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 **35%** 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.

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

Environmental characteristics:

- climate change mitigation (via a reduction in carbon intensity (measured as carbon emissions per MWh), the establishment of energy infrastructure required for enabling the decarbonisation of energy systems, and the production of clean and efficient fuels from renewable or carbon-neutral sources); and
- the alignment of investee companies with the United Nations' Sustainable Development Goals most relevant to infrastructure companies, namely:
  - 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.

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

Social characteristics:

- 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?

Environmental (utility companies):

- demonstrating declining carbon intensity (as measured by tons of carbon emitted per MWh of electricity generated) over rolling five year periods, or a carbon intensity at least 25% below the industry average; and
- 20% limit to coal generation exposure (as measured by proportion of a company's overall assets that consist of coal-fired generation assets).

Environmental (all companies)

- Alignment with the relevant United Nations' Sustainable Development Goals

Social: Alignment with the Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

Environmental and Social: Alignment with the United Nations' Sustainable Development Goals.

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 sustainable investments of the Fund contribute to climate change mitigation via its utility holdings needing to demonstrate a declining carbon intensity over rolling five year periods. Furthermore, the Fund will only invest in utility companies where coal generation assets represent less than 20% of their total assets.

In addition, the companies that the Fund invests in:

- must not persistently and systematically violate any of the Ten Principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises; and
- must be clearly aligned with at least one of the United Nations' Sustainable Development Goals.

The Fund may hold integrated utilities that operate a broad range of power generation assets, including coal-fired power stations. The Investment Manager believes that by engaging with these companies, the Investment Manager can help accelerate the transition process towards net zero by 2050. Coal-fired generation assets must represent less than 20% of the overall assets of each company that the Fund invests in.

The Fund may hold the shares of companies that store and transport energy, including natural gas. The Investment Manager believes that natural gas has an important role to play as a transition fuel as the renewables build-out progresses.
The Investment Manager believes that by engaging with utility companies, the Investment Manager can help accelerate the transition process towards net zero by 2050.

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?

The Investment Manager's investment process uses its own sustainability analysis using six factors (Environment, Social, Governance, Board, Alignment of Interests, and Disruption) when assessing whether a company does no significant harm to any environmental or social objective.

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

Indicators for adverse impacts on sustainability factors are taken into account via the Investment Manager's proprietary quality and valuation model and the sustainability analysis stages of the investment process.

The proprietary quality and valuation model includes 25 criteria that the Investment Manager believes influence stock returns in general and infrastructure securities in particular. A score is assigned to each criterion.

Evidence from the principal adverse impact reporting that a company was performing poorly on specific social or environmental metrics would be likely to result in that company being assigned a lower score for the relevant quality criteria, and a lower score for that stock's sustainability analysis.

Sustainability analysis takes a deeper look at the efforts a company is making with regard to sustainability. It includes ranking companies by the ESG-related elements of the proprietary quality and valuation model in isolation. This shows which stocks fare best from a sustainability perspective alone. The outcome of these rankings prompts team discussion and debate, and highlights topics that require further investigation. Sustainability analysis also focuses on the six UN Sustainable Development Goals most relevant to listed infrastructure companies (noted in the response above).

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

All investments are screened against these criteria. Breaches are reviewed and assessed by the investment team. Persistent and systematic breaches, or breaches determined as irreconcilable to the characteristics promoted by the Fund would result in either engagement with the company or disinvestment.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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

☒ ***Yes,*** In order to ensure that the Fund achieves sustainable investment success, it is important that the Investment Manager identifies whether an investment decision will have a negative impact on the environmental, social or governance factors integrated into the investment process. The Investment Manager commits that for every active equity investment the corresponding issuer should be assessed for relevant adverse impacts and the results of this assessment documented. Where adverse sustainability impacts are identified, the Investment Manager engages with the company in accordance with the commitments made under First Sentier Investors' Responsible Investment and Stewardship Policy and Principles. Where engagement is unsuccessful, the investment team considers escalating the issue by:

- wider engagement with other investors;
- writing to or meeting with the chairperson or lead independent director;

- voting against directors they feel are not providing appropriate oversight; or
- making their views public.

If an appropriate response is not received from the company, the Investment Manager will consider divestment.

☐ **No,**

What investment strategy does this financial product follow?

The Investment Manager focusses on assessing each company considered for investment including how each company prioritises the potential impacts of climate change.

The environmental elements focussed upon are company alignment with the United Nation Sustainable Development Goals relevant to infrastructure (clean water and sanitation, affordable and clean energy, industry innovation and infrastructure, sustainable cities and communities, responsible consumption and production, and climate action).

The Investment Manager will proactively engage with companies where the Investment Manager is of the view that the investee company is not making sufficient progress on the environmental and social characteristics promoted by the Fund.

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

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

- ***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?***

All investments are subject to the Investment Manager's sustainability analysis and any that don't pass an evaluation based on the following sustainability indicators are ineligible for investment:

Environmental – utility companies:

The utility companies that the Fund invests in must be able to demonstrate a declining carbon intensity (as measured by tons of carbon emitted per MWh of electricity generated) over rolling five year periods, or a carbon intensity at least 25% below industry average. Coal-fired generation assets must represent less than 20% of the overall assets of each company that the Fund invests in.

