



# Green Investment Partners

## Sustainability-Related Disclosures

### *a) Summary*

The financial product referred to throughout the following disclosures is classified as Article 9 under the Sustainable Finance Disclosure Regulation (“SFDR”) directive with sustainable investment as a key investment objective. This Information Statement has been prepared for the purpose of meeting the disclosure requirements in Article (10) of Regulation (EU) 2019/2088. The following disclosures aim to enhance transparency and properly inform investors about the sustainability-related impact of their investments in financial products with environmental or social characteristics of financial products which pursue sustainability objectives.

The investment objective of the financial product is to achieve long term capital appreciation through sustainable investments contributing towards a reduction in global greenhouse gas (GHG) emissions.

The investment process integrates issuers’ environmental characteristics and governance practices (in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance) to evaluate risks and opportunities, based on quantitative and qualitative methods, proprietary and third-party research. The Investment Manager believes that the financial product’s investment policy is broadly in line with SDG7, SDG9, SDG11, SDG12 and SDG13 of the United Nations Sustainable Development Goals (SDG), though the SDGs do not form part of the investment selection criteria or objective of the financial products.

The investment process may incorporate some of the following metrics or principals, if deemed relevant by the Investment Manager and subject to data availability;

- Estimation of the GHG emissions from the investee companies' activity, less the GHG emissions that would occur in the absence of the investee companies' products or services;
- Threshold screening and exclusion of certain companies or sectors;
- Principle Adverse Impacts on sustainability factors;
- Do Know Significant Harm (“DNSH”) principal;
- EU Taxonomy;
- Good governance practices;
- Science-based carbon reduction targets in alignment with the Paris Agreement.

Sustainability data is provided directly by investee companies and third party data providers. This data may be subject to limitations, such as lack of availability, lack of independent verification or non-disclosure of the methodology used.

The Investment Manager may use engagement, as per the Engagement Policy. The financial product does not track a specific index designated as a reference benchmark to meet the sustainable investment objective. The financial product's contribution to the reduction in GHG emissions is calculated by the Investment Manager by estimating the GHG emissions from the investee companies' activity, less GHG emissions that would occur in the absence of the investee companies' products or services. This indicator is used in view of achieving the long-term global warming objectives of the Paris Agreement.

Please note that this disclosure statement is issued for information purposes only and is not intended as investment advice, is not an offer or a recommendation about managing or investing assets and should not be used as the basis for any investment decision. The information contained herein is current as of the date of issuance and is subject to change without notice.

*b) No significant harm to the sustainable investment objective*

A sustainable investment should not cause significant harm to any environmental or social sustainable investment objective.

Under Article 4 of the SFDR, the Investment Manager takes into consideration the mandatory and specified optional indicators for adverse impacts on sustainability factors in the PAI Statement are taken into account for each investee company by the Investment Manager. This framework is integrated into the investment due diligence analysis.

The Investment Manager supports the human rights principles set out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The Investment Manager acts in accordance with and is guided by these standards to assess the behaviour of companies on a subjective basis. The Investment Manager may exclude companies that have severe breaches of these principles and guidelines without previous engagement or where engagement does not lead to the desired change.

*c) Sustainable investment objective of the financial product*

Of the environmental objectives set out in Article 9 of Regulation (EU) 2020/852, climate change mitigation is the main objective to which the sustainable investment underlying the financial product contributes. This is achieved by investing in companies worldwide which are sustainable investments primarily contributing towards a reduction in global GHG emissions for the purposes of the Regulation. Specifically, the financial product invests in companies engaged in sustainable energy and the energy transition.

*d) Investment strategy*

The financial product will seek to achieve its investment objective by investing in listed global equities and equity-related or linked securities of companies worldwide which are sustainable investments primarily contributing towards a reduction in global GHG emissions.

Sustainable investments are defined as investments that contribute to the reduction in global GHG emissions (by encouraging the production and use of renewable energy, for example) and do not

significantly harm another environmental or social sustainability objectives and follow good governance practices.

The financial product pursues an active, absolute return investment strategy founded on a bottom-up security selection based on fundamental analysis. The financial product will follow a long-only strategy.

The financial product's primary sectoral focuses or themes are sustainable energy and the energy transition and focuses on global and primarily developed markets.

The Investment Manager excludes from the financial product's portfolio any companies that are identified by the Investment Manager to meet the exclusion criteria for EU Paris-aligned Benchmarks (PAB), as set out in Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818.

The financial product will not be constrained by the market capitalisations of the portfolio companies. The Investment Manager intends to achieve a reasonably diversified portfolio when fully deployed, during normal market conditions, however, the financial product may at any one time be concentrated in a small number of positions at various stages during the life of the financial product or when the Investment Manager deems it appropriate. The financial product has a long-term investment horizon (though could hold a particular stock for a shorter period of time depending on the Investment Manager's view).

