

## Global Opportunities Access – Ocean Engagement

### Sustainability-related disclosures

#### No sustainable investment objective

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

For the sustainable investments the sub-fund partially intends to make, the Portfolio Managers consider the relevant indicators for principal adverse impacts on sustainability factors and adherence to global norms, i.e. UN Global Compact (UNGC) Principles, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The Portfolio Manager's framework to ascertain whether an investment company satisfies "do no significant harm" test includes a systematic screening on metrics related to all mandatory PAI indicators using third party data provided by ISS. If additional information is needed, the sub-fund carries out a qualitative analysis in which they consider adverse impacts of its investments on society and the environment through a combination of portfolio management decisions, active ownership activities, and exclusion of companies or sectors associated with controversial conduct or activities that lack compatibility with international conventions or have unsustainable business models.

This will include (but are not limited to) exposure to controversial weapons and violation of UN Global Compact Principles.

Companies violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and who do not demonstrate credible corrective action do not qualify as sustainable investments within the portfolio.

#### Environmental or social characteristics of the financial product

The following characteristics are promoted by the financial product:

Investing at least 80% of the net assets (excluding cash and derivatives used for hedging) in companies with which the Portfolio Manager is undertaking active investor engagement aiming to foster conservation and sustainable use of oceans and their resources. The Portfolio Manager seeks to engage with companies to achieve positive outcomes such as:

- sustainably manage and protect marine and coastal ecosystems from pollution of all kinds, in particular from land-based activities
- address the impacts of ocean acidification
- end overfishing and destructive fishing practices

The attainment of the characteristic promoted by the sub-fund and described above is measured using the percentage of investments in securities where engagement was undertaken in accordance with the Portfolio Manager's four step approach with clear targets on each level.

#### Investment strategy

The investment universe of the sub-fund is focused on companies with which the Portfolio Manager is undertaking active investor engagement, which seeks to address environmental and social impacts of oceans health.

The Portfolio Manager establishes an engagement thesis summarizing what they believe they can change at the investee company, and the methodology to achieve this goal. After purchasing shares, the Portfolio Manager initiates an engagement process with companies individually, by utilizing any or all of the approaches outlined below:

- Constructive Dialogue: The Portfolio Manager initially and informally engages management teams, boards, subject matter experts, and investor relations offices to understand a company's approach to managing ocean risks and opportunities and propose tailored ways they might improve performance to enhance long-term value.
- Official Letter: The Portfolio Manager will send official correspondence to formalize its previous requests of a company, to open communications while overcoming language barriers, and when engaging in "campaigns" that aim to reach a relatively large number of companies on a similar topic.
- Collaborative Action: The Portfolio Manager leverages its expansive network of institutional investors and thought leaders to collaborate and participate in larger, group-style engagements, which may spur or accelerate a response from a company.
- Shareholder Resolution: The Portfolio Manager may file or co-file with policy experts and institutional investor peers shareholder proposals with companies when constructive dialogue, official letters, and/or collaborative actions have not resulted in timely or rigorous improvements sought by the Portfolio Manager.

The sub-fund seeks to make investments in companies with a positive outcome on the following objectives:

- sustainably manage and protect marine and coastal ecosystems from pollution of all kinds, in particular from land-based activities;
- address the impacts of ocean acidification; and
- end overfishing and destructive fishing practices.

The sub-fund aims to achieve improvements on United Nations Sustainable Development Goals (SDGs) across the following sub-groups:

- Pollution prevention
- Carbon transition
- Ocean conservation

The Portfolio Manager considers environment, social and governance aspects and make use of a range of proprietary and independent tools and data sources, including but not limited to proprietary and independent fundamental research and independent ratings for considering engagement and in the investment selection process.

The sub-fund does not invest directly in companies generating a substantial proportion of their turnover from the production of tobacco, adult entertainment, or gambling. In addition, the sub-fund shall exclude any exposure to companies involved in controversial weapons and war materials.

The sub-fund may invest in companies with higher ESG risks, or those involved in controversial business activities such as thermal coal, arctic oil or oil sands, subject to it being explicit exposure to transition away from such non-sustainable activities, supported by credible stewardship and engagement activities.

The Portfolio Manager relies on various sources of information to analyze and monitor potential investments, including ESG research providers, financial press and media reports, analysts and brokers from other financial institutions, and credit rating services. Exclusions are based on sources gathered from reputable third-party research providers.

The assessment of good governance includes, but is not limited to, such areas as sound management structures, employee relations, remuneration of staff and tax compliance.

The Portfolio 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.

To attain to the promoted environmental/social characteristic, at least 80% of the net assets (excluding cash and derivatives for hedging) are invested in companies with which the Portfolio Manager is undertaking active investor engagement aiming to foster conservation and sustainable use of oceans and their resources.

#### **Proportion of investments**

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 80%. The minimum proportion of sustainable investments of the financial product is 10%. Derivatives are not used for the attainment of the environmental or social characteristics promoted by the sub-fund. Derivatives (if any) are primarily used for hedging and liquidity management purposes.

#### **Monitoring of environmental and social characteristics**

The Portfolio Manager has data indicators and systemic pre-trade guideline controls in place to monitor the stated environmental or social characteristics promoted by the financial product, specifically the binding targets stated in the investment strategy.

#### **Methodologies**

The performance of the indicators used to measure the environmental or social characteristics promoted by the financial product are monitored daily, measured quarterly and reported annually.

#### **Data sources & processing**

Data used for engagement and in the investment selection is supplied by leading data vendors.

Data is consumed from leading providers and processed in accordance with defined guidelines. Data coverage for the above is consistent with industry best practice.

#### **Limitations to methodologies and data**

A minimum coverage threshold is applied for the data sources used to attain the stated environmental or social characteristics of the financial product, these thresholds ensure that the binding targets can be monitored and measured. Accuracy of data is dependent on 3rd party data providers. Coverage of data sources can be less than 100% due to uncovered asset types, incomplete or inconsistent data and gaps in the coverage of these 3rd party providers.

## **Due diligence**

As part of the investment due diligence process, the Portfolio Manager considers environment, social and governance aspects and make use of a range of proprietary and independent tools and data sources, including but not limited to proprietary and independent fundamental research and independent ratings for considering engagement and in the investment selection process.

## **Engagement policies**

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