SKERRYVORE ICAV - GLOBAL EMERGING MARKETS EQUITY FUND

Sustainability & Stewardship

Policy and Guidelines

As of 30 June 2026



Skerryvore
ASSET MANAGEMENT

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Skerryvore Asset Management Ltd ("Skerryvore" or "Skerryvore Asset Management" or "Investment Manager") is an investment manager authorised and regulated by the Financial Conduct Authority in the UK and is registered as an investment adviser with the U.S. Securities and Exchange Commission ("SEC"). Skerryvore provides emerging market focused strategies to institutional clients and funds globally.



Far-sighted & Fair-minded

As long-term investors with a fiduciary duty to be responsible stewards of our clients' capital we look to maximise returns and in doing so address any sustainability risks to overall performance from investee companies.

OUR APPROACH

At Skerryvore, we believe a company's long-term sustainable behaviour is integral to its quality, alongside alignment, franchise strength and financial considerations.

We do not set a separate sustainability objective or place sustainability ahead of investment returns. Environmental, social and governance (ESG) factors are considered where they may have a material financial impact on an investment.

Because we may hold investments for many years, we believe the way a company manages relationships with its stakeholders, including employees, customers, shareholders, communities, regulators and the environment, can affect its long-term operating position, risk profile and return potential.

If a company does not meet our investment quality criteria, including sustainability and governance, we will not invest, regardless of valuation or index inclusion.

The Skerryvore ICAV - Global Emerging Markets Equity Fund (the "Fund") promotes environmental and social characteristics within the meaning of Article 8 of the Sustainable Finance Disclosures Reporting (SFDR) regulation.

WHAT IS SUSTAINABILITY?

For this policy, sustainability means a business's ability to operate and create long-term value without creating risks that could damage its reputation or future viability. ESG factors form part of this assessment and are considered within a broader view of what makes a business sustainable.

We assess material sustainability risk alongside other indicators of company quality. Poor stakeholder treatment, weak governance, or business practices that favour short-term outcomes over long-term resilience may signal higher investment risk and potential misalignment with minority shareholders.

ASSESSING SUSTAINABILITY

We asses sustainability using both quantitative and qualitative analysis, focusing on the factors most material to each company. Rather than relying solely on standardised ESG metrics or disclosure-based assessments, we review public disclosures, third-party information, news sources and undertake direct engagement with company management to understand governance, culture, decision-making and long-term strategy. Considering how these factors affect investment risk, return and longevity strengthens our due diligence process and should support better risk-adjusted returns.

MONITORING INVESTEE COMPANIES

We believe stewardship helps manage sustainability risks, and that our engagement and proxy voting activity support the creation of long-term value for clients.

As a minority shareholder, we engage with investee companies on matters that may materially affect long-term returns. This engagement helps us understand management decisions, governance and strategic direction.

For more information on Skerryvore's approach to stewardship, please also refer to our Engagement & Proxy Voting Policy and Guidelines, available in the Sustainability section of our website.

Our Principles

1. WE WILL SEEK TO OWN BUSINESSES WE BELIEVE ARE SUSTAINABLE

As with accounting data, sustainability metrics rarely tell the whole story. We examine the reasons and behaviours behind the reported figures to understand how a company operates and whether its approach can be sustained.

2. WE WILL SEEK FAR-SIGHTED COMPANIES THAT SEE SUSTAINABILITY AS A COMPETITIVE ADVANTAGE

We consistently find that the strongest companies recognise that sustainable behaviour can create a long-term advantage. This is often driven by the value of a positive reputation and the benefits it brings.

3. WE WILL SEEK TO ADDRESS NEW CONCERNS THROUGH ENGAGEMENT OR DIVESTMENT

Before investing, we seek to avoid companies with sustainability-related concerns. Over time, however, new information may change our assessment. Where engagement encourages improvement, we will pursue it; where it doesn't, we will divest.

4. WE WILL ACTIVELY ENGAGE WITH COMPANIES TO PROMOTE A RANGE OF RECOGNISED GLOBAL STANDARDS

Company standards have historically been relative, often based on local laws or the social norms of a company's country of domicile. As successful firms expand internationally, they must increasingly measure themselves against leading global peers. International investors are also applying global standards more consistently, which can materially affect share prices.

5. WE WILL ENCOURAGE BETTER TRANSPARENCY AND WORK WITH THOSE WHO PROMOTE IT

Disclosure is generally improving, but not all disclosure is useful. We encourage companies to improve transparency in line with global best practice and to be open about the material challenges of operating sustainably.

6. WE CANNOT ASK COMPANIES TO BEHAVE SUSTAINABLY IF WE DO NOT DO SO OURSELVES

We must look to meet the standards we encourage others to adopt by examining our own business and improving our impact. Although we are a small firm, that does not lessen our responsibility when seeking to influence others.

