

## Global Managers Platform – Active Recycling (the “Subfund”)

### Sustainability-related disclosures

#### Summary

The Global Managers Platform – Active Recycling (the “Subfund”) is an Article 9 financial product for the purposes of Regulation (EU) 2019/2088 (“SFDR”) with a sustainable investment objective.

The Subfund will make a minimum of sustainable investments with an environment objective of 70% in economic activities that qualify as environmentally sustainable under SFDR. The Subfund may invest up to 30% of its total assets in other investments that do not qualify as environmentally sustainable under SFDR. The Subfund’s environmental objectives in the framework of the EU Taxonomy (Regulation (EU) 2020/852) are contribution to the transition to a circular economy as well as pollution prevention control. Currently, the minimum proportion of sustainable investment with an environmental objective aligned with the EU Taxonomy is 0% of the assets. The portfolio manager will review the targets and commitment to alignment in the course of 2024.

The Subfund’s investment objective aims to achieve long-term capital growth by investing in shares of companies active in the waste recycling industry. The strategy of the Subfund is to invest in the best companies in the recycling sector based on a detailed fundamental analysis and on the exclusion of companies with material ESG risk with respect to the indicators listed below. The strategy of the Subfund is not limited to a single type of technology or to a single market. Instead, it seeks to identify the leaders in each of the segments and each of the steps of the value chain to identify suitable investment opportunities that do not significantly harm.

In actively managing the portfolio, the Portfolio Manager invests in securities of companies that contribute to the environmental objectives of transition to a circular economy as well as pollution prevention and control.

To assess whether the Subfund’s investments do no significant harm, the portfolio manager applies the sustainability indicators mentioned in section “investment strategy” below. The calculation of these indicators is based on the disclosures of the investee companies. In addition, the portfolio manager screens the target companies against sanctions lists, negative news, and controversies. The portfolio manager uses the results of internal and external assessments to exclude companies perceived to violate key issues related to ‘Good Governance’, with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe.

The monitoring is made through the detailed analysis of the same sustainability indicators and their evolution over time, which is done at least once a year.

The methodology of a fundamental analysis is applied to all the companies making up the investment universe. This procedure considers both macroeconomic and microeconomic factors and integrates a risk assessment of the companies through a rating of the companies in a scorecard considering the sustainability indicators listed below (see section “Investment Strategy”).

The portfolio manager uses a variety of different sources to obtain ESG data including from a wide variety of 3rd party data providers, publicly available information and directly sourced from the company. The portfolio manager stores all data collected on his internal servers, with access configured according to the teams’ requirements and responsibilities. We may need to rely on estimated data for PAI’s calculation such as total GHG emissions scope 1, 2 and 3, carbon footprint, etc. subject to data reported or not by target companies. In that case, the estimated data is provided by our external provider Clarity AI and is derived from their assumptions models such as proxies based on sector averages.

In regards to the limitations to methodologies and data - per the methodologies referred to in the “Methodologies” section below, to measure the attainment of the sustainable investment objective, we produce our ESG internal scores. The measurement is based only on reported data. In case of unavailable data, it will affect the overall output as further described below (see section “Limitations to methodologies and data”). The limitations caused by unavailable data is reflected and mitigated by the fact that it does then lower the ESG score

and percentage of revenue considered as taxonomy aligned.

Due diligence is carried out on in-house analysis and controls and data providers. Furthermore, engagement is not part of the sustainable investment objective.

The Subfund does not have a designated reference benchmark that is used to measure whether it attains the sustainable investment objective.

### **No significant harm to the sustainable investment objective**

To assess whether the Subfund's investments do no significant harm, the portfolio manager applies the indicators listed in section "investment strategy" below. The calculation of these indicators is based on the disclosures of the investee companies.

In addition, the portfolio manager screens the target companies against sanctions lists, negative news, and controversies.

The portfolio manager is reporting on PAI in accordance with "ANNEX I" to the Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards and adverse sustainability impacts.

Specifically, the portfolio manager looks at fourteen (14) PAI indicators across categories (see list below). For each indicator there is a metric associated with it that is measured. For example, Total GHG emissions are categorised under scope 1, 2, and 3. Each metric for each company is then weighted according to investment portfolio allocation. This gives the results of the PAI assessment.

