



**Information Statement
on our Policy on the Consideration of Principal
Adverse Impacts of Investment Decisions on
Sustainability Factors**

Sustainable Finance Transparency

The European Union has introduced a series of legal measures the primary one being the Sustainable Finance Disclosures Regulation (“SFDR”), Regulation (EU) 2019/2088, requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage.

This information statement has been prepared for the purpose of meeting the disclosure requirements in Article 4 of SFDR; specifically, the disclosure requirements applicable to Mori with regards to whether/how we consider principal adverse impacts of investment decisions on sustainability factors.

Please note that the regulatory technical standards (“RTS”) to specify the details of the content, methodologies and presentation of the information to be disclosed under Article 4 of SFDR have been delayed and, at the date of this statement, had not been issued yet. The disclosures will be updated as required once the final taxonomy of the RTS have been released.

The European Commission has recommended that, from the effective date of SFDR, firms comply with the specific disclosure obligations in SFDR that are reliant on RTS on the basis of a high-level, principles-based approach. We therefore seek to comply on a best efforts basis with the relevant disclosure obligations and issue this information statement as a means of achieving this objective.

This Statement will be reviewed and updated once the relevant RTS come into effect, noting that the RTS are expected to contain details on the content, methodologies and presentation of the information to be disclosed. This could require a revised approach to how we seek to meet the SFDR disclosure obligations. The Statement may also be updated to take into account the Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation EU/2020/852, the “Taxonomy Regulation”) once it comes into effect (1 January 2022).

Our Approach to Sustainable Investment

At Mori Capital Management Limited (“Mori” and “the Company”), we believe that investors and asset managers have a responsibility to make their investments in a way that effectively supports a sustainable society. At the core of our commitment to help our clients achieve their financial objectives is the conviction that this can be achieved by investing responsibly.

We value the importance of integrating Environmental, Social, and Governance (“ESG”) factors into our investment and risk processes and fundamentally believe that this is aligned with the aim of achieving long-term positive financial performance for our investors. We also recognise and value the fact that

this will also support the better functioning of companies we invest in, enhancing behaviour in a wide range of markets and industries and having a positive societal impact beyond the financial markets.

What is a Sustainability Risk?

In this context, a sustainability risk is considered to be an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

Information Regarding the Consideration of Principal Adverse Impacts of Investment Decisions on Sustainability Factors

Principal adverse impacts (“PAIs”) are understood as the impacts of investment decisions that result in negative effects on sustainability factors. Sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

PAIs are considered by the Company when we make investment decisions. We may consider whether companies we invest in contribute negatively to environmental objectives (such as climate change mitigation and pollution prevention) or social objectives (such as corporate stewardship, human or labour rights controversies, anti-corruption and anti-bribery) and therefore potentially represent PAIs. We may also consider whether companies we invest in contribute positively to environmental objectives or social objectives (such as tackling inequality, fostering social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities).

In order to avoid or reduce any PAIs identified, where these are considered material (taking account of the size, nature and scale of our activities), we may reduce our exposure to these companies or altogether exclude them for consideration for investment. Please refer to Mori’s ESG Policy for further details.

Mori actively monitors securities held in our portfolios based on their ESG assessment (when available) and negative news flow. A controversy alert or sudden drop in the ESG assessment allows us to identify any negative developments in a timely manner. Depending on the situation, this would result in engagement, voting against a company through proxy voting or divestment. We might also be invested in companies that do not perform well on certain ESG aspects, but are on track to implement changes to improve on these areas. We typically also engage with these companies to gain a better understanding of processes implemented and the current state regarding these topics.

We may engage with companies as part of our investment due diligence and to clarify or express concerns over potential environmental, social or governance issues at company or at industry level. We aim to achieve a constructive dialogue between investors and investee companies to discuss:

- views on specific ESG-related negative events, measures taken to improve companies' practices, follow up actions to remedy the situation;
- management of ESG risks and business opportunities associated with sustainability challenges;
- enhanced disclosure of ESG-related information, data and practices. We specifically encourage companies to disclose more relevant information and environmental-related metrics by adapting to internationally well-respected reporting standards such as the Global Reporting Initiative (GRI) or the Task Force on Climate-Related Financial Disclosure (TCFD).

For more detailed information on ESG areas of focus during our research and investment process, please refer to Mori's ESG Policy and Mori's Engagement and Stewardship Policy.

Mori adheres to business conduct rules and international standards, including the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises and the OECD Principles of Corporate Governance. Mori Umbrella Fund Plc is a signatory of the Principles for Responsible Investment.

Disclaimer

This Statement is issued for information purposes only. It does not constitute an agreement between yourself and Mori nor does it create any legally binding or enforceable obligations on Mori. Individual investment objectives as well as any individual's personal and financial situation have not been considered either. On no account should the document be regarded as a substitute for the recipient procuring information for oneself or exercising one's own judgments. We therefore expressly point out that this document does not constitute personal investment advice. The document does not constitute an investment strategy pursuant to Article 3 (1) No. 34 Regulation (EU) No 596/2014 on market abuse (market abuse regulation) nor an investment recommendation pursuant to Article 3 (1) No. 35 Regulation (EU) No 596/2014. Investment decisions should always be made on the basis of the sales documentation (key investor information, sales prospectus and the current annual report), which provide detailed comments on the opportunities and risks of the financial instrument. This information is a general disclosure on the investment approach and should not be considered as (i) investment advice, (ii) an endorsement or recommendation in a financial product or service, (iii) an offer to sell or a solicitation of an offer to purchase any securities or other financial instruments. All views expressed are those of Mori. The statements made herein have not been audited by an external party, particularly not an independent auditing firm. The duplication, publication, extraction or transmission of the contents, irrespective of the form, is not permitted.