An Integrated Approach

A FOCUS FOR ALL

Assessing a business's sustainability is one of the four pillars of quality we consider for every company in which we invest. It is a core responsibility for every team member when determining a company's value. For this reason, we do not have a separate ESG team: the same people conduct fundamental research, meet companies, vote at meetings and engage with management, ensuring consistency of purpose across everything we do.

We are held accountable through the oversight and challenge of an independent Performance & Investment Risk Committee, which has access to the documentation setting out the team's considerations. We also have a Sustainability & Stewardship Working Group which focuses on the processes and data we use, ensuring these evolve with changing client expectations, company disclosures and regulatory requirements. Marketing and product teams are not involved in determining ESG considerations.

The diagram on the next page outlines the team's basic process, which is described in more detail in the following sections.

FROM PHILOSOPHY TO OUTCOME

Our far-sighted and fair-minded investment philosophy centres on two questions: are we investing in a high-quality business, and is it available at an attractive price? If we are not comfortable with the quality of the business, we will not invest regardless of price.

Including sustainable behaviour in our quality assessment helps us understand a company's long-term risks and how well it is positioned for the future. It also shows us how the company has treated other stakeholders, helping us assess whether minority shareholders could be disadvantaged.

RESEARCH & INFORMATION GATHERING

A company's sustainable behaviour is an equal part of our research and is analysed alongside alignment, franchise strength and financial considerations.

