



## **Sustainable Finance Disclosures Regulation (“SFDR”)**

### **Article 10 - Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites**

(Regulation (EU) 2019/2088)

#### **Introduction**

This document sets-out the firm-level disclosures required to be made under Article 10 of SFDR by the First Sentier Investors group<sup>1</sup>. The group includes investment teams trading as:

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

#### **Disclosures**

Certain of the financial products of the First Sentier Investors group which are within the scope of SFDR:

- promote environmental or social characteristics – these products are referred to as “Article 8 products”; or
- have a sustainable investment objective - these products are referred to a “Article 9 products”.

The financial products include UCITS, alternative investment funds and portfolio management services.

For each Article 8 or 9 financial product, Schedule 1 and 2 (respectively) sets-out a concise summary of:

- the environmental or social characteristics or the sustainable investment objectives of the product;
- the methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the sustainable investments selected for the financial product, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics

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

- or the overall sustainable impact of the financial product;
- the information referred to in Articles 8 and 9 of SFDR.

Information on the extent to which environmental or social characteristics are met or the overall sustainability-related impact of the financial product by means of relevant sustainability indicators will be disclosed in periodic reports as required by Article 11 SFDR.

10 May 2021

## Schedule 1: disclosures relating to Article 8 financial products pursuant to Article 10 SFDR

### 1. FSSA Investment Managers financial products

| Name  | LEI                  |
|---|----------------------|
| Financial market participant(s)                               |                      |
| First Sentier Investors Global Umbrella Fund plc              | n/a                  |
| First Sentier Investors International IM Limited <sup>2</sup> | 549300CCC4Z8M05T6N95 |
| First Sentier Investors (Hong Kong) Limited <sup>3</sup>      | 549300NAABVE7RMFLI60 |
| Financial product(s)  |                      |
| FSSA Asian Equity Plus Fund                                   | 549300ZMXZQSOPU0T420 |
| FSSA Asian Growth Fund  | 549300XJFRTRHUTLLR97 |
| FSSA Asia Focus Fund  | 549300LAC4P0KXGYJG33 |
| FSSA Asia Opportunities Fund                                  | 549300SM7XIROBMZU550 |
| FSSA Asia Pacific All Cap Fund                                | 549300SM7XIROBMZU550 |
| FSSA China A Shares Fund                                      | 5493003H85K45YEMYA03 |
| FSSA China Focus Fund   | 549300SVCX8IKHXVNY34 |
| FSSA China Growth Fund  | 5493004Q3YHN6B7BLH98 |
| FSSA Global Emerging Markets Focus Fund                       | 549300SL3RBSIYHE9F49 |
| FSSA Greater China Growth Fund                                | 54930071KVAFNC5LG34  |
| FSSA Hong Kong Growth Fund                                    | 549300YMO8UBPRDX6227 |
| FSSA Indian Subcontinent Fund                                 | 549300JYCOP3BMVTQE19 |
| FSSA Japan Equity Fund  | 549300BVF6Q2HF8PQC35 |
| FSSA Singapore and Malaysia Growth Fund                       | 5493009FP6QE07BQYA98 |
| FSSA All China investment strategy                            | n/a                  |
| FSSA China All Cap investment strategy                        | n/a                  |
| FSSA Asia Pacific Leaders investment strategy                 | n/a                  |
| FSSA Asia Pacific Select investment strategy                  | n/a                  |
| FSSA Asian Small Cap investment strategy                      | n/a                  |
| FSSA Asia Equity Leaders investment strategy                  | n/a                  |

#### ***No sustainable investment objective***

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

#### ***Environmental or social characteristics***

Environmental and social characteristics (combined with sustainability risks) are integrated into the investment analysis and assessment criteria for selecting companies in the product's portfolio.

The environmental and social characteristics generally taken into account as part of the analysis and assessment are as marked by X in the table below:

| Environmental impacts     |   |
|---------------------------|---|
| Air quality and pollution | X |

<sup>2</sup> Not subject to SFDR; disclosing for transparency purposes

<sup>3</sup> Not subject to SFDR; disclosing for transparency purposes

|   |   |
|---|---|
| Greenhouse gas emissions                              | X |
| Energy use, waste, conservation, and water management | X |
| <b>Social impacts</b>                                 |   |
| Community initiatives                                 | X |
| Diversity and equal opportunity,                      | X |
| Employee engagement                                   | X |
| Health and safety                                     | X |
| Labour standards                                      | X |
| Supply chain risks                                    | X |
| Human rights  | X |

The product plans to invest all of its assets in investments which contribute to the attainment of the environmental or social characteristics promoted by the product. Uninvested assets will be held in cash or near cash equivalents.

