



Sustainable Finance Disclosures Regulation (“SFDR”)

Article 4 – Transparency Statement relating to Principal adverse sustainability impacts at entity level

(Regulation (EU) 2019/2088)

Financial Market Participants:

First Sentier Investors Global Umbrella Funds Plc (LEI 254900OVUN9Y9ARA9V90); and
First Sentier Investors (Ireland) Limited (LEI 254900UC15SMIDJKJ902)

Introduction

This document sets-out the firm-level disclosures required to be made under Article 4 of SFDR by the First Sentier Investors group. The group includes investment teams trading as:

- FSSA Investment Managers (www.fssaim.com); and
- Stewart Investors (www.stewartinvestors.com).

Disclosure

First Sentier Investors (FSI) considers principal adverse impacts of its investment decisions on sustainability factors as part of its investment due diligence process. This statement consolidates the principal adverse sustainability impacts¹ (PAIs) across the FSI group.

Description of Principal Adverse Sustainability Impacts;

The following PAIs indicators are monitored and measured

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

1. GHG emissions (broken down by scope 1, 2 and 3 (from Jan 2023) carbon emissions)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio

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

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity

¹ Principal adverse impacts are those impacts of investment decisions that result in negative effects on sustainability factors.

14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

The principal adverse sustainability impacts are assessed at each quarter end and reviewed by the FSI Global Investment Committee that monitors all investment related risks across the business. This governance process will inform what, if any, actions are to be taken in relation to the principal adverse sustainability impacts which will be reported annually for the period commencing 1 January 2022.

Policies to identify, prioritise and monitoring principal adverse sustainability impacts

The FSI Responsible Investment and Stewardship Policy and Principles outlines how we identify and consider Principal Adverse Impacts and is approved and authorised by the FSI Global Responsible Investment Executive Committee (the “GRIEC”) which is chaired by the FSI CEO. Implementation of the policy is managed by the FSI Responsible Investment team. The GRIEC has oversight of all group wide policies relating to sustainable investment, ESG integration, sustainability risks and responsible investment and stewardship processes. Such policies, including the RI and Stewardship Policy and Principles, are reviewed annually.

Additional principal adverse sustainability impacts indicators, subject to data availability and quality, are prioritised by investment teams where there is a belief that there will be a material impact on investment returns and/or an impact on meeting the social and environmental characteristics of the products for the specific investment strategies managed by each team. The investment teams are responsible for the identification of these impacts.

Sustainability data used to assess this is sourced from a series of third party providers, and used alongside information gathered through analysis conducted by our investment managers as a result of their own research and from direct company engagement. The FSI Group Responsible Investment team shall make PAIs analytics sourced from third parties available to investment teams for use in their ongoing analysis and to inform their corporate engagement processes and expected outcomes of that process. Third party sourced information is subject to limitations relating to methodologies and disclosures from investee companies and other entities. Such limitations are partly mitigated by proprietary research and direct engagement.

Mitigation of negative impacts

Engagement Policies

Where adverse sustainability impacts are identified, the Investment Manager shall engage with the company in accordance with the commitments made under the corporate engagement section of the FSI Responsible Investment and Stewardship Policy and Principles. 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 teams shall consider escalating the issue by:

- Reporting the issue to the ESG Impacts Committee, Global Investment Committee and GRIEC;
- Writing to or meeting with the chairperson or lead independent director;
- Voting against directors we feel are not providing appropriate oversight;
- Wider engagement with other investors

³ OECD Guidelines for Multinational Enterprises (recommendations on responsible business conduct)

- Making our views public; or
- Reducing or divesting the holding of the issuer

The FSI Responsible Investment and Stewardship Policy and Principles document can be found at: <https://www.firstsentierinvestors.com>

International Standards, Norms and Codes of Practice

FSI's approach to responsible investment includes commitments to international norms and standards. FSI supports the World Health Organisation Framework on Tobacco Control and conventions relating to the manufacture of anti-personnel mines (Ottawa Convention) and cluster munitions (Oslo Convention).

FSI also:

- support and uphold fundamental principles of human rights as articulated in the UDHR;
- support international norms and standards enshrined in widely adopted treaties, conventions and codes of practice including the OECD Guidelines³; and
- uphold the highest standards of environmental stewardship.

These standards are applied in the investment processes by reference to the FSI Human Rights and Modern Slavery toolkit <https://www.firstsentierinvestors.com> and Climate Change Working Group and are informed by data sourced from the third party ESG data service providers.

FSI monitor climate impacts and risks by using third party sourced carbon data (emissions, carbon intensity and footprints plus fossil fuel exposures). We utilise ISS ESG for forward-looking scenario analysis based on current International Energy Agency (IEA) scenarios.

FSI's approach to international norms and standards can be found in our Responsible Investment and Stewardship Policy and Principles document

Annual review

20 June 2023

³ OECD Guidelines for Multinational Enterprises (recommendations on responsible business conduct)