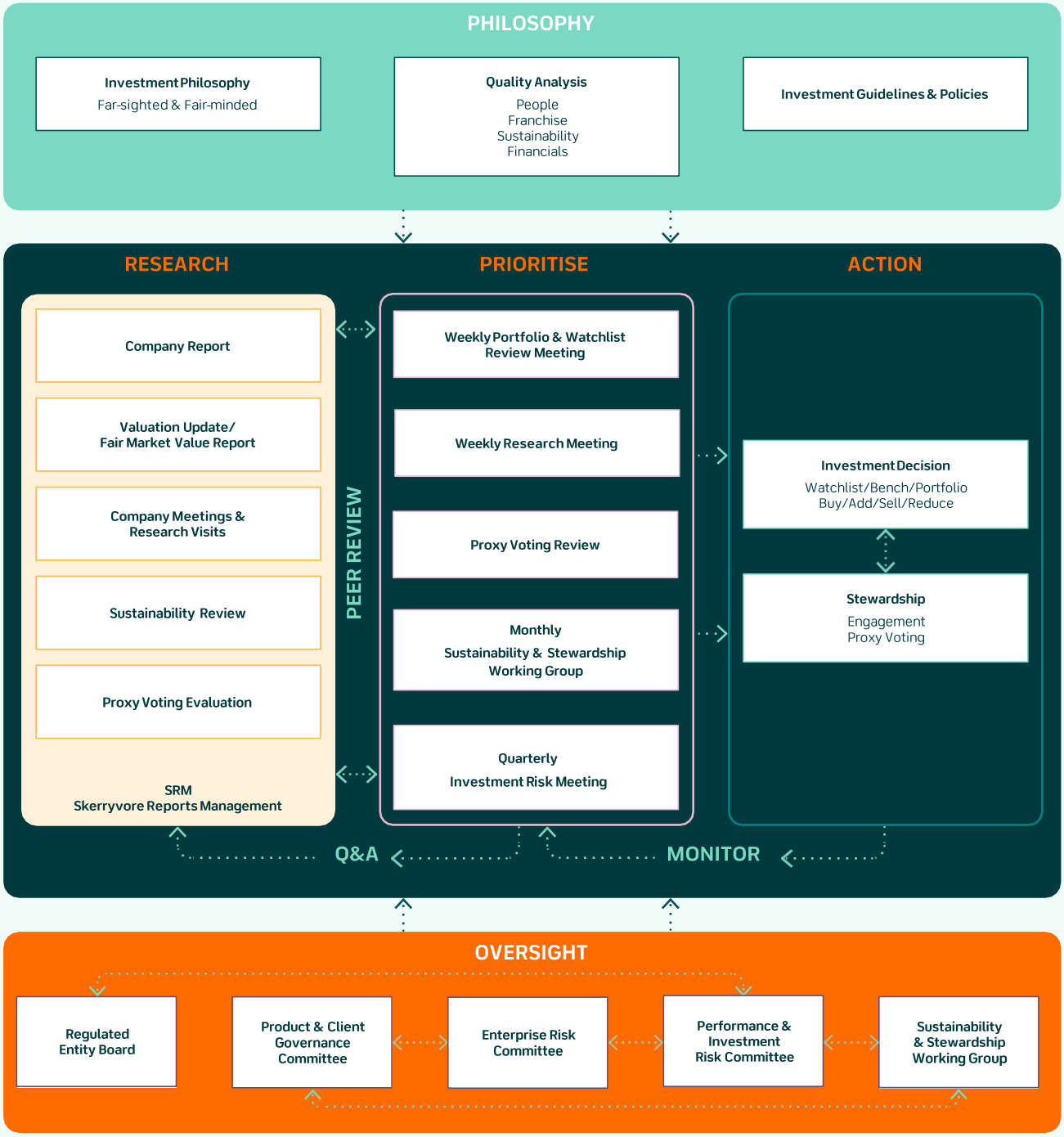
Company meetings

Before each meeting, the responsible investment team member prepares key questions, including those on sustainability. This preparation typically includes reviewing previous incidents, sustainability and annual reports, company performance data and any outstanding engagement questions recorded by the team.

During meetings, we look not only for direct answers but also for insight into how management views and prioritises the issues raised. Strong management teams understand that governance, emissions, water use and other sustainability considerations can affect reputation, and that positioning the business well for the future can create competitive advantage.

Feedback from company meetings is logged, including sustainability issues raised. Where we have already identified outstanding engagement issues, these are also discussed with company representatives.

An Integrated Approach to Sustainability



As of end June 2026

NB: This investment approach is for illustrative purposes only and as a basis for further discussion and is subject to change.

Sustainability & Stewardship Policy and Guidelines

Company reports

Before investing, the responsible investment team member must prepare a company report showing the wider investment team that the business meets our high-quality threshold. Sustainability considerations are an integral part of this report.

At a high level, we look for companies that take a long-term view and recognise that their treatment of stakeholders can have a lasting effect on reputation. Perceptions of a company can influence many things such as, but not limited to, whether employees choose to work there, suppliers do business with it, regulators grant licenses or customers buy its products. Each of these decisions affects business value and is shaped by the company's reputation.

In our detailed analysis, we review the company's history of incidents and how they were managed. Depending on the nature of the business, we assess material impacts and data such as emissions, waste, water use, diversity and human rights. We also consider how the company is organised to manage these issues and how well it is positioned as stakeholder expectations change.

We source data from third party providers, which we review regularly. We also consult company publications, including annual reports, presentations, regulatory disclosures and sustainability reports, as well as news sources and reference points such as competitors, suppliers and peers.

Data limitations are significant, so we carry out our own bottom-up analysis to complement information from providers. Where data is limited or unclear, we engage with companies to encourage better disclosure and to understand their strategy for change.

Centralised research and tracking

Our internal research management hub provides a central repository for team research and company interactions. It gives the team access to relevant research and engagement history for each company, helping us track how our understanding and views have changed over time. Meeting notes and voting records can be flagged for quick retrieval.

Alongside the research hub, our engagement log helps us track, prioritise and record engagements and their outcomes. Specific team members may be assigned as the single point of responsibility for important issues.

Together, these systems support accurate and timely communication of our ongoing stewardship activity and outcomes internally, and where required, to clients and other relevant parties.

SETTING OUR PRIORITIES

The investment team meets weekly to review research and discuss portfolio construction. All new portfolio investments are discussed at these meetings before a final decision is made. Any unresolved sustainability issues require further work by the responsible team member before an investment is made.

During ongoing monitoring, if a material issue is raised with the team, an engagement approach is agreed and logged. A team member is assigned to manage the process and report back on the outcome.

Investee companies are also monitored by the independent Performance & Investment Risk Committee through quarterly investment risk reviews, where team members may be challenged on the sustainability characteristics of individual holdings and the strategy as a whole.

TAKING ACTION

As long-term investors and responsible stewards of our clients' capital, we seek to maximise returns while addressing sustainability risks that may affect investee company performance. We aim not to invest in companies we believe are acting unsustainably.

Where we are invested and concerns arise, we seek to engage constructively with companies to encourage change. We also challenge limited progress against published targets or clear underperformance relative to peers, aiming to support better outcomes. Depending on the severity of the issue, we will engage promptly with investor relations, management and/or the board to understand the company's perspective and assess the mitigating actions it is prepared to take.

Because we focus on high-quality companies, we will divest in an orderly manner where progress is insufficient and engagement is deemed unsuccessful. The lead portfolio manager has ultimate responsibility for sustainability-related portfolio decisions.

Voting

We vote as a team on the shares we manage on behalf of clients. The investment team is responsible for proxy voting, which we consider part of our duty as long-term shareholders. We consider proxy agency research, but any team member may override a recommendation if following it could materially harm our clients' interests or conflict with our policies.