### **Methodologies**

*Assessment, measurement and monitoring of investments (including screening criteria):* The manager reviews and analyses each company's environmental and social characteristics. These cover aspects including how each company contributes towards climate change and how they support and uphold the fundamental principles of human rights. The manager's view is that companies with strong environmental and social characteristics merit a higher valuation multiple and are expected to outperform their peers. The manager reviews each investee company for their management of environmental and social characteristics, corporate governance, and activities considered detrimental to society.

*Data sources:* Direct engagement with investee companies is an important source of data, supplemented by Sustainalytics, RepRisk, MSCI Governance Research, MSCI Climate Value at Risk tool and Glass Lewis.

*Sustainability indicators:* The product uses indicators to assess factors including greenhouse gas emissions, energy performance, water usage, social and employee data, human rights and bribery and corruption criteria.

## **2. Property Securities financial products**

| Name   | LEI                  |
|--|----------------------|
| <b>Financial market participant(s)</b>           |                      |
| First Sentier Investors Global Umbrella Fund plc | n/a                  |
| <b>Financial product(s)</b>                      |                      |
| First Sentier Asian Property Securities Fund     | 549300HGNSS0MUQNS075 |
| First Sentier Global Property Securities Fund    | 54930043SPJBFOE6GJ62 |

### ***No sustainable investment objective***

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

### ***Environmental or social characteristics***

Environmental and social characteristics (combined with sustainability risks) are integrated into the investment analysis and assessment criteria for selecting companies in the product's portfolio.

The environmental and social characteristics generally taken into account as part of the analysis and assessment are as marked by X in the table below:

| Environmental impacts            |   |
|----------------------------------|---|
| Greenhouse gas emissions         | X |
| Energy efficiency                | X |
| Water intensity and usage        | X |
| Building standards               | X |
| Social impacts                   |   |
| Diversity and equal opportunity, | X |
| Health and safety                | X |
| Labour standards                 | X |
| Non-discrimination               | X |
| Human rights                     | X |
| Impacts on local communities     | X |

The product plans to invest all of its assets in investments which contribute to the attainment of the environmental or social characteristics promoted by the product. Uninvested assets will be held in cash or near cash equivalents.

### ***Methodologies***

*Assessment, measurement and monitoring of investments (including screening criteria):* A two-pronged approach is used to assess investments. First, sustainability considerations are a material variable in the initial screen of companies used to determine the investible universe. Low environmental or social scores, in combination with low scores on other factors, can lead to a company being excluded from the investment universe. Secondly, each company is rated on specific environmental and social characteristics. A higher environmental or social characteristic assessment leads to a higher target valuation and positive selection of that asset. The manager seeks to understand and capture sustainability risks and opportunities using a proprietary quality-ranking model. The model employed includes a range of environmental and social characteristics, which are expected to influence investment returns, both in general and within infrastructure securities.

*Data sources:* Direct engagement with investee companies is an important source of data, supplemented by Sustainalytics, RepRisk, MSCI Governance Research, MSCI Climate Value at Risk tool and Glass Lewis.

*Sustainability indicators:* The product uses indicators to assess factors including greenhouse gas emissions, energy performance, water usage, social and employee data, human rights and bribery and corruption criteria

### 3. Listed Infrastructure financial products

| Name   | LEI                  |
|--|----------------------|
| Financial market participant(s)                                |                      |
| First Sentier Investors Global Umbrella Fund plc               | n/a                  |
| First Sentier Investors (Australia) IM Limited <sup>4</sup>    | 549300MACVLN46DK7389 |
| Financial product(s)   |                      |
| First Sentier Global Listed Infrastructure Fund                | 549300UHIVWX4YGY6160 |
| First Sentier Global Listed Infrastructure investment strategy | n/a                  |

#### ***No sustainable investment objective***

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

#### ***Environmental or social characteristics***

Environmental and social characteristics (combined with sustainability risks) are integrated into the investment analysis and assessment criteria for selecting companies in the product's portfolio.

The environmental and social characteristics generally taken into account as part of the analysis and assessment are as marked by X in the table below:

| Environmental impacts            |   |
|----------------------------------|---|
| Greenhouse gas emissions         | X |
| Energy efficiency                | X |
| Water intensity and usage        | X |
| Building standards               | X |
| Social impacts                   |   |
| Diversity and equal opportunity, | X |
| Health and safety                | X |
| Labour standards                 | X |
| Non-discrimination               | X |
| Human rights                     | X |
| Impacts on local communities     | X |

The product plans to invest all of its assets in investments which contribute to the attainment of the environmental or social characteristics promoted by the product. Uninvested assets will be held in cash or near cash equivalents.

#### ***Methodologies***

*Assessment, measurement and monitoring of investments (including screening criteria):* The product is managed using a process that ranks companies by relative quality and value, and that incorporates the consideration of six sustainability criteria. The manager seeks to understand and capture sustainability risks and opportunities using a proprietary quality-ranking model. The

<sup>4</sup> Not subject to SFDR; disclosing for transparency purposes

model employed includes a range of environmental and social characteristics, which are expected to influence investment returns, both in general and within infrastructure securities.

