**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

**Product name:**
First Sentier Responsible Listed Infrastructure Fund

**Legal entity identifier:**
549300E7HMFL0HQCAU90

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective: %** | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **70%** of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy. | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective: %** | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**What environmental and/or social characteristics are promoted by this financial product?**

The Fund seeks to promote sustainable development as guided by the United Nations' Sustainable Development Goals (SDGs). The main focus of the Investment Manager is on the following SDGs while acknowledging that infrastructure companies may also contribute to other SDGs at times:

- SDG 6: Clean Water and Sanitation
- SDG 7: Affordable and Clean Energy
- SDG 9: Industry, Innovation and Infrastructure
- SDG 11: Sustainable Cities and Communities
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action.

The Investment Manager considers that alignment with the above SDGs is likely to lead to positive environmental or social outcomes (dependent on the infrastructure sector).

In addition, the Fund seeks to promote climate change mitigation via a reduction in carbon intensity (measured as carbon emissions per MWh), the establishment of energy infrastructure required for enabling the de-carbonisation of energy systems, and the production of clean and efficient fuels from renewable or carbon- neutral sources.

The Social characteristics promoted by the Fund are: the protection of labour rights, and the provision of safe and secure working environments for all workers

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager considers the extent to which each company contributes to, or benefits from, sustainable development. This is assessed by reference to the SDGs.

This assessment and analysis involves looking at the capital expenditure of each current or potential portfolio holding, and then mapping this expenditure against the SDGs to determine whether the net contribution being made is positive, neutral or negative.

As regards the promotion of climate change mitigation, for utility companies with material (over 2GW of energy generation capacity) energy generation assets, the relevant indicators are;

- demonstrating declining carbon intensity* (as measured by tons of carbon emitted per MWh of electricity generated) over rolling retrospective five year periods, or a carbon intensity at least 25% below the average of utility companies in the Investment Manager's investment universe; and

  *The measure of carbon intensity over time may be adjusted to take into account circumstances including but not limited to corporate restructurings such as an investment's acquisition or divestment of energy generation assets, or changes in capacity factors i.e. how often different power plants with different carbon intensities, are being run.

- The imposition of a 20% limit to coal generation exposure as measured by proportion of a company's overall assets that consist of coal-fired generation assets.

  As regards the promotion of the protection of labour rights, and the provision of safe and secure working environments for all workers, the relevant indicators are adherence to the Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

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- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments held by the Fund are to contribute to or benefit from sustainable development, as defined by the SDGs. Such investments must also pass the SFDR "do no significant harm" test.

Infrastructure companies provide essential services such as energy, transportation, water and telecommunications that are vital to the functioning of societies and economies. They are often large scale projects with significant capital expenditure requirements.

The relevance of business activities to the achievement of each SDG and the objectives for each sector/industry are supported by the Sustainability Accounting Standards Board ("SASB") materiality mapping. Each individual investee company's capital expenditure is linked to the industry-specific SASB risk indicators and all sectors are mapped to the relevant climate-related risk and opportunity topics and metrics.

Each layer of capital investment is deemed either positive, neutral or negative towards a single SDG. Note that in some circumstances certain capital investments can help achieve more than one goal. In these cases a determination is made on which the most pertinent goal is and count this expenditure only once.

A positive determination implies that the capital investment is expected to have a positive impact on the achievement of that SDG. A negative determination implies that the capital investment is expected to have a negative impact on the achievement of that SDG. A neutral determination implies that the capital investment is expected to have neither a positive nor a negative impact. The Investment

Manager then calculates a net SDG contribution based on each companies positive, negative and neutral capital expenditure.

An example of practical infrastructure investment practices aligned with SDGs and their sub-goals is provided below:

SDG 7 - Affordable and Clean Energy.

Relevant sub-goals include 7.2: "By 2030, increase substantially the share of renewable energy in the global energy mix."

The infrastructure sector can contribute to this by investing in the buildout and maintenance of renewable energy, including wind, solar and batteries.

Each company's net contribution is determined by subtracting its percentage negative contribution from its percentage positive contribution. Under this approach, each company's theoretical maximum net contribution is 100%.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Relevant Principal Adverse Impact (PAI) criteria are assessed for each of the portfolio's sustainable investments as part of the Investment Manager's sustainability assessment. In order to qualify as a sustainable investment, an investment must pass this PAI assessment. To confirm however, an investment which fails the PAI assessment, but nonetheless is considered to contribute to or benefit from sustainable development and to meet the other binding elements of the investment strategy, is an acceptable investment for the Fund. Such an investment would meet the environmental and social characteristics promoted by the Fund but would not count as a sustainable investment.

Other information referenced in this sustainability assessment includes (i) ESG disclosure for companies through SFDR Principal Adverse Impacts (ii) the Investment Manager's own proprietary research and (iii) company engagement.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The Fund considers principal adverse impacts on sustainability factors through the Investment Manager's assessment of each company through its investment process and its consideration of those principal adverse impact indicators set out in the SFDR Regulatory Technical Standards that it believes to be relevant to the company. The Investment Manager uses external data1, where available, and may rely on information directly from the company or its own research and knowledge of the relevant industry to assess those principal adverse impacts. Where material adverse sustainability impacts are identified, the Investment Manager will seek to engage with the company in accordance with the commitments made under its group Responsible Investment and Stewardship Policy and Principles.