The eighteen (18) PAI indicators considered by the portfolio manager are: (1) "GHG" emissions including scope 1, 2 and 3 and Total GHG 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, (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, and (14) Exposure to controversial weapons (anti - personnel mines, cluster munitions, chemical weapons, and biological weapons).

The additional PAI indicators considered are as follows: (15) GHG intensity, (16) Investee countries subject to social violations, (17) exposure to fossil fuels through real estate assets and (18) exposure to energy inefficient real estate assets.

The Portfolio Manager analyses if the sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as follows:

#### **• Alignment with OECD Guidelines for Multinational Enterprises**

The investee companies of the portfolio must align with these OECD guidelines:

- a) Firms should respect human rights in every country in which they operate.
- b) Companies should also respect environmental and labour standards and have appropriate due diligence processes in place to ensure this happens.
- c) Guidelines include paying decent wages, combating bribe solicitation and extortion, and the promotion of sustainable consumption.

All companies in the Subfund's portfolio must comply with these OECD guidelines. In case of a breach, the portfolio manager will investigate and monitor the situation, and exclude the company if a significant impact on ESG score is confirmed.

#### **• Alignment with UN Guiding Principles on Business and Human Rights**

The UN Guiding Principles on Business and Human Rights state explicitly that the responsibility of business enterprises to respect human rights applies to all enterprises regardless of their size, sector, operational context, ownership, and structure.

The portfolio manager will monitor the commitment of the underlying companies to the OECD Principles and UN Guidelines and review the allocation of the portfolio accordingly in case the ESG scores are negatively impacted. In addition to the above, the portfolio manager analyses if the following eight (8) ILO fundamental Conventions are being adhered to by the targeted companies as reflected in their ESG reports:

1. the Forced Labour Convention, 1930 (No. 29);
2. the Abolition of Forced Labour Convention, 1957 (No. 105);
3. the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87);
4. the Right to Organise and Collective Bargaining Convention, 1949 (No. 98);
5. the Equal Remuneration Convention, 1951 (No. 100);
6. the Discrimination (Employment and Occupation) Convention, 1958 (No. 111);
7. the Minimum Age Convention, 1973 (No. 138);
8. the Worst Forms of Child Labour Convention, 1999 (No. 182).

If the above ILO fundamental Conventions are not being adhered to, the company does not pass minimum safeguards and its ESG score is lowered accordingly.

## **Sustainable investment objective of the financial product**

Through sustainable investment objectives, the aim of the Subfund is to achieve long-term capital growth by investing in shares of companies active in the waste recycling industry.

To this purpose, the Subfund will invest into a selection of companies through a fundamental approach and bottom-up analysis in combination with a global top-down understanding of the recycling sector.

The Subfund aims at complying with sustainable investment objectives and considers sustainability risks in the assessment of the companies. In particular, the Subfund's primary sustainable objectives are the contribution to the "transition to a circular economy" as well as "pollution prevention and control." Although "climate change mitigation" is not a primary sustainable objective of the Subfund in the framework of the EU Taxonomy 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 Regulation (EU) 2019/2088 (the "Taxonomy Regulation"), recycling is part of the answer to decarbonize the economies, as it saves resources, energy, and CO<sub>2</sub> emissions.

The Subfund shall attain its investment objectives by investing in companies that have a significant part of their revenues from recycling activities.

As part of its investment objective, the Subfund aims to gain exposure to many types of recycling. It seeks to identify the leading actors in each segment (industrial and household waste, treatment of wastewater, glass, ferrous and non-ferrous metals, wood and paper, manufactured goods, batteries, etc.) and each stage of the value creation chain of this industry, without any geographic nor sector constraint.

From an SFDR point of view, no index has been designated as a reference benchmark since no suitable EU Climate Transition Benchmark or an EU Paris-aligned Benchmark as qualified in accordance with the Benchmark Regulation is available. For the avoidance of doubt, the benchmark reference as described in section 6. "Performance Fee" of the part of the Prospectus pertaining to the Subfund, is selected for performance fee calculation purposes only in a global equity investment fund context and not for sustainable objectives measurement. Accordingly, the Subfund does not refer to an EU Climate Transition Benchmark nor an EU Paris-aligned Benchmark.

## **Investment strategy**

The strategy of the Subfund is to invest in the best companies in the recycling sector based on a detailed fundamental analysis and on the exclusion of companies that do not follow good governance practices.