*Data sources:* Direct engagement with investee companies is an important source of data, supplemented with external services such as Sustainalytics, RepRisk, MSCI Governance Research, MSCI Climate Value at Risk tool and Glass Lewis.

*Sustainability indicators:* The product uses indicators to assess factors including greenhouse gas emissions, energy performance, social and employee data, and human rights and bribery and corruption criteria.

#### 4. **European Diversified Infrastructure financial products**

| Name  | LEI                  |
|---|----------------------|
| <b>Financial market participant(s)</b>                                |                      |
| First Sentier Investors (Ireland) Limited                             | 254900UC15SMIDJKJ902 |
| <b>Financial product(s)</b>   |                      |
| European Diversified Infrastructure Fund FCP-SIF                      | 222100D6IJOL25B4TS19 |
| European Diversified Infrastructure German Feeder Fund SCA, SICAV-SIF | 254900PA54CLA6K7QB70 |
| European Diversified Infrastructure Feeder Fund II SCA, SICAV-SIF     | 254900VFPT1X8C7COI90 |
| European Diversified Infrastructure Fund II SCSp                      | 222100783YRIP8Y6JD67 |
| EDIF II Feeder Fund S.C.A. RAIF                                       | 254900CS64VGI4N25I11 |
| EDIF II FF II S.C.A. RAIF   | 25490035L65VW68YAD27 |
| European Diversified Infrastructure Fund III SCSp                     | 25490060JRKFY51QYQ65 |
| EDIF III Feeder Fund SCA SICAV-RAIF                                   | 254900HZ1LMIKMRAHF77 |

#### ***No sustainable investment objective***

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

#### ***Environmental or social characteristics***

The product promotes environmental and social characteristics and incorporates these into the investment and asset management process. This includes four binding minimum standards which apply to all assets in the portfolio:

1. Improving health and safety through defining and implementing standardised metrics, setting zero accident targets, and including health and safety performance and culture as part of senior management team incentives where appropriate;
2. Reducing CO2 emissions and improving other relevant environmental standards;
3. Increasing equality and representation; and
4. Encouraging apprenticeship and continuous employee development.

Good governance constitutes an additional binding minimum standard for ESG performance which applies to all assets in the portfolio. FSI takes active steps to work with investee companies to improve corporate governance standards through independent board representation, implementing risk management systems and risk registers, adhering to relevant standards or

certifications, and carrying out regular employee engagement surveys and customer satisfaction surveys.

(together the “Five Minimum Standards” for ESG performance).

### ***Methodologies***

*Assessment, measurement and monitoring of investments (including screening criteria):* Progress against implementation of the Five Minimum Standards is tracked in every portfolio company and a resulting scorecard is reported internally and to investors on a quarterly basis. This quarterly scorecard typically involves a Yes/No/In progress indication of compliance with each of the Minimum Standards, based on discussions with the Board and management team.

In addition, the manager tracks Key Performance Indicators (KPIs) at every asset on an annual basis, covering diversity; Scope 1 and 2 greenhouse gas emissions; and health and safety performance. Additional, asset-specific KPIs may be set for particular companies, depending on the key environmental or social issues facing the business.

Targets and actions to be taken to address sustainability risks are included in 100-day plans and longer-term business plans. Quarterly asset management reviews for each business provide a further opportunity to monitor sustainability risks, with ESG issues covered as a standing agenda item. The manager also takes steps to ensure our portfolio companies comply with all applicable laws and have all required policies and certifications in place.

*Data sources:* Direct engagement with investee companies via board representation and/or workshops with management.

*Sustainability indicators:* Investment teams gather data on the following indicators from all portfolio companies on an annual basis:

- The Accident Frequency Rate (“AFR” per 100,000 hours worked)
- Scope 1 and 2 greenhouse gas emissions
- Total employees + % female
- New hires + % female
- % women in senior management
- % women on Board.

## Schedule 2: disclosures relating to Article 9 financial products pursuant to Article 10 SFDR

### 1. Responsible Listed Infrastructure financial products

| Name   | LEI                  |
|--|----------------------|
| Financial market participant(s)                      |                      |
| First Sentier Investors Global Umbrella Fund plc     | n/a                  |
| Financial product(s)                                 |                      |
| First Sentier Responsible Listed Infrastructure Fund | 549300E7HMFL0HQCAU90 |

#### ***Sustainable investment objective***

The product seeks to make investments that contribute to positive social and environmental sustainability outcomes (in accordance with its investment objective and policy) as its sustainable investment objective.