The annual report of the Company will include information on how the Fund has considered the principal adverse impacts on sustainability factors in respect of the relevant financial year

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund monitors for adherence to the OECD Guidelines for Multinational Enterprises and the UN Global Compact. Any breaches of the OECD Guidelines for Multinational Enterprises or the UN Global Compact identified are reviewed and assessed by the Investment Manager.

The Investment Manager will monitor and assess the situation and, where deemed necessary, engage with entity management to determine how the entity is responding to the relevant failure or breach.

1 such as ISS and Sustainalytics, for further information on our sources, please visit our website www.firstsentier.com

Persistent or systematic failures or breaches may lead to divestment by the Fund, in circumstances where the Investment Manager considers that an entity has not responded adequately to the engagement process, this is typically monitored over three years.

**Does this financial product consider principal adverse impacts on sustainability factors?**

☒ ***Yes,*** The Fund considers principal adverse impacts on sustainability factors through the Investment Manager's assessment of each company through its investment process and its consideration of those principal adverse impact indicators set out in the SFDR Regulatory Technical Standards that it believes to be relevant to the company. The Investment Manager uses external data1, where available, and may rely on information directly from the company or its own research and knowledge of the relevant industry to assess those principal adverse impacts. Where material adverse sustainability impacts are identified, the Investment Manager will seek to engage with the company in accordance with the commitments made under its group Responsible Investment and Stewardship Policy and Principles.

The annual report of the Company will include information on how the Fund has considered the principal adverse impacts on sustainability factors in respect of the relevant financial year.

☐ **No,**

**What investment strategy does this financial product follow?**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund will seek to invest primarily (at least 70% of its Net Asset Value) in a diversified portfolio of equity securities or equity-related securities issued by companies that have substantial assets in, or derive significant revenues from, the infrastructure sector. These securities are listed, traded or dealt in on Regulated Markets worldwide. The infrastructure sector includes operating assets from the transport, utilities, energy and communications sectors.

The Investment Manager considers the extent to which each company contributes to, or benefits from, sustainable development. This is assessed by reference to the UN Sustainable Development Goals and each investment's capital expenditure aligned with those SDGs. Capital expenditure is mapped against the SDGs to determine whether the net contribution being made is positive, neutral or negative contribution.

The Fund will only invest in stocks which the Investment Manager believes contribute to, or benefit from, sustainable development, which is assessed by reference to the SDGs (as explained above). Should an existing holding of the Fund not have net positive capital expenditure and therefore be deemed not be contributing positively to an SDG, the Investment Manager follows an engagement / escalation process around the issue/s at hand. This could ultimately result in a range of outcomes, including the divestment of that holding from the portfolio.

The Investment Manager's proprietary sustainability assessment also incorporates the review of carbon intensity of utility companies and adherence to the UNGC principles for all companies.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

  - The capital expenditure of every holding is assessed against the relevant SDGs to determine whether a net positive, neutral or negative contribution is being made. The Fund will only invest in stocks with a positive net capital expenditure aligned with the SDGs, and which the Investment Manager believes can contribute to, or benefit from, sustainable development. Where a functional split of historical capital expenditure has not been publicly disclosed the Investment Manager may use proxies including but not limited to revenue, forecast capital expenditure and gross tangible assets.

1 such as ISS and Sustainalytics, for further information on our sources, please visit our website www.firstsentier.com

- Utility companies with material energy generation assets (greater than 2GW) held by the Fund are assessed for declining carbon intensity* over rolling retrospective five year periods (as measured by tons of carbon emitted per MWh of electricity generated); or that can demonstrate carbon intensity of at least 25% below the average of utility companies in the Investment Manager's investment universe.

  *Applies to utilities with material energy generation assets (over 2GW of energy generation capacity). The measure of carbon intensity over time may be adjusted to take into account circumstances including but not limited to corporate restructurings, such as an investment's acquisition or divestment of energy generation assets or changes in capacity factors i.e. how often different power plants, with different carbon intensities, are being run.

  Any failure to meet these parameters are reviewed and assessed by the Investment Manager. The Investment Manager will monitor and assess the situation and, where deemed necessary, engage with entity management to determine how the entity is responding to the relevant failure. Persistent or systematic failures may lead to divestment by the Fund, in circumstances where the Investment Manager considers that an entity has not responded adequately to the engagement process, This is typically monitored over three years.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- All stocks in the portfolio are monitored on a monthly basis for adherence to the OECD Guidelines for Multinational Enterprises and the UN Global Compact.

  Any breaches of the OECD Guidelines for Multinational Enterprises or the UN Global Compact identified are reviewed and assessed by the Investment Manager. The Investment Manager will monitor and assess the situation and, where deemed necessary, engage with entity management to determine how the entity is responding to the relevant failure or breach. Persistent or systematic failures or breaches may lead to divestment by the Fund, in circumstances where the Investment Manager considers that an entity has not responded adequately to the engagement process this is typically monitored over three years.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

  There is no committed minimum rate to reduce the universe of investments considered prior to the application of the strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

  Infrastructure companies provide essential services such as energy, transportation, water and telecommunications that are vital to the functioning of societies and economies. They are often large-scale projects with significant capital expenditure requirements.

