



Sustainable Finance Disclosures Regulation (“SFDR”)

Article 4 - Transparency of adverse sustainability impacts at entity level

(Regulation (EU) 2019/2088)

Introduction

This document sets-out the firm-level disclosures required to be made under Article 4 of SFDR by the First Sentier Investors group¹. The group includes investment teams trading as:

- FSSA Investment Managers (www.fssaim.com);
- The Sustainable Funds Group, a part of Stewart Investors (www.stewartinvestors.com/all/sustainable-funds-group.html and sfg.stewartinvestors.com); and
- St Andrews Partners, a part of Stewart Investors (www.stewartinvestors.com/all/st-andrews-partners.html).

The required disclosures will be subject to regulatory technical standards which are not yet adopted at the date of this document. The disclosures will be updated as required.

Disclosure

First Sentier Investors (FSI) considers principal adverse impacts of its investment decisions on sustainability factors. This statement will consolidate the principal adverse sustainability impacts² (PAIs) across the FSI group.

Description of Principal Adverse Sustainability Impacts

The following PAIs indicators will be monitored and measured on a best endeavours basis from 1st June 2021 (with the exception of scope 3 emissions). Additional material environmental and social sustainability impacts will be determined in consultation with investment teams across FSI and such impacts will be included from 1 January 2022.

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

1. Total GHG emissions (broken down by scope 1, 2 and 3 (from Jan 2023) carbon emissions
2. Carbon footprint
3. GHG intensity
4. Fossil fuel sector exposure
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas

¹ In particular, this document includes disclosures made by First Sentier Investors (Ireland) Limited and First Sentier Investors Global Umbrella Fund plc

² Principal adverse impacts are those impacts of investment decisions that result in negative effects on sustainability factors.

8. Emissions to water
9. Hazardous waste ratio

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

10. Share of companies in violations of UN GC and OECD Guidelines Implementation of fundamental ILO Conventions
11. Share of companies without policies or processes to monitor compliance with UNGC and OECD Guidelines
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (land mines and cluster bombs, chemical and biological weapons)

From 1 January 2022, the principal adverse sustainability impacts will be assessed formally at each quarter end and reviewed by the FSI Global Investment Committee that monitors all investment related risks across the business. This governance process will inform what, if any, actions are to be taken in relation to the principal adverse sustainability impacts which will be reported annually for the period commencing 1 January 2022.

Policies to identify, prioritise and monitoring principal adverse sustainability impacts

The FSI Group Principal Adverse Impacts Policy is approved and authorised by the First Sentier Investors (FSI) Responsible Investment Steering Group which is chaired by the FSI CEO. The Steering Group has oversight of all group wide policies relating to sustainable investment, ESG integration, sustainability risks and responsible investment and stewardship processes. Such policies, including the Principal Adverse Impacts policy, are reviewed annually.

Implementation of the policy is managed by the FSI Responsible Investment team.

Additional principal adverse sustainability impacts indicators are prioritised by investment teams where there is a belief that there will be a material impact on investment returns and/or an impact on meeting the social and environmental characteristics of the products for the specific investment strategies managed by each team. The investment teams are responsible for the identification of these impacts.

Sustainability data used to assess this is sourced from a series of third party providers (including Sustainalytics, MSCI and RepRisk), and used alongside information gathered through analysis conducted by our investment managers as a result of their own research and from direct company engagement. The FSI Group Responsible Investment team shall make PAIs analytics sourced from third parties available to investment teams for use in their ongoing analysis and to inform their corporate engagement processes and expected outcomes of that process. Third party sourced information is subject to limitations relating to methodologies and disclosures from investee companies and other entities. Such limitations are mitigated by proprietary research and direct engagement.

Engagement Policies

Where adverse sustainability impacts are identified, the Investment Manager shall engage with the company in accordance with the commitments made under section 2.2.1 of the FSI Responsible Investment and Stewardship Policy and Principles. Engagement may be undertaken directly or as part of collaborations with other investment institutions.

Where engagement is unsuccessful in mitigating or reducing adverse sustainability impacts, the investment teams shall consider escalating the issue by:

- Reporting the issue to the ESG Impacts Committee, Global Investment Committee and RI Steering Group;
- Writing to or meeting with the chairperson or lead independent director;
- Voting against directors we feel are not providing appropriate oversight;
- Wider engagement with other investors;
- Making our views public; or
- Reducing or divesting the holding of the issuer.

The FSI Responsible Investment and Stewardship Policy and Principles document can be found at: <https://www.firstsentierinvestors.com>

International Standards, Norms and Codes of Practice

FSI's approach to responsible investment includes commitments to international norms and standards. FSI supports the World Health Organisation Framework on Tobacco Control and conventions relating to the manufacture of anti-personnel mines (Ottawa Convention) and cluster munitions (Oslo Convention).

FSI also:

- support and uphold fundamental principles of human rights as articulated in the UDHR;
- support international norms and standards enshrined in widely adopted treaties, conventions and codes of practice including the OECD Guidelines³; and
- uphold the highest standards of environmental stewardship.

These standards are applied in the investment processes by reference to the FSI Human Rights and Modern Slavery toolkit <https://www.firstsentierinvestors.com> and Climate Change Working Group and are informed by data sourced from the third party ESG data service providers.

FSI monitor climate impacts and risks by using third party sourced carbon data (emissions, carbon intensity and footprints plus fossil fuel exposures). This does not currently include the use of forward looking climate scenario data as these methodologies and services are currently under review by the FSI Responsible Investment team.

FSI's approach to international norms and standards can be found in our Responsible Investment and Stewardship Policy and Principles document Section 2.4.

³ OECD Guidelines for Multinational Enterprises (recommendations on responsible business conduct)

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