environmental and/or social characteristics would be promoted. Where there is no third-party data, alternative sources and/ or internal research is used.

Due diligence
Sustainability factors are integrated into the investment process as part of the investment decision as appropriate and on an ongoing basis through monitoring and engagement.

Engagement policies
Engagement is an important part of the investment decision and monitoring process. It helps make better informed investment decisions by allowing the Co-Investment Manager to gain better knowledge of the company. The Fund engages on a range of sustainability issues including where sustainability controversies are identified, issues flagged as part of the PAI review, and/or thematic engagements with companies where relevant.

Designated reference benchmark
No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

Further details on these topics can be found in the full version of this disclosure and at the following websites:
https://www.gam.com/en/funds/list
https://www.gam.com/en/corporate-responsibility/responsible-investing

Updated 1 December 2022

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Full Disclosure

No Sustainable investment objective	This Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.
Environmental or social characteristics of the financial product'	The Fund promotes the following environmental and social characteristics: 1. Selection of companies with lower carbon intensity relative to their sector to contribute to the Fund's target of weighted average carbon intensity that is 30% lower than the Fund's benchmark, namely the MSCI Emerging Markets (the "Benchmark"), 2. Tilt towards companies with best-in-class ESG scores (focused on the management of ESG risks and opportunities) relative to sector peers to contribute to a target MSCI ESG Fund Rating of A or above, 3. Exclusion of companies involved in specific activities considered to cause negative environmental and social impact, as described in the Sustainability Exclusion Criteria below, 4. Assessed adherence to generally accepted international norms and standards set by the United Nations Global Compact ("UNGC"), 5. Consideration of Principal Adverse Impacts ("PAIs") on sustainability factors as detailed in Table 1 of Annex I of the Commission Delegated Regulation (EU) 2022/ 1288 (the "SFDR Delegated Act"), and 6. Investments in companies assessed to follow good governance practices, and 7. Engagement with investee companies on environmental, social and governance issues as part of interactions with management, including engagements following sustainability controversies, PAI review and/or thematic engagement. These binding characteristics are achieved through the Investment Strategy as set out in this disclosure. Investors with specific sustainability preferences or sustainability-related objectives should consider the relevant disclosures in the Prospectus in detail to ensure that the sustainability profile of the Fund reflects such preferences or objectives, in addition to their financial objectives and risk tolerance. Any decision to invest in the Fund should take into account both the financial and non-financial characteristics of the Fund, as further described in the Supplement. Investors should note that disclosures under the SFDR regime may be amended over time as further guidance is issued or practices evolve.
Investment Strategy	The environmental and social characteristics of the Fund are integrated into the investment process and implemented on a continuous basis as follows: **Carbon Intensity** All investments in the Fund are reviewed with respect to their carbon intensity. The Fund's investments are selected such that the weighted average carbon intensity of the Fund's portfolio is materially lower than that of the Benchmark. The Fund targets a weighted average carbon intensity that is 30% lower than its Benchmark. The carbon intensity of issuers is aimed to be reviewed quarterly by the Co-Investment Managers, or where an event is likely to have triggered a change. At the Fund level, weighted average carbon intensity aimed to be reviewed on a quarterly basis. **ESG Stock Rating** The bottom-up analysis and stock selection process is tilted towards the selection of companies with MSCI ESG Scores of AAA or AA (MSCI 'ESG Leaders'). The Fund will exclude those securities rated as B or CCC according to the MSCI ESG Rating System. The MSCI ESG Rating system is designed to measure a company's resilience to long-term, material ESG risks, with higher ratings denoting more effective management of ESG risks and opportunities. Should the rating of a held security be revised to B or below, the Co-Investment Managers will determine how best to liquidate the position(s), if appropriate, or take action to remediate the situation through active engagement with the issuer or ratings provider. In exceptional

circumstances, the Fund may continue to hold a security whose rating is revised to B or CCC, provided that, in the view of the Co-Investment Managers, the issuer is committed to improving its ESG rating and is demonstrably evidencing this commitment through ameliorative action, with the expectation that the ESG rating of the security will be correspondingly revised upward.