We document every vote. Where the appropriate vote is unclear, the team discusses the matter to reach a consensus. Where required we will engage with a company when voting against its recommendations and record these interactions in an engagement log. Where possible, we seek to clarify the rationale for any issues directly with the company before voting.

Our Engagement & Proxy Voting Policy and Guidelines are available in the Sustainability section of our website, together with our Annual Voting Summary, or on request.

OVERSIGHT & OWNERSHIP

The Performance & Investment Risk Committee oversees our sustainability implementation. It provides management oversight of our investment and ESG risk monitoring framework, supporting effective governance and alignment with investment objectives.

The Performance & Investment Risk Committee may escalate material concerns to the Enterprise Risk Committee or the Regulated Entity's board.

The Sustainability & Stewardship Working Group works with the investment team to develop ESG policies and guidelines and embed them in the investment process. Its focuses on best practice, consistency and transparency in how policies are applied and communicated

COMMUNICATION – SUPPORTING DOCUMENTS & REPORTING

The Sustainability & Stewardship Working Group monitors global regulatory developments and oversees mandatory regulatory reporting.

Policy and guideline documents are reviewed at least annually, with material changes or developments highlighted to clients through our normal reporting channels.

Clients receive quarterly insights on engagements, voting summaries and portfolio-level climate information.

We also produce an annual Sustainability Report, which includes commentary and insight from the investment team, supported by examples of engagement and significant voting activity during the year. We continue to develop how we communicate progress against commitments.

The Sustainability & Stewardship Working Group also reviews data quality and third-party data provider services on an ongoing basis, promotes sustainability-related training as required, and investigates corporate initiatives that reinforce our philosophy across the organisation.

Policy & Fund Guidelines

1. RESPONSIBLE INVESTING

As long-term investors with a fiduciary duty to be responsible stewards of our clients' capital we look to maximise returns and in doing so address any sustainability risks to overall performance from investee companies.

We have always viewed sustainability as a core consideration in every investment we make. When assessing a potential investment, we consider whether the business is acting in ways that could threaten its long-term viability and whether it can continue to prosper without compromising stakeholder needs. We regard environmental, social and governance (ESG) factors as part of a broader view of what makes a business sustainable. Assessing how these factors affect risk, return and longevity enhances our due diligence process and supports better risk-adjusted returns.

We aim to participate in national or supranational regulatory and industry body initiatives where our interests as responsible investors are aligned and best practice is promoted. Mindful of greenwashing risk, we are selective about the organisations we join and believe we should be judged by our actions rather than our affiliations.

As a signatory to the United Nations Principles for Responsible Investment (UNPRI)[1], and where consistent with our fiduciary responsibilities, we integrate ESG considerations into our policies, practices, investment analysis and decision-making. We encourage investee companies to disclose relevant data and undertake mandatory reporting on our responsible investing activities. Our latest UNPRI Assessment Report is publicly available on our website and on request.

2. CLIMATE CHANGE

Man-made climate change remains a significant area of debate. We believe scientific and physical evidence shows that the planet's average surface temperature is rising. For long-term investors, this creates material structural risks for companies across industries, from insurance to consumer staples.

We support the Paris Climate Agreement, and its objective of limiting temperature increases.

Accordingly, we focus on aligning our strategies with a target of carbon-neutrality by 2050. We assess investee companies' commitment to reducing carbon emissions, and their progress, through our bottom-up research process, supported by third-party data. We believe this approach currently adds more value to monitoring than some predictive climate models and provides useful insights for constructive engagement with company management teams.

Planning beyond our forecasting horizon requires us to plan for uncertainty. We therefore seek far-sighted management teams and businesses that have demonstrated adaptability, resilience and a balanced, fair-minded approach to the future. We believe this risk-aware approach should serve clients well over the long term, and our ability to evidence progress will continue to develop.

Although climate-related risks are substantial, we also believe opportunities will emerge. Many companies are likely to grow and prosper through the transition to a low-carbon economy. Capital markets can play a significant role in supporting the innovation and adaptability society will need during this transition.

While the long-term costs of climate change cannot be predicted with certainty, its effects on individual companies and the global economy will vary. This requires careful bottom-up analysis of companies' policies, preparations and positioning as they adapt to a lower-carbon world. We seek to invest in companies that are transparent about their strategies and processes for meeting targets, and we monitor their progress over time.

We aim to provide a quarterly summary of each strategy's carbon footprint, using third-party data across Scope 1, 2 and 3 emissions, as part of our normal institutional client reporting.