#### ***Methodologies***

*Assessment, measurement and monitoring of investments (including screening criteria):* The binding methodology uses an active investment process which ranks companies by valuation and quality criteria, including a ranking of sustainability factors. The research and analysis includes examining how companies' management of sustainability issues positively aligns with the UN Sustainable Development Goals. The manager seeks to understand and capture sustainability risks and opportunities using a proprietary quality-ranking model. The model includes a range of sustainability factors, which are expected to influence investment returns, both in general and within infrastructure securities.

*Data sources:* The manager believes the most important source of investment research is generated internally through investment team's experience and regular meetings with senior management of investee companies, other stakeholders including suppliers, competitors, regulators and industry bodies. To supplement the product's internal research, the manager considers the research of sell side ESG analysts on sustainability issues, along with other external services such as Sustainalytics, RepRisk, MSCI Governance Research, MSCI Climate Value at Risk tool and Glass Lewis.

*Sustainability indicators:* The product uses indicators to assess factors including greenhouse gas emissions, energy performance, social and employee data, and human rights and bribery and corruption criteria.

### 2. Stewart Investors – Sustainable Funds Group - financial products

| Name  | LEI                  |
|---|----------------------|
| Financial market participant(s)                               |                      |
| First Sentier Investors Global Umbrella Fund plc              | n/a                  |
| First Sentier Investors International IM Limited <sup>5</sup> | 549300CCC4Z8M05T6N95 |
| Financial product(s)  |                      |
| Stewart Investors Asia Pacific and Japan Sustainability Fund  | 549300G4DULVSULOBZ21 |

<sup>5</sup> Not subject to SFDR; disclosing for transparency purposes

|  |                      |
|--|----------------------|
| Stewart Investors Asia Pacific Leaders Sustainability Fund                           | 549300VKJEPJT5Q4V960 |
| Stewart Investors Asia Pacific Sustainability Fund                                   | 549300BZRT184DKU8I49 |
| Stewart Investors European Sustainability Fund                                       | n/a                  |
| Stewart Investors Global Emerging Markets Leaders Sustainability Fund                | n/a                  |
| Stewart Investors Global Emerging Markets Sustainability Fund                        | 549300V44ENSGLMQBN36 |
| Stewart Investors Indian Subcontinent Sustainability Fund                            | 549300KV9RVYY1I3UF70 |
| Stewart Investors Worldwide Leaders Sustainability Fund                              | 5493003C0PDCQZH4VL30 |
| Stewart Investors Worldwide Sustainability Fund                                      | 549300CUQ1MDVG6JSB91 |
| Stewart Investors Asia Pacific and Japan Sustainability investment strategy          | n/a                  |
| Stewart Investors Asia Pacific Leaders Sustainability investment strategy            | n/a                  |
| Stewart Investors Asia Pacific Sustainability investment strategy                    | n/a                  |
| Stewart Investors European Sustainability investment strategy                        | n/a                  |
| Stewart Investors Global Emerging Markets Sustainability investment strategy         | n/a                  |
| Stewart Investors Global Emerging Markets Sustainability Leaders investment strategy | n/a                  |
| Stewart Investors Indian Subcontinent Sustainability investment strategy             | n/a                  |
| Stewart Investors Worldwide Sustainability investment strategy                       | n/a                  |
| Stewart Investors Worldwide Leaders Sustainability investment strategy               | n/a                  |

### ***Sustainable investment objectives***

The product seeks to achieve long-term capital appreciation by making investments that contribute to positive social and environmental sustainability outcomes.

### ***Methodologies***

*Assessment, measurement and monitoring of investments (including screening criteria):* The binding elements of the investment strategy are an exclusive focus on companies that contribute to and benefit from sustainable development; a research-driven, fundamental, bottom-up approach to the selection and ongoing analysis of investments; a focus on the quality and sustainability attributes of every company; a focus on company stewardship and sound governance; a long-term investment horizon; and a commitment to engagement in order to address sustainability concerns and issues.

*Data sources:* The manager has a commitment to engage with each company's management team to address sustainability concerns, issues and risks. Alongside desk research, conversations

and meetings take place with company owners, leaders and independent directors in order to build conviction in investee companies' governance practices. Bespoke and independent research is commissioned on sustainability topics. Analysis performed by third party data providers, such as ISS Ethix, RepRisk and Glass Lewis, is used to assess and monitor whether investee companies comply with standards around governance best practice, global norms and controversies, and to gauge whether companies meet expectations in relation to governance. The manager reviews each and every investment. The reviews include assessments, where relevant, to environmental indicators, social indicators, and other topics such as leverage, safety, employee engagement, harmful or controversial products and services, and unethical conduct.

*Sustainability indicators:* The product uses indicators to assess factors including greenhouse gas emissions, social and employee data, workplace safety and employee engagement, harmful or controversial issues, human rights and bribery and corruption criteria.