ESG Fund Rating

The Co-Investment Manager targets an overall MSCI ESG Fund Rating of A or above. The MSCI ESG Fund Rating is designed to assess the resilience of a fund's aggregate holdings to long-term ESG risks; highly rated funds consist of issuers with leading or improving management of key ESG risks. Should the Fund temporarily drop below a rating of A, the Co-Investment Managers will take appropriate actions to improve the ESG rating of the Fund.

The ESG ratings provider may be changed from MSCI to an equivalent provider at the Co-Investment Managers' discretion. Where there is no external rating, the Co-Investment Managers will assign the issuer an internal ESG rating based on an internal qualitative assessment. No more than 20% of the issuers in the Fund's portfolio will have an internal ESG rating.

ESG assessments are reviewed aimed to be reviewed quarterly by the Co-Investment Managers, or where an event is likely to have triggered a change. At the Fund level, ESG ratings aimed to be reviewed on a quarterly basis.

Sustainability exclusions

Involvement by the issuer in the following activities, beyond the revenue threshold specified, would result in the investment being ineligible (other than where outlined in the GAM Sustainability Exclusions Policy):

- Involvement in controversial weapons, including anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, nuclear weapons, and white phosphorus. Involvement means direct exposure to the core weapon system, or components/services of the core weapon system that are considered tailormade and essential for the lethal use of the weapon.
- Derive over 10% of their annual revenue from the manufacture of military weapons systems, and/or tailor-made components of these weapons systems, and/or tailor-made products or services that support military weapons systems.
- Derive over 10% of their annual revenue from the manufacture and sale of assault weapons to civilian customers.
- Derive over 5% of their annual revenue from the manufacture of tobacco products.
- Derive over 25% of their annual revenue from the distribution and/or retail sale of tobacco products.
- Derive 25% of their annual revenue from the extraction of oil sands.
- Derive over 25% of their annual revenue from the mining of thermal coal or from generating electricity from thermal coal, unless the issuer has published a coal phase-out plan.

International norms and standards

Companies are expected to adhere to minimum international norms and standards as defined by the United Nations Global Compact (the "UN Global Compact"). Companies assessed as having seriously breached the UN Global Compact are excluded, unless the issuer is considered to have taken substantial and adequate steps to have addressed the allegations. The Co-Investment Managers use third party data provider's framework and data to categorise serious breaches, which are intended to identify credible allegations of a violation of global norms. The Co-Investment Managers may use third party data and alternative sources, including engagement with the investee company, to form their judgement regarding the allegations and company response. The UN Global Compact is a special initiative of the United Nations Secretary-General which calls companies worldwide to align their operations and strategies with ten principles in the areas of human rights, labour rights, the environment and anti-corruption. Further information is available at www.unglobalcompact.org.

Consideration of PAIs

The Fund takes into account principal adverse impacts (PAIs), as detailed in Table 1, and selected indicators from Tables 2 and/or 3 of Annex I of the SFDR Delegated Act, on sustainability factors in a qualitative and/or quantitative way dependent on the relevance of the specific indicator and the quality and availability of data. The indicators are used to identify serious adverse impacts, prioritise action and guide further research and analysis. Particular emphasis is placed on the PAI indicators under GHG Emissions and Exposure to companies active in fossil fuel sector sections (Table 1 of Annex I of the SFDR), in line with GAM's Climate Change Statement and Net Zero Commitment; Biodiversity and Deforestation indicators (from Tables 1 and 2 of Annex I of the SFDR), in line with GAM's Deforestation Pledge; and any potential violations of UN Global Compact principles (Table 1 of Annex I of the SFDR), in line with GAM's commitment at the corporate level. Governance indicators, such as Board Gender Diversity, are prioritised both in relation to the consideration of PAIs and the good governance assessment described later in this disclosure. These statements and pledges can be accessed at: https://www.gam.com/en/corporate-responsibility/responsible-investing

Where there are exclusions linked to PAIs, these are outlined in the Sustainability Exclusions Criteria. Specific sustainability indicators aligning to the priority areas will be reported on an annual basis, within the periodic Fund report.

