




| Gateway | | Reason for Interaction |
|--|---|--|
| <p>LEA 02</p> <p>Monetary</p> <p>Discretionary</p> <p>Monetary</p> | <p>Type of engagement</p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p> | <p><input checked="" type="checkbox"/> To support investment decisionmaking in & company related ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</p> <p><input checked="" type="checkbox"/> To engage investor ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p> <p><input type="checkbox"/> To support investment decisionmaking in & company related ESG issues</p> <p><input type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p> <p><input type="checkbox"/> To support investment decisionmaking in & company related ESG issues</p> <p><input type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p> <p><input type="checkbox"/> To support investment decisionmaking in & company related ESG issues</p> <p><input type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</p> <p><input type="checkbox"/> Other: specify</p> |

RI TRANSPARENCY REPORT

2020

Osmosis Investment Management

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the reporting period specified above. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information.

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

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00 01.1 Select the services and funds you offer

| Select the services and funds you offer | % of asset under management (AUM) in ranges |
|--|---|
| Fund management | <input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50% |
| Fund of funds, manager of managers, sub-advised products | <input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50% |
| Other | <input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50% |
| Total 100% | |

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

00 02.1 Select the location of your organisation's headquarters.

United Kingdom

00 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

00 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

18

00 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

00 04.1 Indicate the year end date for your reporting year.

31/03/2020

00 04.2 Indicate your total AUM at the end of your reporting year.

Total AUM
 1,319,634,377 USD
 1319634377 USD

00 04.4 Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Assets under execution and/or advisory only services
 58,920,748 USD
 58920748 USD

00 05.1 Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:

| | Internally managed (%) | Externally managed (%) |
|---------------------|------------------------|------------------------|
| Listed equity | >50% | 0 |
| Fixed income | 0 | 0 |
| Private equity | 0 | 0 |
| Property | 0 | 0 |
| Infrastructure | 0 | 0 |
| Commodities | 0 | 0 |
| Hedge funds | <10% | 0 |
| Fund of hedge funds | 0 | 0 |
| Forestry | 0 | 0 |

| | | |
|--------------------------|---|---|
| Farmland | 0 | 0 |
| Inclusive finance | 0 | 0 |
| Cash | 0 | 0 |
| Money market instruments | 0 | 0 |
| Other (1), specify | 0 | 0 |
| Other (2), specify | 0 | 0 |

00 06 Mandatory Descriptive General

00 06.1 Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

00 06.5 Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to 00 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

00 09 Mandatory Peering General

00 09.1 Indicate the breakdown of your organisation's AUM by market.

| | |
|-----|-------------------|
| 100 | Developed Markets |
| 0 | Emerging Markets |
| 0 | Frontier Markets |
| 0 | Other Markets |

00 10 Mandatory Gateway General

00 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

00 11 Mandatory Gateway General

00 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Hedge funds

- We address ESG incorporation.
- We do not do ESG incorporation.

00 12 Mandatory Gateway General

00 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Other asset classes with dedicated modules

- Hedge Funds and/or Fund of Hedge Funds

Closing module

- Closing module

00 LE 01 Mandatory to Report, Voluntary to Disclose Gateway General

| | |
|------------|---|
| OO LE 01.1 | Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies. |
| 0 | |
| | Passive |
| 100 | |
| | Active - quantitative (quant) |
| 0 | |
| | Active - fundamental and active - other |

| | | | |
|----------|--|-------------|---------|
| OO HF 01 | Mandatory to Report, Voluntary to Disclose | Descriptive | General |
|----------|--|-------------|---------|

| | |
|------------|---|
| OO HF 01.1 | Please describe your hedge fund strategies and classification |
|------------|---|

Options presented for hedge funds

| Main strategy | Strategy as % of hedge fund AUM | Sub-strategy |
|---|---|--|
| Equity Hedge | <input checked="" type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0% | <input checked="" type="checkbox"/> Equity Market Neutral <input type="checkbox"/> Fundamental Growth <input type="checkbox"/> Fundamental Value <input type="checkbox"/> Quantitative Directional <input type="checkbox"/> Sector: Energy/Basic Materials <input type="checkbox"/> Sector: Healthcare <input type="checkbox"/> Sector: Technology <input type="checkbox"/> Short Bias <input type="checkbox"/> Multi-Strategy |
| Event Driven | <input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0% | |
| Global Macro | <input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0% | |
| Relative Value | <input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0% | |
| Risk Parity | <input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0% | |
| Blockchain | <input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0% | |
| Total 100% (of internal Hedge Fund AUM) | | |

| | |
|-----------|--------|
| OO Checks | Checks |
|-----------|--------|

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2 Indicate the components/types and coverage of your policy.

| Policy components/types | Coverage by AUM |
|--|---|
| <input checked="" type="checkbox"/> Policy setting out your overall approach | <input checked="" type="checkbox"/> Applicable policies cover all AUM <input type="checkbox"/> