

### Fund Description

The Guinness Sustainable Global Equity Fund ("The Fund") invests in equity securities of globally based companies benefiting from the transition to a more sustainable economy. The Fund is managed for capital growth, and holds a concentrated portfolio of quality growth businesses, biased towards midcap companies in any industry and in any developed region.

### Firm-Wide Exclusions

#### (i) Controversial weapons

There are two major international conventions that specifically address cluster munitions and landmines:

- **The Convention on Cluster Munitions (2008):** This Convention restricts the manufacture, use, and stockpiling of cluster munitions and the components of these weapons.
- **The Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction (1997):** This Convention aims to eliminate anti-personnel landmines around the world.

Consistent with the aims of these two Conventions, The Fund excludes active investments in companies that have been identified, by credible third parties, as being directly involved in the design, manufacture, or sale of such weapons.

#### (ii) Thermal Coal

We exclude companies that generate more than 30% of revenues via thermal coal extraction or thermal coal power generation.

### Fund-Specific Exclusions

Our Fund exclusion policy focuses on the product and practice:

#### Practice:

#### (i) MSCI ESG Laggards

We exclude companies rated as laggards (B or CCC rating) by MSCI. Such businesses tend to display inadequate or worsening management of ESG issues and are vulnerable to ESG-related disruptions and controversies.

#### Product:

This is complemented by an internally generated exclusion list which filters out companies who derive material revenue from:

- (ii) Alcohol
- (iii) Coal
- (iii) Extraction of fossil fuels
- (iv) Gambling
- (v) Nuclear Energy
- (vi) Palm Oil
- (vii) Tobacco
- (viii) Weapons

#### Additional:

#### (ix) Norges Bank Exclusion List

The Fund also adheres to the exclusion list of companies prepared by Norges Bank, which is guided by internationally recognized principles, including the UN Global Compact. The Norges Bank Exclusion list is based on recommendations from the Norwegian Council on Ethics (appointed by the Norwegian Ministry of Finance). Companies might be placed on the list as a result of serious violations of norms including serious or systematic human rights violations, such as murder, torture, deprivation of liberty, forced labour and the worst forms of child

labour, severe environmental damage, gross corruption, or other particularly serious violations of fundamental ethical norms.

## **Policy implementation**

To implement our Exclusion Policy, we use exclusion lists of companies based on information provided by independent third-party sources. We update the exclusion lists annually on a best-efforts basis. The exclusion lists are distributed periodically across the firm.

We will not knowingly invest in any company that breaches our Exclusion Policy. In the event that we identify a company in our portfolios that does not comply with these policy requirements, we will contact the company directly for confirmation of their involvement in an excluded activity. Following confirmation of their involvement in this activity, we will divest any such holdings within 90 business days.

We monitor compliance in respect of this policy. However, due to the complexity of the issue and the evolution of company business models, there may be occasions when related securities appear in portfolios in error. If and when such instances are identified, we will seek to divest any such holdings within 90 business days.

### **Important Information**

This document is provided for information only. All the information contained in it is believed to be reliable but may be inaccurate or incomplete; it should not be relied upon.

It is not an invitation to make an investment nor does it constitute an offer for sale. Guinness Global Investors is a trading name of Guinness Asset Management Ltd, which is authorised and regulated by the Financial Conduct Authority (223077).