GHG emissions and involvement in fossil fuel sector – a range of indicators in relation to company GHG emissions and carbon emission reduction initiatives (including Scope 1 & Scope 2 GHG emissions among others) are reviewed as part of the investment process, and are primarily addressed in a qualitative way, for example through engagement with selected companies on reduction targets and initiatives. Companies assessed to derive over 25% of revenue from thermal coal mining or electricity generation from thermal coal are excluded from the Fund.

Biodiversity, water & waste – indicators in relation to a companies company's impact on biodiversity, including deforestation, water and waste, are reviewed as part of the investment process and are primarily addressed in a qualitative way, for example through engagement with selected companies.

Social and employee matters – a range of PAI indicators are reviewed as part of the investment process. Companies assessed as severely violating UN Global Compact principles or assessed as having exposure to controversial weapons are excluded from the Fund.

Good governance assessment
The investment strategy incorporates a principles-based approach when assessing good governance. The assessment informs investment decisions and is used by the Co-Investment Manager to satisfy itself that good governance practices are in place when selecting investments for the Fund. In addition, the assessment is conducted on an ongoing basis to inform engagement activity. This includes consideration of board structure and independence, alignment of remuneration, transparency of ownership and control, audit and accounting. Good governance is assessed in a qualitative and/or quantitative way dependent on the relevance of the specific indicator. This includes:

- Sound management structures - including Board independence, Board diversity and audit committee independence
- Employee relations - in particular any serious breaches of UN Global Compact principles are excluded
- Remuneration of staff – in particular the Board
- Tax compliance – in particular any companies flagged for significant tax violations

In addition, good governance at the company is supported by assessing whether companies adhere to minimum standards as defined by the ten principles of the United Nations Global Compact, which cover anti-corruption (Principle 10) and labour rights (Principles 3-6) and well as environmental governance (Principles 7-9).

Engagement
Engagement is an important part of the investment decision and monitoring process. It helps make better informed investment decisions by allowing the Co-Investment Manager to gain better knowledge of the company. The Fund engages on a range of sustainability issues including where sustainability controversies are identified, issues flagged as part of the PAI review, and/or thematic engagements with issuers where relevant.

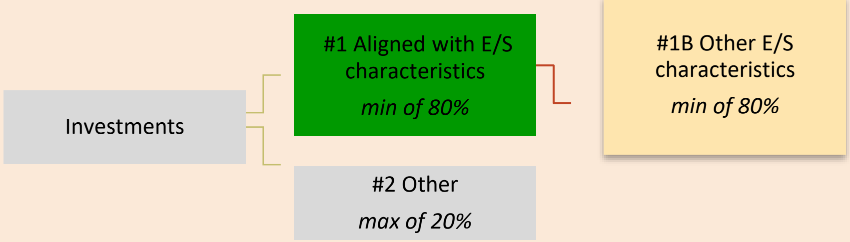
The elements of the Fund's Investment Strategy outlined above, including any sustainability assessments and exclusions, are applied on a best-efforts basis, drawing on information from independent ESG rating providers, recognised third party sources and internal research as necessary. Should an investment breach one of the characteristics once in the Fund, as described above, the Co-Investment Manager will determine how best to liquidate the position, if appropriate, unless there is adequate and substantial justification for an exception as detailed in the GAM Sustainability Exclusions Policy. Where an exception is determined and approved, the

Co-Investment Manager will work with the issuer to remediate the breach through engagement. The Co-Investment Manager may use third party data and alternative sources, including engagement with the investee company, to form its judgement regarding whether there is an adequate justification for an exception as detailed above. This may also be necessary where there is a difference in assessment between ESG data or ratings providers and/or our internal research. The security may be held while the appropriate course of action is determined. The Co-Investment Manager will abstain from investing in similar investments until the identified ESG issue(s) is resolved and the relevant position is no longer considered in breach of the Fund's characteristics.