Seeking and providing this information supports our aim to understand intended portfolio risks and avoid unintended ones. The portfolio's carbon emissions profile is an output of, rather than an input into, our broader bottom-up investment process

[1] UNPRI Principles for Responsible Investing www.unpri.org

Policy & Fund Guidelines

3. DATA LIMITATIONS

During the research process we source data from third-party providers and company publications, including annual reports, presentations and, specific disclosures such as the Task Force on Climate-Related Financial Disclosures (TCFD) (as applicable), and sustainability reports. We may also refer to information from standards bodies such as the Global Reporting Initiative (GRI), the International Sustainability Standards Board (ISSB) and the Carbon Disclosure Project Worldwide (CDP).

We assess the materiality, consistency and quality of this data on an ongoing basis, reviewing underlying raw data where appropriate and using all commercially reasonable efforts. We recognise that third-party information has limitations related to methodologies and disclosures by investee companies and other entities, particularly in emerging markets.

4. ASSESSING ESG FACTORS

We do not apply a standard methodology when assessing ESG risks or concerns; analysis is conducted case-by-case. When assessing a new investment or reviewing existing holdings, we consider climate and other relevant third-party data, including total greenhouse gas emissions; carbon footprint; greenhouse gas emissions intensity; fossil fuel sector exposure; the share of non-renewable energy consumption and production; energy consumption intensity per high impact climate sector; activities negatively affecting biodiversity-sensitive areas; emissions to water; hazardous waste ratio; and investments in companies without water management policies.

We assess social and employee matters, respect for human rights, and anti-corruption and anti-bribery issues using third-party data. This may include companies in breach of the United Nations Global Compact (UNGC), the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, or fundamental International Labour Organisation Conventions; companies without labour standards or environmental, social or ethical policies or processes to monitor compliance with UNGC and OECD guidelines; unadjusted gender pay gap; board gender diversity; exposure to controversial weapons; and lack of a supplier code of conduct.

5. MODERN SLAVERY ACT

This statement is made under section 54 of the Modern Slavery Act 2015 and sets out the actions taken, and continuing to be taken, by Skerryvore Asset Management to ensure that modern slavery or human trafficking is not taking place within our business or supply chain. Modern slavery is an international crime and includes slavery, servitude, forced or compulsory labour and human trafficking, all of which constitute human rights abuses. We believe the risk of slavery and/or human trafficking in our supply chain is low and are satisfied that our own staff are not exploited. Staff have been made aware of their duty to report suspected instances of modern slavery and/or human trafficking. If we identify indications of such practises, we will respond appropriately to the nature and extent of the issue. From an investment perspective, we recognise that supply chains for companies operating in emerging markets may present heightened risk. Large workforces, lower wage rates and weaker legal systems can increase the potential for supply-chain transgressions. Our embedded focus on the sustainability of returns helps us avoid investing in companies whose success depends on undermining employees' rights.

6. GOVERNANCE

When assessing company quality, the Skerryvore team considers a wide range of governance risks. These may include but are not limited to: (i) board and management experience, diversity and structure; (ii) weaknesses in external or internal audit; (iii) executive remuneration and alignment; (iv) related-party transactions; (v) fair tax strategy; (vi) shareholder rights and engagement; (vii) bribery and corruption; and (viii) employee safeguards.

Policy & Fund Guidelines

7. SKERRYVORE ICAV – GLOBAL EMERGING MARKETS EQUITY FUND

7.1 SUSTAINABILITY CONSIDERATIONS

The Investment Manager has a fiduciary duty to be a responsible steward of clients' capital. Investment returns and environmental, social and governance (ESG) concerns are viewed as inseparable and form a core part of the investment process.

7.2 DISCLOSURE IN RELATION TO THE FUND'S PROMOTION OF ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS WITHIN THE MEANING OF ARTICLE 8(1) OF SFDR

The Fund promotes environmental and social characteristics, as described further below, however it does not have a sustainable investment objective. The Fund is actively managed, and no index has been designated as a reference benchmark as defined in SFDR. Further information in respect of the Fund's promotion of environmental and social characteristics is set out in Appendix 1 to the fund Supplement document.

7.2.1 PROMOTION OF ENVIRONMENTAL CHARACTERISTICS

The Fund seeks to promote the environmental characteristic of transition to a low carbon economy by (1) investing in companies that are committed to lowering carbon emissions in order to contribute to the Fund aligning with the target of carbon neutrality by 2050; and (2) excluding companies that derive more than 25% of total revenue directly from the extraction of fossil fuels. Each investee company is measured against this metric by the Investment Manager on a rolling 5-year average.

The Investment Manager considers an investee company's climate-related targets to determine the company's commitment to lowering its carbon emissions and its methods to reduce and remove carbon from the atmosphere. These methods may include, among other things, strategies to improve energy efficiency, transition to renewable energy, optimise supply chains and incorporate sustainable practices into the investee company's business strategy. The Investment Manager seeks to invest in companies that are transparent about their strategies and processes to achieve their targets, and the Investment Manager monitors investee companies' progress on an ongoing basis. Investee companies are also regularly reviewed for change to business mix due to strategic initiatives, M&A or product launches which may have a material effect on the company's carbon footprint.

