

## Marble Bar Asset Management LLP

### Responsible Investment Policy

#### Updated: March 2021

This Responsible Investment Policy (the “Policy”) sets out the current approach by Marble Bar Asset Management (“MBAM” or the “Firm”) towards Responsible Investment (“RI”) and Environmental, Social and Governance (“ESG”) issues.

Responsible Investment is a concept which can mean different things to different firms. An investment manager’s interpretation of the term is likely to be partly influenced by the investment strategies deployed, the investment objectives and investors’ expectations.

MBAM defines Responsible Investment to mean:

- (i) The consideration of material non-financial risks, particularly risks associated with ESG issues, in investment analysis and investment decision making process.
- (ii) Acting responsibly through the Firm’s investment activities including complying with market rules and being conscious of the potential impact the Firm’s investment strategies may have on those markets.

MBAM takes its fiduciary responsibilities to its investment funds and managed accounts (the “Funds”) and their underlying investors very seriously believing that management quality has a long-term positive correlation to performance and, as such, sustainable company success is one of the considerations in making investment decisions.

MBAM is committed to securing investor value and acting in the best interests of its clients. The Firm recognises that there are different material issues that contribute to an investor achieving the goal of long-term value. One such issue includes the consideration of recognised environmental, social and governance (“ESG”) factors. As a result, our portfolio managers’ corporate analysis, coupled with consideration towards key financial data and economic merit, also takes into account ethical and non-financial aspects, both for the purposes of risk assessment and contribution to performance.

#### Approach

The Funds invest in a large number of companies, spanning various types of financial instrument, involving varying degrees of analysis as defined in each Fund’s investment objectives and strategy. Financial instruments relating to companies, countries or states that seriously contravene internationally accepted principles will be subject to heightened scrutiny. The RI framework incorporates ethical principles of certain countries and regions (e.g. UK and USA), global ethical norms and also the pertinent environmental and social standards such as elements of the UN Global Compact, OECD Guidelines for Multinational Enterprises, and the UN Convention on Cluster Munitions. Although the primary factor that MBAM takes into account is maximising investor value, an important consideration as to whether an international treaty and ethical principle will be taken into account during any analysis is whether it has been ratified by the UK. Notwithstanding, investment decisions are complex and the application and consideration of ESG matters may differ greatly based on the region, type and preferences of a particular Fund.

#### Applicable Principles

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The relevant and applicable principles that MBAM consider include the United Nations Global Compact and, as far as applicable, the OECD Guidelines for Multinational Enterprises, the Convention on Cluster Munitions and the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction.

The UN Global Compact calls on companies to operate in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. With thousands of companies signed up to UN Global Compact in more than 135 countries, it is the world's largest and best-known initiative.

The OECD Guidelines for Multinational Enterprises also formalize the code of conduct for foreign investment and relationships with foreign suppliers. Since 2007, G8 countries have been focusing on the promotion of these principles for corporate management. MBAM also promotes adherence to these standards as part of good corporate management.

The Convention on Cluster Munitions was entered into international law on August 1, 2010 and prohibits the use, manufacture and distribution of cluster munitions. To date, a total of 111 states have joined the convention as states, parties or signatories.

The 1997 Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction aims at eliminating anti-personnel landmines (AP-mines) around the world. To date, there are 164 state parties to the treaty.

#### Cluster Munitions/ Antipersonnel landmines

MBAM will attempt to identify companies which manufacture prohibited products such as cluster munitions and antipersonnel landmines. Such companies will generally be excluded from the investment universe if there is no other compelling justification for making such an investment. Should any investment be planned which deviates from the aforementioned principle, this transaction will require approval in advance from the Compliance Officer.

#### **Investment Processes**

ESG integration forms part of the MBAM investment process for certain Funds and, as with all other components of the investment process, is the responsibility of our portfolio managers. The Firm's portfolio managers are expected to integrate ESG considerations in line with each Fund's established strategy and objectives meaning that:

- Each strategy has a description of how ESG fits into its investment process,
- Portfolio managers are accountable for managing exposure to material ESG risks, and
- Investment teams are able to provide evidence of how ESG considerations inform investment decisions in each portfolio.

#### **Transparency**

MBAM believes well-managed companies balance business-relevant ESG issues alongside traditional financial objectives. Consistent with this expectation, MBAM strives to provide a level of transparency for investors on how ESG issues are considered. The Firm aims to disclose ESG integration practices in

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fund documentation from 2021 onwards. With respect to transparency for all Funds, investors should be able to access clear information on the sustainability risks associated with their investments.

#### **Oversight**

MBAM aims, where possible, to create investment process consistency across the Funds managed. In partnership with the Firm's portfolio managers, MBAM coordinates the firm-wide approach to incorporating ESG considerations into various investment processes, developing the Firm and Funds' sustainable investment procedures, and seeking to ensure consistency and quality in the Funds managed.

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#### The Ten Principles of the United Nations Global Compact

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| Human Rights | Principle 1  | Companies should support and comply with protection of international human rights within their sphere of influence                             |
|              | Principle 2  | Ensure that they are not complicit in human rights abuses.   |
| Labour       | Principle 3  | Companies should uphold the freedom of association and the effective recognition of the right to collective bargaining, as well as in addition |
|              | Principle 4  | The elimination of all forms of forced labour  |
|              | Principle 5  | The abolition of child labour  |
|              | Principle 6  | The elimination of discrimination in respect of employment and occupation  |
| Environment  | Principle 7  | Companies should support a precautionary approach to environmental challenges  |
|              | Principle 8  | Undertake initiatives to promote greater environmental responsibility  |
|              | Principle 9  | Encourage the development and dissemination of environmentally friendly technologies. Anti-Corruption  |
|              | Principle 10 | Companies should work against corruption in all its forms, including extortion and bribery   |

#### OECD Guidelines for Multinational Enterprises

With relevant consideration for established policies in the countries in which they operate, enterprises should;

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| 1  | Contribute to economic, social and environmental progress with a view to achieving sustainable development  |
| 2  | Respect the human rights of those affected by their activities consistent with the host government's international obligations and commitments  |
| 3  | Encourage local capacity building through close cooperation with the local community, including business interests, as well as developing the enterprise's activities in domestic and foreign markets, consistent with the need for sound commercial practice |
| 4  | Encourage human capital formation, in particular by creating employment opportunities and facilitating training opportunities for employees   |
| 5  | Refrain from seeking or accepting exemptions not contemplated in the statutory or regulatory framework related to environmental, health, safety, labour, taxation, financial incentives, or other issues  |
| 6  | Support and uphold good corporate governance principles and develop and apply good corporate governance practices   |
| 7  | Develop and apply effective self-regulatory practices and management systems that foster a relationship of confidence and mutual trust between enterprises and the societies in which they operate  |
| 8  | Promote employee awareness of, and compliance with, company policies through appropriate dissemination of these policies, including through training programs   |
| 9  | Refrain from discriminatory or disciplinary action against employees who make bona fide reports to management or, as appropriate, to the competent public authorities, on practices that contravene the law, the Guidelines or the enterprise's policies      |
| 10 | Encourage, where practicable, business partners, including suppliers and sub-contractors, to apply principles of corporate conduct compatible with the Guidelines   |
| 11 | Abstain from any improper involvement in local political activities   |