More information can be found in the "Responsible Investment Policy", "GAM Sustainability Exclusions Policy" and "Engagement Policy", which are available by accessing the following link: https://www.gam.com/en/corporate-responsibility/responsible-investing

Proportion of Investments

A minimum of 80% of the net asset value of the Fund is expected to be aligned with the environmental / social characteristics, although actual alignment is expected to be higher. The Fund does not commit to holding sustainable investments. The Fund may hold a maximum of 20% of the net asset value of the Fund in investments that are not aligned with the environmental or social characteristics promoted by the Fund, and which fall into "#2 Other" category of investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

While derivatives are permitted, their use is limited. Derivatives are assessed against the binding elements of the investment strategy based on their underlying, where full look-through is possible. For example the underlying of a derivative is an ineligible issuer according to the binding characteristics, the derivative would not be eligible for inclusion in the Fund. Derivatives where full look-through is not possible (for example currency hedges, index futures), are not aligned to the Fund's E/S characteristics and are included in #2 Other.

While the Fund promotes environmental and social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 (the "SFDR"), it does not currently commit to investing in any "sustainable investments" within the meaning of the SFDR and it does not currently commit to take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. As such, the minimum proportion of the Fund's investments that contribute to environmentally sustainable economic activities for the purposes of the Taxonomy Regulation will be 0%.

The Fund may consider setting minimum taxonomy as data and reporting on taxonomy alignment improves.

Monitoring of environmental or social characteristics

The Fund's E/S characteristics are implemented in accordance with the Investment Strategy outlined above and uses the following sustainability indicators to monitor and measure the attainment of each of those environmental or social characteristics promoted by the Fund Additional indicators are reviewed as part of ongoing monitoring of the environmental and social characteristics of the Fund. The annual financial statements of GAM Star Fund Plc will include a periodic report for this Fund, which will disclose the extent to which environmental or social characteristics are met.

1) Indicators linked to carbon intensity

Weighted Average Carbon Intensity – calculated as the Fund portfolio's exposure to carbon-intensive companies, expressed in tons CO2e / $M revenue. Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights (the current value of the investment relative to the current portfolio value).

2) Indicators linked to ESG Scores

Fund ESG Rating– overall MSCI ESG Fund Rating. A higher ESG Rating indicates the Fund's holdings are leaders in the management of long-term ESG risks.

3) Indicators linked to Sustainability Exclusion Criteria

Involvement in controversial weapons (also related to Principal Adverse Impacts): share of investments in investee companies involved in the manufacture or selling of controversial weapons.

Involvement in weapons manufacturing or weapons component manufacturing: share of investments in investee companies involved in the manufacture of military weapons systems, and/or tailor-made components of these weapons systems, and/or tailor-made products or services that support military weapons systems (above 10% revenue threshold).

Involvement in assault weapons for civilian customers: share of investments in investee companies involved in the manufacture and sale of assault weapons to civilian customers (above 10% revenue threshold).

Involvement in tobacco manufacturing: share of investments in investee companies involved in the manufacture of tobacco products (above 5% revenue threshold).

Involvement in tobacco retail and distribution: share of investments in investee companies involved in the distribution and/or retail sale of tobacco products (above 25% revenue threshold).

Involvement in oil sands extraction: share of investments in companies involved in oil sands extraction (above 25% revenue threshold).

Involvement in thermal coal: Share of investments in companies involved in mining thermal coal or from generating electricity from thermal coal (above 25% revenue threshold).

4) Indicator relating to international norms and standards

Violations of UN Global Compact principles (also related to Principal Adverse Impacts): share of investments in investee companies that have been involved in violations of the UNGC principles.