The financial product's contribution to the reduction in GHG emissions is calculated by the Investment Manager by estimating the GHG emissions from the investee companies' activity, less GHG emissions that would occur in the absence of the investee companies' products or services. This indicator is used in view of achieving the long-term global warming objectives of the Paris Agreement.

The investment process integrates issuers' environmental characteristics and to evaluate risks and opportunities, based on quantitative and qualitative methods, proprietary and third-party research. The Investment Manager believes that the financial product's investment policy is broadly in line with SDG7, SDG9, SDG11, SDG12 and SDG13 of the United Nations Sustainable Development Goals (SDG), though the SDGs do not form part of the investment selection criteria or objective of the financial product.

The investment process integrates issuers' governance practices (in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance) and to evaluate risks and opportunities, based on quantitative and qualitative methods, proprietary, and third-party research.

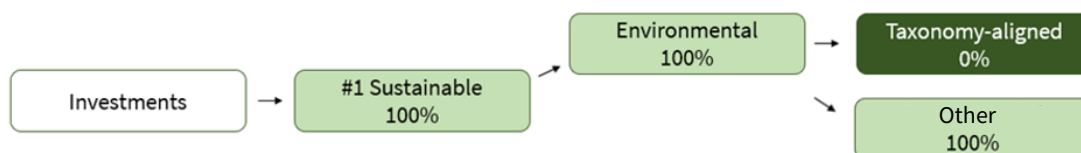
*e) Proportion of investments*

The financial product aims for 100% of investments in the portfolio to be sustainable investments and do no significant harm to the sustainable investment objectives (excluding cash, cash equivalents and repurchase agreements). The direct primary sectoral focuses or themes are sustainable energy and the energy transition, including but are not limited to, wind and solar energy, hydro-electricity, energy-from-waste and related supply chain companies. Energy transition sectors, which are contributing to a more sustainable and efficient economy, include, but

are not limited to, energy storage, transportation, lighting, smart grid technology, software analytics and environmental service companies. In addition, the financial product may invest on an ancillary basis (and not necessarily in pursuit of the financial product’s objective of investing in sustainable investments contributing towards a reduction in GHG emissions), as determined by the Investment Manager, in cash or cash equivalents (including government obligations, investment grade commercial paper, certificates of deposit and other money market instruments of issuers without geographical restriction and which may be listed or unlisted) and repurchase agreements.

A minimum of 0% of the sustainable investments within this environmental objective may fall within scope of the EU Taxonomy. The financial product may invest in sustainable investments with an environmental objective in economic activities that are not EU Taxonomy aligned due to a company’s exposure to activities not aligned with the EU Taxonomy or due to a lack of data availability.

This applies to direct exposures in investee entities and any other types of exposures.



As well as investing in securities that directly and indirectly contribute to environmental objectives, the financial product may also invest in securities that contribute either directly or indirectly to social and other objectives. However, no minimum exposure to social objectives is imposed upon the financial product.

*f) Monitoring of sustainable investment objective*

In order to ensure alignment with the sustainable investment objective, inclusion and exclusion thresholds are applied to each security in line with the [Responsible Investing Policy](#). The sustainability indicators outlined in the Principle Adverse Impact Statement are also considered for each security on an ongoing basis subject to data availability for monitoring of any material changes that may compromise the portfolio’s alignment with the sustainable investing objective.

The sustainability indicators that are used to measure the attainment of the sustainable investment objective include;

1. Estimation of the GHG emissions from the investee companies' activity, less the GHG emissions that would occur in the absence of the investee companies' products or services.
2. The percentage (%) of investments in securities within the revenue or gross profit thresholds set out in the Responsible Investing Policy;

3. The percentage (%) of investments in securities that are not in breach of the international standards outlined in the Responsible Investing Policy;
4. The percentage (%) of investments in securities that are considered in alignment with the EU Taxonomy;
5. The percentage (%) of investments in securities that have set science-based carbon reduction targets in alignment with the Paris Agreement;
6. The environmental and social principle adverse impacts highlighted in the Investment Manager's PAI Statement.

The findings are collated and published as part of an annual report. These findings are analysed in comparison to previous reporting periods.

#### *g) Methodologies*

The Investment Manager may collect quantitative data in order to measure environmental and social characteristics of the sustainability indicators referred to in section (f) and the Principles of Adverse Impact (PAI) statement.

Quantitative data collection may include the following;

- GHG emissions
- Revenue or gross profit breakdowns

The methodology used for qualitative data collection related to controversies and breaches of international standards may include the following;

- Directly from an investee company's reports or publications;
- Third party data or research. Such sources may include the Business and Human Rights Resource Centre, the OECD's National Contact Point (NCP) database or the United Nations.