The strategy of the Subfund is not limited to a single type of technology or to a single market. Instead, it seeks to identify the leaders in each of the segments and each of the steps of the value chain in order to identify suitable investment opportunities that do not significantly harm any of the sustainable investment objectives referred to in Article 2 (17) of SFDR.

In actively managing the portfolio, the Portfolio Manager invests in securities of companies that contribute to the environmental objectives of transition to a circular economy as well as pollution prevention and control. The methodology of a fundamental analysis is applied to all the companies making up the investment universe. This procedure considers both macroeconomic and microeconomic factors and integrates a risk assessment of the companies through a rating of the companies in a scorecard considering the following 13 sustainability indicators:

- a) Environmental indicators:** Sustainability of supply chain; Energy usage; Water usage; Direct GHG emissions; Global carbon footprint; Waste management.
- b) Social indicators:** Responsible employer; Health and safety; Impact on communities.
- c) Governance indicators:** Governance structure; Board of directors; Risk management; Code of ethics.

Each criterion of analysis is graded, and then weighted according to its relative importance in valuing the company. Each company is then given a grade that will define its position in the Subfund.

- Score of 0 to +1 = company can be allocated to the portfolio
- Score between -0.5 and 0 can be allocated to the portfolio but company will be removed if it has not improved after a year.
- Score of below -0.5 is excluded from the investments.

The result of these analyses is then submitted to the investment committee of the Portfolio Manager who decides upon it unanimously the allocation of the Subfund. The analyses and the strategy of the Subfund are also submitted to the investment committee of the Portfolio Manager to refine the investment choices.

The analyses are updated as required and the allocation of the Subfund is adjusted accordingly.

In addition to the scoring system described above, Portfolio Manager has developed its own methodology laying down specific screening criteria to ensure that the business activities substantially support the sustainable objective of transition to a circular economy and/or pollution prevention and control. Additionally, the Portfolio Manager ensures that such activities do not significantly harm any other environmental or social objectives.

The Subfund determines whether a business activity substantially contributes to the transition to a circular economy, and or to pollution prevention and control where the relevant data or dedicated sustainability reports are made available by the investee companies. If the relevant data or dedicated sustainability reports are not yet made available by the investee companies, the Subfund is not yet capable of completing such assessment.

In the absence of applicable regulations defining the necessary technical screening criteria for the EU Taxonomy objectives of (i) transition to a circular economy and (ii) pollution prevention and control, the Portfolio Manager is using its own screening methodology to determine the contribution of the investments to these two objectives. The screening methodology developed by the Portfolio Manager allows to assess the extent of the revenue segments of the investee companies within the Subfund's portfolio contributing to the "transition to a circular economy" as well as "pollution prevention and control". The key relevant categories of revenue are:

1. Recycling
2. Collection & Transfer
3. Treatment & Disposal
4. Waste-to-Energy

The absence of relevant data from the investee companies for the purpose of the screening process does not impede the Subfund to invest, or remain invested, in securities for which this information has not yet been made available by the investee companies. In such case, the Portfolio Manager screens the investees for minimum safeguards to ensure that their business activities are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as do not harm significantly the environmental objectives.

The calculation for the portion of "sustainable investments" of the Subfund is made by using a "revenue weighted" methodology. For each investee company, the proportion of revenues from different activities, such as recycling, waste collection, etc. are analysed and added up for each income stream that is defined as sustainable under Article 2(17) SFDR.

The Subfund invests in companies that have a high percentage of recycling as revenue stream, with a minimum threshold of 40%.

The environmental, social and governance (ESG) fundamental analysis and screening is applied to 100% of the portfolio of the Subfund.

The portfolio manager uses the results of internal and external assessments to exclude companies perceived to violate key issues related to 'Good Governance', with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe.

### **Proportion of investments**

The Subfund's target investee companies are only companies generating a significant part of the revenue from the recycling value chain. Therefore, as per definition in Article 2 (17) of SFDR, the Subfund's minimum percentage of sustainable investments with environmental objective is 70% (#1 Sustainable). The Subfund may invest up to 30% of its total assets in other investments (#2 Not sustainable). Amongst the environmentally sustainable investments, 0% of the assets will be taxonomy- aligned.

### **Monitoring of sustainable investment objective**

The monitoring is made through the detailed analysis of the relevant sustainability indicators (see section "Methodologies") and their evolution over time. The analysis and rating of the sustainability indicators is updated at least once a year.