5) Indicators relating to Principal Adverse Impacts

The following indicators for adverse impacts, from Table 1 of Annex I of the SFDR Delegated Act, will be reported in the Fund's periodic reports as a minimum. This list may be expanded over time. Additional indicators for adverse impact, including selected indicators from Tables 1, 2 and 3 of Annex I, are assessed both qualitatively and quantitatively as part of ongoing monitoring of the environmental and social characteristics of the Fund.

Scope 1 & Scope 2 Greenhouse gas (GHG) emissions: Absolute greenhouse gas emissions associated with a portfolio, expressed in tons CO2 equivalent.

Investments in companies active in fossil fuel sector: share of investments in companies active in the fossil fuel sector.

Gender diversity on the Board (also related to good governance): percentage of board members who are female. For companies with a two-tier board, the calculation is based on members of the Supervisory Board only.

	6) Indicators relating to good governance The following indicator will be reported on in the Fund's periodic report as a minimum. This list may be expanded over time. Additional indicators for good governance are reviewed as part of ongoing monitoring relating to holdings in the Fund, as described under the Investment Strategy section of this disclosure. **Board independence**: the percentage of board members that meet GAM's criteria for independent management, as measured by a third-party data provider. For companies with a two-tier board, the calculation is based on members of the Supervisory Board only **Indicators related to engagement activities** **7) Engagement activity**: Number of ESG-related engagement activities the Co-Investment Managers were involved in as part of regular interactions with management, such as engagements following sustainability controversies and thematic engagement relating to the Fund.
Methodologies	The methodologies to measure how the social or environmental characteristics promoted by the Fund are as follows: 1. **Carbon Intensity** assessments of carbon intensity of investee companies are aimed to be conducted quarterly using third-party data. Carbon intensity values are assessed as part of the stock selection process, ongoing Fund monitoring and to inform engagement. 2. **ESG scores** are aimed to be updated quarterly using third-party data. The Co-Investment Manager assesses ESG Scores as part of the stock selection process, ongoing Fund monitoring, and to inform engagement. 3. **Sustainability Exclusion Criteria**: The Sustainability Exclusion Criteria are programmed, on a best-efforts basis, into the investment controls, using information from independent ESG rating providers and recognised third party sources. Should an investment breach the sustainability exclusion criteria detailed above once in the Fund, the Co-Investment Manager will determine how best to liquidate the position unless there is adequate and substantial justification for an exemption. The Co-Investment Manager may use third party data and alternative sources, including engagement with the investee company, to form its judgement regarding any allegations and the company response. Exemptions relating to Sustainability Exclusion Criteria (as described in the Investment Strategy section) will be reviewed and approved by the Sustainability Committee. The Fund will report on these indicators in the Fund's periodic report using data from third-party sources. 4. **International norms and standards**: UN Global Compact compliance is programmed, on a best-efforts basis, into the investment controls, drawing on information from independent ESG rating providers and recognised third party sources and internal research as necessary. The Co-Investment Manager uses a third-party data provider's framework and data to categorise serious breaches, which are intended to identify credible allegations of a violation of global norms. The Co-Investment Manager may use third party data and alternative sources, including engagement with the investee company, to form its judgement regarding the allegations and the company response to any allegation. Exemptions relating to UN Global Compact (as described in the Investment Strategy section) will be reviewed and approved by the Sustainability Committee. The Fund will report on UN Global Compact compliance in the Fund's periodic report using data from third-party sources. 5. **Monitoring consideration of Principal Adverse Impacts:** The Co-Investment Manager considers the indicators from Table 1 of Annex I of the SFDR Delegated Act, as well as selected indicators from Table 2 and 3 of Annex I, in a systematic way to identify serious adverse impacts, prioritise action and guide further research and analysis. PAIs not included in the Sustainability Exclusion Criteria are monitored post-trade for action and engagement using a proprietary flagging tool. The systematic review of all indicators is aimed to be conducted quarterly. 6. **Good governance assessment:** An assessment of good governance informs investment decisions and is used by the Delegate Manager to satisfy themselves that good governance practices are in place when selecting investments for the Fund. In addition, an assessment against key good governance criteria is conducted on an ongoing basis to inform engagement activity using a proprietary flagging tool. The systematic review of all indicators is aimed to be conducted quarterly. In addition, issuers / parent companies are expected to adhere to minimum standards as defined by the ten principles of the United Nations Global Compact, which cover anti-corruption (Principle 10) and labour rights (Principles 3-6) and well as environmental governance (Principles 7-9).