The ability to utilise these sources is subject to the availability and accuracy of date. Where data is not available, the Investment Manager may estimate or use third parties in order to make an assessment.

#### *h) Data sources and processing*

As outlined in section (g), the Investment Manager relies on data reported by investee companies and third parties to monitor the portfolio's alignment with the sustainable objective.

Depending on availability of data, anywhere between 0% to 100% of data for certain metrics may be estimated or based on assumptions at any given time.

#### *i) Limitations to methodologies and data*

As sustainability reporting remains in its infancy, certain limitations may be associated with the methodology during any given reporting period, including;

- Limited data availability on metrics such as GHG emissions. In certain cases, emissions data may not always account for all major greenhouse gases. Therefore, the Investment Manager is unable to ensure that such information is complete or accurate.

- Methodologies used by investee companies to calculate their emissions may not always be disclosed, audited, comparable between companies, or independent of their self-interest.

The above limitations are not anticipated to prevent the long term attainment of the sustainable objective, as improvements are being made due to regulation, industry standards, data availability and data quality. In order to address the above limitations in the short term, the Investment Manager may;

- Recalculate and reconsider results from previous analysis on the basis that new and potentially more accurate data becomes available.
- Utilise third-party audits and data to comparatively assess the accuracy of a company's self-reported figures, where available.  
Estimate values where data is not available using the methodology deemed most suitable for the metric in question.

*j) Due diligence*

As part of the investment process, in-house due diligence is carried out on environmental, social, and governance ("ESG") factors for investee companies. The ESG analysis is structured using two key stages, whereby certain factors and metrics are considered:

1. Pre-investment checks
2. On-going monitoring

*k) Engagement policies*

The Investment Manager has a proxy voting policy that sets out the Investment Manager's general approach when voting on behalf of its clients. The Investment Manager takes all reasonable steps to vote proxies in the best interest of its clients. This approach is also taken in consideration of achieving the sustainable and financial investment objectives. The Investment Manager will monitor topics that no longer align with the sustainable investment objective and prioritise engagement action or escalation procedures, when deemed necessary.

Please refer to the [Shareholder Rights Directive \(SRD\)](#) for further details of the engagement policy.

*l) Attainment of the sustainable investment objective*

The financial product does not track a specific index designated as a reference benchmark to meet the sustainable investment objective as per the Commission Delegated Regulation (EU) 2020/1818.

Of the environmental objectives set out in Article 9 of Regulation (EU) 2020/852, climate change mitigation is the main objective to which the sustainable investment underlying the financial product contributes. This is achieved by investing in companies worldwide which are sustainable investments primarily contributing towards a reduction in global GHG emissions for the purposes of the Regulation. Specifically, the financial product invests in companies engaged in sustainable energy and the energy transition.

The financial product's contribution to the reduction in GHG emissions is calculated by the Investment Manager by estimating the GHG emissions from the investee companies' activity, less GHG emissions that would occur in the absence of the investee companies' products or services. This indicator is used in view of achieving the long-term global warming objectives of the Paris Agreement.

There is no guarantee that the sustainable investment objective will be achieved.

## Disclaimer

In the United Kingdom, this communication is issued and approved by Green Investment Partners Limited (“GIP”), which is authorised and regulated by the UK Financial Conduct Authority (“FCA”). FCA registration number 936642. The material is based on information that we consider correct and any estimates, opinions, conclusions or recommendations contained in this communication are reasonably held or made at the time of compilation. However, no warranty is made as to the accuracy, completeness or reliability of any estimates, opinions, conclusions or recommendations and is subject to change without notice. It should not be construed as investment, legal, or tax advice and may not be reproduced or distributed to any person. This material is for information purposes only and does not constitute an offer, invitation or recommendation to buy, sell, subscribe for or issue any securities.

This document is confidential. This document is provided for the sole use of the intended recipient. It is not a contractually binding document and shall not constitute an offer or solicitation of an offer to make an investment into any fund advised by GIP or their affiliates. It should not be copied, distributed, published, referenced or reproduced, in whole or in part, or disclosed without the express permission of GIP. This document, and the information contained herein, is not for viewing, release, distribution or publication in any jurisdiction where applicable laws prohibit its release, distribution or publication. It is the responsibility of any person/s in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction.

Statements/Opinions/Views: All opinions and estimates constitute the best judgement of GIP as of the date hereof, but are subject to change without notice. This material does not constitute legal or accounting advice; readers should contact their legal and accounting professionals for such information.

Third-party Data: Some information contained herein has been obtained from third party sources and has not been independently verified by GIP. GIP does not make any express or implied warranties or representations with respect to the data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any data contained herein.

GIP is registered in England and Wales with company number 12708322. Its registered office address is 2nd Floor Berkeley Square House, Berkeley Square, London, W1J 6BD.