The Investment Manager monitors investee companies on an ongoing basis relative to the metrics detailed above. This is achieved through independent research and analysis by the Investment Manager, including the use of S&P Business Involvement screening (methodology outlined in section 5.2.2) and data (incorporating future estimates) from third party providers.

Where an investee company is not, in the assessment of the Investment Manager, on track to reduce its carbon emissions, in absolute and/or intensity per its target, and the engagement process has been deemed unsuccessful over a 5-year period at most, the Investment Manager will divest.

Sustainability indicators used to measure the attainment of the environmental characteristic promoted by the Fund are derived from the Principal Adverse Impact (PAI) indicators outlined at Table 1 of Annex 1 of the SFDR Regulatory Technical Standards and are as follows:

- Total greenhouse gas emissions scope 1 & 2, 3;
- Relative carbon footprint; and
- Weighted Average Carbon intensity.

The aggregate portfolio is assessed quarterly by the Investment Manager using ISS (or equivalent) Climate Impact Assessment data which incorporates Scope 1 & 2 and 3 emissions exposure (tCO_2e), relative carbon footprint (tCO_2e/invested), carbon intensity (tCO_2e/revenue) and weighted average carbon intensity.

This includes assessing the top 10 most emissions intense contributors in the portfolio (tCO_2e Scope 1 & 2/revenue millions) against the peer group average for each; and the Fund's climate scenario alignment analysis, in order to monitor and manage progress in aligning with the target of carbon neutrality by 2050.

These assessments, in addition to queries arising from the quarterly consideration of all identified PAI data across the underlying portfolio, are reviewed by the Investment Manager's independent Performance & Investment Risk Committee. They also support prioritisation for engagement and proxy voting to promote investee

companies' progress towards their climate related targets and reduction of carbon emissions on an ongoing basis. Action taken as a result is reported annually in the mandatory periodic disclosure.

7.2.2 PROMOTION OF SOCIAL CHARACTERISTICS

The Fund seeks to promote social characteristics through excluding companies that (1) manufacture tobacco; and (2) are involved in the manufacture, distribution and sales of controversial weapons such as anti-personnel landmines, cluster munitions, chemical and biological weapons, nuclear weapons and civil weapons.

Sustainability indicators used to measure the attainment of the social characteristics promoted by the Fund are as follows:

- S&P Global Business Involvement screen (or equivalent); and
- Ad hoc independent Investment Manager analysis (0% of revenues).

S&P Global Business Involvement screening allows the Investment Manager to measure a company's direct and indirect exposures to specific products and services (for example, tobacco products), quantified as percentages of total company revenue and total company ownership. It also allows the Investment Manager to generate a list based on the percentage revenue a company derives from pre-determined business activities for exclusion. It allows precise calculation of the specific level of involvement for each company including differentiation between activities such as production, distribution and operation. Overall company coverage is comprehensive across all major equity indices and analysis is refreshed on an annual basis. The screen for companies involved in the manufacture, distribution and sales of controversial weapons is also addressed through analysis of the PAI indicator of the same nature.

Where there is an absence of data from the S&P Global Business Involvement screen an independent check will be performed by the Investment Manager's individual analyst responsible for the assessment of the company (whether it is being considered for the watchlist or is an existing holding). Assessment is undertaken using all commercially reasonable efforts and may be via further third-party information and engagement with the company. There is zero tolerance (0% of revenues allowable) for the exclusion criteria.

Given the binding nature of this promoted social characteristic, this process aims to avoid investment in companies involved in these activities, or retention of investee companies where operations have changed resulting in exposure to excluded activities being added, either organically or through M&A, after initial investment.

7.2.3 SUSTAINABILITY RISK

A sustainability risk in the context of the Fund is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

The Investment Manager believes that sustainability is an important factor in determining the quality of a company for potential investment. For a company to operate successfully, the Investment Manager believes the interests of all its stakeholders, including communities, employees, customers, shareholders, governments and the environment are important in generating long term returns.

The Investment Manager integrates the assessment of the likely impacts of sustainability risks on returns into investment decisions. The Investment Manager's assessment of potential sustainability risks and opportunities of the Fund's investments is guided by a review of the company reports of potential investments. This includes the consultation of various sources of publicly available information together with discussions with competitors, suppliers and peers, where applicable. The Investment Manager's research process seeks to clarify a company's attitude to stakeholders and environmental challenges. The Investment Manager does not wish to underestimate how often these types of non-financial risks may become real financial losses, particularly within emerging market economies with immature legal and political systems.