	7. **Engagement:** investee companies are selected for engagement as a result of sustainability controversies, PAI review and/or other thematic review. ESG-related engagement will be reported in the Fund's periodic reports.
Data sources and processing	1) The assessment of carbon intensity for investee companies relies on third-party ESG data. Where there are data coverage issues, the Co-Investment Manager will use the sector-average carbon intensity score for investments that are not covered. 2) The use of ESG Scores as described in the Investment Strategy uses third-party ESG data and ratings. The main provider is MSCI but this may be supplemented as necessary. Where there is a lack of coverage from our standard third-party data provider(s), an ESG rating will be assigned based on an internal qualitative assessment. No more than 20% of the issuers in the Fund's portfolio will have an internal ESG rating assigned. 3) Sustainability Exclusion Criteria use third party data for implementation. Our main providers are MSCI and Sustainalytics but this may be supplemented as necessary. Where there is no or limited coverage from our standard third-party research providers, conflicting research between two research providers or conflicting research between a research provider and the company, then we will use our own internal research to form a judgement, including on qualitative elements such as the adequacy of the coal phase-out plan. The exclusionary thresholds are implemented on a best-efforts basis. 4) Adherence to international norms and standards uses third-party data to categorise serious breaches, which are intended to identify credible allegations of a violation of global norm are programmed. Where there is no or limited coverage from our standard third-party research providers, conflicting research between two research providers or conflicting research between a research provider and the company, then we will use our own internal research to determine involvement. The Co-Investment Manager may use third party data and alternative sources, to form their judgement regarding the allegations and company response. Data is processed by the investment controlling systems. 5) The integration of a systematic framework to consider and take action of to mitigate of principal adverse impacts on sustainability factors relies on third-party data, and internal research as required. Third-party data is used to flag and prioritise issues, further data and analysis from a range of sources is used to validate issues flagged and/or or plan appropriate action. Data is processed via proprietary flagging tool developed internal. 6) The good governance assessment will on third-party data, and internal research as required. Third-party data is used to flag and prioritise issues, further data and analysis from a range of sources is used to validate issues flagged and/or or plan appropriate action. Data is processed via proprietary flagging tool developed internal. 7) Identification of engagement priorities and issues is supported by a range of third party data, both public and private, and supplemented with our own research. Collaborative engagement is also supported through initiatives such as CDP and ClimateAction100+. Voting decisions are supported by research from ISS but may be supplemented with additional research as we consider necessary. The independent ESG data and research providers may include, but are not limited to, MSCI, Sustainalytics, ISS, RepRisk and Bloomberg. We encourage improved disclosure through engagement with data providers on data quality and new methodologies, investee companies and support for regulation supporting improved disclosure on ESG issues. We review our ESG data providers regularly and review new data or research sources on an ongoing basis. Data coverage is typically over 80% of net asset value of the Fund. Where there are data coverage issues, this will be flagged in the Fund's periodic reporting alongside the relevant indicator, as well as the proportion of estimated data where available. The data or third-party assessments we use may also use estimates (for example in estimating GHG emissions where these are not reported by the company) or otherwise apply subjective judgements (for example when qualitatively assessing a company policy).