  Effective governance and board oversight are critical for translating sustainable targets to outcomes. When assessing a company's Board the Investment Manager looks at factors including director independence, board size, overboarding, gender diversity and relevant skills and experience.

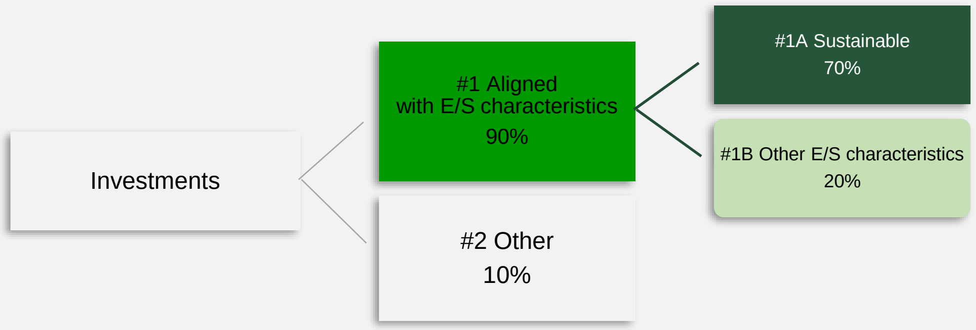
  The Investment Manager assesses and monitors investee companies relevant ESG risks including corporate governance risks, practices and issues as outlined in its Responsible Investment and Stewardship Policy. The Investment Manager adopts a principles-based assessment of good corporate governance practices which is guided by four governance pillars - Accountability, Independence, Transparency and Stewardship. Each pillar is described in the Responsible Investment and Stewardship Principles adopted by the Investment Manager's corporate group and are aligned with the broader stewardship approach taken by the Investment Manager. Assessment of good governance may include, for example, taking into account indicators such as ownership profile, board structure, board independence, and remuneration of staff. Where the Investment Manager is in a position to engage with a company's management and board, they will endeavour to do so with a view to making clear any expectations or preferences for improvements in the company's corporate governance practices.

**What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
**turnover** reflecting the share of revenue from green activities of investee companies
**capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
**operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The Fund aims to allocate 90% of its assets aligned with the environmental and social characteristics promoted. It is expected that at least 70% of its assets are defined as Sustainable Investments. The Fund may invest 10% of its assets in cash and near-cash assets.




**#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.

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

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

  The Fund may only use derivatives for purposes of hedging and efficient portfolio management. It is not intended that the Fund will use derivatives to attain the environmental or social characteristics promoted by the Fund .

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy1?***

☐Yes

☐In fossil gas ☐ In nuclear energy

☒No

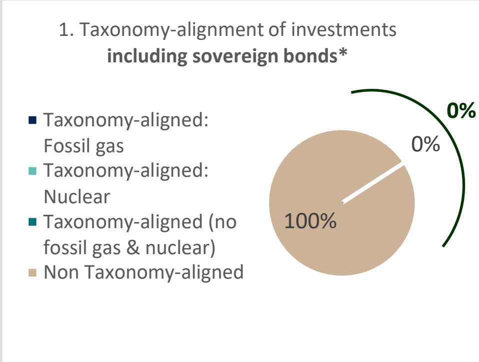
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

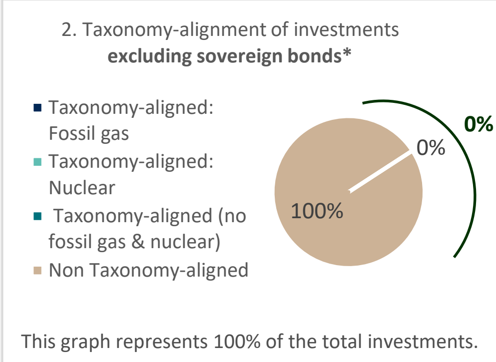
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund has no minimum commitment to invest in EU Taxonomy aligned assets.

*The two graphs below show in navy the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*




** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- ***What is the minimum share of investments in transitional and enabling activities?***

  There is no minimum share of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Fund will have a minimum proportion of 70 % of sustainable investments. Within this proportion, 0% is explicitly targeted to be aligned with the EU Taxonomy.

Are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**What is the minimum share of socially sustainable investments?**

While the Fund does seek to make sustainable investments there is no minimum amount of sustainable investments with social objectives.

**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The "#2 Other" assets are cash and near-cash assets held pending investment, to meet liquidity requirements, or assets held in order to allow efficient operational exit of positions. Due to the nature of these assets, no minimum environmental or social safeguards are applied

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No specific index is designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics promoted.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable

- ***How does the designated index differ from a relevant broad market index?***

Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable

**Where can I find more product specific information online?**
More product-specific information can be found on the website**:**

https://www.firstsentierinvestors.com/uk/en/institutional/responsible-investing/regulatory-disclosures.html