### **Methodologies**

The portfolio manager applies its fundamental analysis to all the companies making up the Subfund's investment universe and integrates a sustainability risk assessment based on the following sustainability indicators:

- a) Environmental indicators: Sustainability of supply chain; Energy usage; Water usage; Direct GHG emissions; Global carbon footprint; Waste management.
- b) Social indicators: Responsible employer; Health and safety; Impact on communities.
- c) Governance indicators: Governance structure; Board of directors; Risk management; Code of ethics.

Furthermore, to measure the attainment of the sustainable investment objective, the Investment Manager calculates what percentage of the revenues of the companies come from activities that are aligned with the sustainable objective of the Subfund to contribute to the transition to a circular economy as well as pollution prevention and control.

### **Data sources & processing**

- (a) The data sources used to attain the sustainable investment objective of the financial product:

The portfolio manager uses a blend of internal and external data as the inputs to its proprietary ESG scoring model and the measurement of taxonomy alignment as follows:

#	Metrics	Definitions	Data sources
1	13 sustainability indicators	6 Environmental indicators, 3 Social indicators and 4 Governance indicators which form part of the fully integrated proprietary ESG scoring model applied to each target company.	<ul style="list-style-type: none"> <li>Target companies are listed companies only. Data sourced from their published sustainability reports, ESG reports, CSR reports and Audit financial reports.</li> <li>Data derived from internal process.</li> <li>Clarity AI, a sustainability technology platform with extensive data coverage.</li> </ul>

2	Sustainable investments measurements / Taxonomy economic activities	Measurement for each company of the revenue generated from the key activities (Recycling, Collection & transfer, Treatment & disposal and waste-to-energy)	Bloomberg in conjunction with data derived from internal processes based on the audited financial statements of the companies
3	DNSH and compliance with minimum safeguards	Measurement of PAI's and verification against good governance practices	Screening of negative news and controversies through Clarity AI, a sustainability technology platform with extensive data coverage.

(b) The measures taken to ensure data quality:

Due diligence in accordance to the data sourced is performed on each data provider, whether target companies providing their own ESG reports or a selected external provider such as Clarity AI.

The vast majority of the data is sourced from publicly available reports, published by audited listed companies. Furthermore, we corroborate on a continuous basis our internal assessment against data from external providers.

(c) How data are processed:

We store all data collected on our internal servers, with access configured according to the teams' requirements and responsibilities.

(d) The proportion of data that is estimated:

Our ESG scores and taxonomy alignment are calculated on reported data only and any lack of data affects the score accordingly. We may need to rely on estimated data for PAI's calculation such as total GHG emissions scope 1, 2 and 3, carbon footprint, etc. subject to data reported or not by target companies. In that case, the estimated data is provided by our external provider Clarity AI and is derived from their assumptions models such as proxies based on sector averages.

Based on 2023 and 2024 data, out 24 indicators reported on: 15 indicators have 0% estimated data, and 9 indicators have estimated data percentage that varies between 4% and 48%, for GHG emissions, Carbon Footprint, and hazardous waste.

### **Limitations to methodologies and data**

- (a) Per the methodologies referred to in the "Methodologies" section above, to measure the attainment of the sustainable investment objective, we 1) produce our ESG internal scores and 2) calculate the percentage of the revenues of the companies coming from activities that are contributing to the sustainable investment's objectives of the subfund, namely the transition to a circular economy as well as pollution prevention and control.

The measurement is based mostly on reported data. In case of unavailable data, it will affect the overall output as follows:

- 1) For the ESG score:

Unavailable data will affect individual sustainable indicator per company in scope.

For instance, if no data is available for the direct GHG emissions indicator of company X, it will trigger a score of -0.5 for that indicator for the company in scope. This low score will affect the overall aggregated ESG score of the company accordingly.

- 2) For measurement of the contribution to the two sustainable investment objectives: unavailable data on the revenue % of a relevant activity will trigger a 0% contribution to that activity.

- (b) The limitations caused by unavailable data is reflected and mitigated by the fact that it does then lower the ESG score and percentage of revenue considered as sustainable investment.

**Due diligence**

Due diligence is carried out as part of our in-house fundamental analysis of each target company of the portfolio. The portfolio manager team analyses each company at qualitative, quantitative and sustainability level.

**Engagement policies**

Engagement is not part of the sustainable investment objective.

**Attainment of the sustainable investment objective**

The Subfund does not have a specific index designated as a reference benchmark to meet the sustainable investment objective.