	We regularly review our ESG data provision and monitor the quality of data as we use it as part of our integration and stewardship activities. When we identify any data quality concerns, we contact the vendors for feedback and for any updates in the datasets when required. We also provide feedback to research providers on new or updated methodologies or analytics. Data limitations are outlined in the following section.
Limitations to methodologies and data	The Co-Investment Manager will rely on sustainability-related data both in order to assess risk to the Fund's investments and as part of its investment strategy. The quality, timeliness, completeness and availability of sustainability-related data may still not be comparable with the general quality, timeliness, completeness and availability of more standardised and traditional financial data. The assessment of risk and the implementation of the investment strategy may be adversely impacted as a result and the Fund may suffer losses (including loss of opportunity) as a result of investment decisions taken in reliance on sustainability-related data which may not be accurate, complete or timely or if the Co-Investment Manager does not correctly assess the impact of such data on the Fund. The main data limitations are: **Data coverage** - The Fund invests primarily in corporate issuers from developed markets where data coverage from ESG data providers is adequate. Where data is not available, internal analysis of company disclosures and/ or other sources are used to provide estimate or internal scores (as outlined above). **Data quality** – The Fund uses recognized ESG providers with their own internal quality control processes. Data is frequently reviewed by the Co-Investment Manager. Where errors of accuracy, omission or timeliness are found, these are communicated to the research provider for correction. **Data timeliness** – data is predominantly based on corporate disclosures and updated on an annual basis. The data may therefore not reflect the current situation Data coverage of specific indicators will be reported in the Fund's periodic report alongside the relevant sustainability indicator and/or reporting section. There are no foreseen limitations that would significantly affect how the environmental and/or social characteristics would be promoted.
Due diligence	Sustainability factors are integrated into the investment process as part of the investment decision as appropriate and on an ongoing basis through monitoring and engagement. The following elements form part of the investment process and due diligence process of the Fund as follows: 1) Carbon Intensity and ESG Scores are assessed as part of the stock selection process, ongoing monitoring and to guide engagement activities. The data are aimed to be reviewed quarterly by the Co-Investment Manager, or where an event is likely to have triggered a change. At the Fund level, weighted average carbon intensity and Fund ESG Scores are aimed to be reviewed on a quarterly basis. 2) The Sustainability Exclusion Criteria and compliance with UN Global Compact are monitored by the Co-Investment Manager pre-trade and coded into post-trade investment controls. Issuer's failing these screens would be ineligible for inclusion in the Fund, unless an exception was agreed by the Sustainability Committee (as outlined in the GAM Sustainability Exclusions Policy). 3) The investment due diligence incorporates a principles-based approach to assessing good governance. The assessment informs investment decisions and is used by the Co-Investment Manager to confirm that good governance practices are in place when selecting investments for the Fund. In addition, the assessment is conducted on an ongoing basis to inform engagement activity. 4) The Co-Investment Manager considers the indicators from Table 1 of Annex I of the SFDR Delegated Act, as well as selected indicators from Table 2 and 3 of Annex I, in a systematic way to identify serious adverse impacts, prioritise action and guide further research and analysis. PAIs not included in the Sustainability Exclusion Criteria are reviewed and monitored for action. The review of all indicators aimed to be conducted quarterly. 5) Sustainability risks are assessed in the investment process of the Fund alongside other

	relevant risk factors. The Co-Investment Manager uses internal research and analysis, independent ESG data and research, recognised NGO sources, and information from engagement, to identify, evaluate and prioritise key sustainability risks. Risks may result from direct events or conditions or indirectly, for example as a result of changes to regulations. For more information, please see the GAM Investments Responsible Investment Policy [https://www.gam.com/en/corporate-responsibility/responsible-investing].
Engagement policies	Engagement is an important part of the investment decision and monitoring process. It helps make better informed investment decisions by allowing the Co-Investment Manager to gain better knowledge of the company. The Fund engages on a range of sustainability issues including where sustainability controversies are identified, issues flagged as part of the PAI review, and/or thematic engagements with companies where relevant. The Investment Manager engages with companies as outlined above and in the GAM Engagement Policy. Further details are available in the GAM Engagement Policy, which can be accessed from the following link: https://www.gam.com/en/corporate-responsibility/responsible-investing.
Designated reference benchmark	No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

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Important legal information