Analysis of sustainability risks forms an integral part of the Investment Manager's approach to investment research and its selection process, as outlined in the Investment Manager's process and section 7.1, which aims to establish whether a company meets the Investment Manager's overall expectation of quality and returns. The Investment Manager aims to strike a balance between the sustainability challenges a company may face and the opportunities for growth and improvement in the future.

Policy & Fund Guidelines

With respect to the Fund's promoted environmental characteristic, 'transition to a low carbon economy', the Investment Manager uses an approach based on qualitative and quantitative data, as outlined in section 7.2.7, to understand a company's position on reducing emissions and tackling climate change.

The Investment Manager analyses information disclosed by a company on its Scope 1, 2 and 3 emissions, to gain insight into the source of these, the challenges involved, specific emission reduction strategies or targets in place and any progress achieved. This includes examining the governance of any initiatives and targets, and linkages to compensation and organisational culture.

Principal Adverse Impact (PAI) indicators, as further described in section 7.2.4, are assessed along with any change over time. These are widely available across industries and geographies, fostering consistency in the research process.

Data is sourced from third party providers as well as company publications including annual reports, presentations, specific disclosures such as the Task Force on Climate-Related Financial Disclosures (TCFD) and sustainability reports. The Investment Manager may also refer to standards bodies such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Carbon Disclosure Project Worldwide (CDP) during the research process.

Where data is lacking or unclear, the Investment Manager will engage with a company to encourage greater disclosure and to better understand its strategy to improve its emissions profile. The Investment Manager will look to constructively challenge failure to show progress in relation to published targets and industry peers through engagement, in accordance with the Investment Manager's engagement procedures outlined at section 7.2.8, with the aim to influence more positive outcomes. Where unsuccessful in the case of an investee company this will result in divestment from the Fund as detailed in section 7.2.1.

The Investment Manager conducts weekly research and portfolio review meetings where insights are debated. In addition, investee companies are monitored by the independent Performance & Investment Risk Committee for quarterly investment risk review meetings where the Investment Manager can be challenged on the sustainability characteristics of the Fund.

The Investment Manager partakes in meetings with companies in which the Investment Manager is considering and/or holding an investment on behalf of the Fund, to discuss potential and ongoing investment opportunities. Preparation for these meetings includes the posing of several key questions focusing on the company's ESG performance and covers any incidents that the Investment Manager has become aware of. The Investment Manager seeks to engage with the leaders of a company to increase understanding as to their attitude towards their specific sustainability challenges. The Investment Manager looks to identify management teams that continually assess the threats that their business faces including competitive, industry, societal or environmental threats. The Investment Manager has a forward-looking approach and looks at the direction of travel of an investment opportunity over the long-term.

The Investment Manager also engages with investee companies as part of the voting process on matters for approval by a company's shareholders. Where a particular issue arises as part of the voting process, the Investment Manager will typically engage with the company to better understand the rationale if it is not apparent. The Investment Manager seeks not just to vote against, but to discuss the issue in detail where the Investment Manager believes the resolution is potentially not in the interest of minority shareholders and ultimately the Fund.

Engagement may be undertaken directly or in collaboration with other investment institutions. Where engagement is unsuccessful in mitigating or reducing adverse sustainability impacts, the Investment Manager will consider escalation of the issue as per the engagement policy outlined in section 7.2.8. Investment research conducted by the Investment Manager that results in a low sustainability assessment together with a low assessment on other quality factors will negatively impact the Investment Manager's view as to the suitability of a potential company for investment by the Fund. A lower sustainability assessment will reduce the intrinsic valuation of a security, due to an increased required rate of return to offset the higher risks inherent within the business.

Policy & Fund Guidelines

The Investment Manager considers a broad range of sustainability risks. These may include (i) environmental risks consisting of climate change and greenhouse gas emissions, unsustainable resource depletion including water, environmental damage, land contamination, pollution, waste, biodiversity loss and deforestation (ii) social risks including human rights and workers' rights, including modern anti-slavery and child labour health and safety, employee relations and diversity, local communities, including indigenous communities and conflict and humanitarian crises (iii) governance risks including board and management experience, diversity and structure, executive remuneration policies, anti-bribery and corruption and shareholder rights and engagement.

The Manager (Waystone Management Company (IE) Limited) and Investment Manager have assessed the likely impacts of sustainability risks on the returns of the Fund and consider it likely that sustainability risks will not have a material impact on the returns of the Fund, given the investment approach of the Investment Manager. However, to the extent that the Manager and Investment Manager are incorrect in their evaluation of the sustainability risks applicable to a particular investment, or an investment of the Fund experiences an ESG event or condition that was not considered by the Investment Manager, this could negatively impact the returns of the Fund.