Environmental – all companies

The companies that the Fund invests in must be clearly aligned with at least one of the United Nations' Sustainable Development Goals.

Social:

The companies that the Fund invests in must not be in persistent and systematic violation of any of the Ten Principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises.

- ***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. The Investment Manager's investment process screens out any company that doesn't align with the binding elements of the Fund's investment strategy.

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

All of FSI's investment teams assess corporate governance practices in line with the relevant policies and guidelines. Examples are:

Board assessment – there should be a transparent procedure for the appointment of new directors to a board. FSI's investment teams expect that companies are able to demonstrate diversity of gender, age, ethnicity, sexuality and thought across their organisation and at board level.

Ownership and shareholder rights - in general, FSI's investment teams will not support resolutions that propose: changes to the corporate structure that curtail shareholder rights; or changes to the capital structure that could dilute shareholders' voting and/or economic rights.

Remuneration – FSI's investment teams expect remuneration structures to be simple, long-term oriented, aligned with shareholder value/return, to encourage responsible risk taking and to the extent relevant embrace broader notions of 'success'.

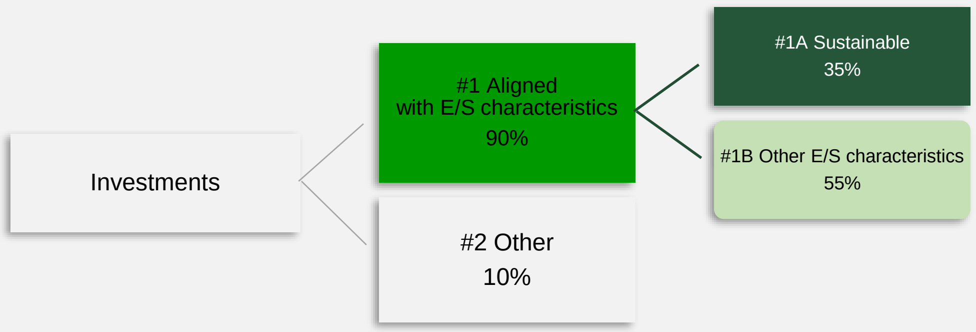
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

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 but is not limited to utilities (gas, water and electric), highways and railways, mobile towers and satellites, airport services, marine ports and services, and energy storage and transportation.

Within the infrastructure sector, the Fund will seek to invest through an investment process which ranks companies by valuation and quality criteria and which also incorporates a ranking of broader environmental, social and governance (ESG) issues.

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.



#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 for investment purposes.

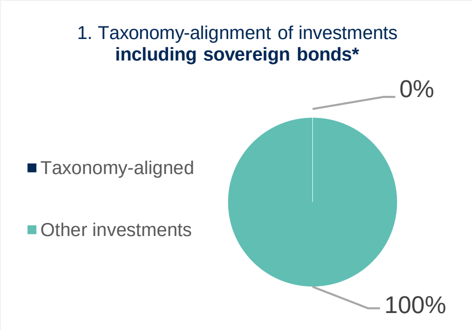
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

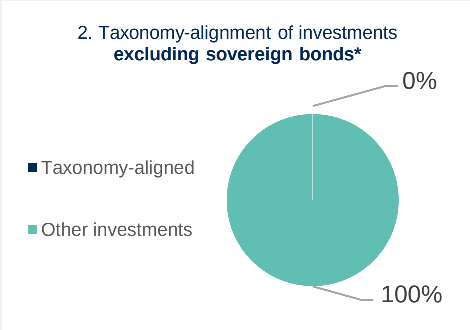
The investments underlying the Fund which are in environmentally sustainable economic activities aligned with the EU Taxonomy are shown in the graphs below. These activities include renewable generation, electricity transmission and distribution, passenger rail, water networks, recycling and waste management. Compliance with the requirements of the EU Taxonomy to determine alignment is not subject to an assurance provided by an auditor or review by a third party. Disclosure of EU Taxonomy alignment is based on data received from a third party provider. The degree of alignment with the EU Taxonomy is measured by capital expenditure. Owing to the features of the Fund's underlying investments, this is considered a more representative calculation than turnover. Capital expenditure provides a more accurate indication of where future earnings will be derived from, for companies such as utilities.

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.

The two graphs below show in green 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?

The EU Taxonomy aligned assets currently include 0.3% transitional activities and 0.9% enabling activities. There are no defined minimum allocations for these activities.

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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund will have a minimum proportion of 35% of sustainable investments. Within this proportion, 0% is currently aligned with the EU Taxonomy and the balance is not. The degree of EU Taxonomy alignment is expected to increase over time as investee company reporting improves and the scope of the EU Taxonomy increases.

What is the minimum share of socially sustainable investments?

There is no minimum amount of sustainable investments with social objectives. There may be times when the Fund is holding all of its assets with environmental objectives which may, or may not, be EU Taxonomy aligned.

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 or to meet liquidity requirements. Cash is held by the depositary.

Service providers are reviewed and assessed for compliance with FSI's modern slavery policy.

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-investment/responsible-investment-regulatory-disclosures.html