7.2.4 PRINCIPAL ADVERSE IMPACTS

The Investment Manager has elected to consider at Fund level the Principal Adverse Impacts (PAIs) of investment decisions on sustainability factors in the manner contemplated by Article 4(1)(a) of the SFDR. Information on PAIs of investment decisions on sustainability factors will be made available in the periodic reports of the Fund. The Manager does not consider PAIs at the entity level as it has a number of delegate investment managers and has determined that the aggregation of its delegated investment manager PAI reporting (where available) is of no value to its stakeholders due to the vast range of investment strategies and approaches to sustainability risk integration.

The following PAIs are monitored and measured using all commercially reasonable efforts:

7.2.5 CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

(a) Total greenhouse gas emissions (broken down by scope 1, 2 and 3 carbon emissions);

(b) Carbon footprint;

(c) Greenhouse gas emissions intensity;

(d) Fossil fuel sector exposure;

(e) Share of non-renewable energy consumption and production;

(f) Energy consumption intensity per high impact climate sector;

(g) Activities negatively affecting biodiversity sensitive areas;

(h) Emissions to water;

(i) Hazardous waste ratio; and

(j) Investment in companies without water management policies.

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

(a) Share of companies in violations of United Nations Global Compact principles and OECD Guidelines for Multinational Enterprises and Implementation of fundamental International Labour Organisation Conventions;

(b) Share of companies without policies or processes to monitor compliance with United Nations Global Compact and OECD Guidelines for Multinational Enterprises;

(c) Unadjusted gender pay gap;

(d) Board gender diversity;

(e) Exposure to controversial weapons (land mines and cluster bombs, chemical and biological weapons); and

(f) Lack of supplier code of conduct.

Policy & Fund Guidelines

The PAIs will be assessed formally at each quarter end and reviewed by the Investment Manager's Performance & Investment Risk Committee which monitors all investment related risks for the Fund. This governance process will inform what, if any, actions are to be taken in relation to the PAIs which will be reported annually.

7.2.7 POLICIES TO IDENTIFY, PRIORITISE AND MONITOR PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS

Such policies, including the PAI policy, are reviewed annually. Implementation of the policies is managed by the Investment Manager's Investment Team with oversight by the Investment Manager's Performance & Investment Risk Committee.

The Investment Manager supplements their internal investment process with externally sourced data, both in a quantitative and qualitative form. This includes but is not limited to external ESG services such as ISS, RepRisk, Landytech, Bloomberg and S&P Capital IQ. The Investment Manager will also consider appropriate sell-side research on sustainability issues and reports produced by Non-Governmental Organisations. PAI indicator analytics sourced from third parties combined with the Investment Manager's own research is used in the ongoing analysis and to inform the corporate engagement processes and expected outcomes of that process.

Ongoing data quality is analysed at third-party provider review and internally with underlying raw data considered where appropriate. Where data is unavailable then qualitative consideration is given in conjunction with engagement.

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.

7.2.8 ENGAGEMENT POLICY

Where adverse sustainability impacts are identified, the Investment Manager shall engage with investee companies in accordance with the Investment Manager's engagement policy. 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 Manager shall consider escalating the issue by:

(a) Writing to or meeting with the chairperson or lead independent director;

(b) Voting against directors who, in the opinion of the Investment Manager, are not providing appropriate oversight;

(c) Wider engagement with other investors;

(d) Making the Investment Manager's views public; or

(e) Reducing and/or divesting the holding in the issuer.

7.2.9 GOVERNANCE RISKS

The Investment Manager considers a broad range of governance risks. These may include but are not limited to (i) board diversity and structure risk (ii) inadequate external or internal audit risk (iii) executive remuneration and alignment risks (iv) related party transaction risks (v) fair tax strategy risks (vi) shareholder rights and engagement risks (vii) bribery and corruption risks (viii) employee safeguards risk.

7.3 DISCLOSURE UNDER REGULATION EU 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 18 JUNE 2020 ON THE ESTABLISHMENT OF A FRAMEWORK TO FACILITATE SUSTAINABLE INVESTMENT, AND AMENDING THE SFDR (THE TAXONOMY REGULATION)

Under the Taxonomy Regulation, the Fund is required to disclose how and to what extent the Fund is invested in environmentally sustainable economic activities and how those underlying investments contribute to the environmental objectives of climate change mitigation and/or climate change adaptation.

The Manager in conjunction with the Investment Manager consider that the Fund does not presently intend to be invested in investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation. Therefore, for the purpose of the Taxonomy Regulation, the current proportion of environmentally sustainable investments in accordance with the Taxonomy Regulation is 0% of the net assets of the Fund.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities.

SKERRYVORE

Tel: +44 (0) 131 202 3070

Email: clients@skerryvoream.com

www.skerryvoream.com

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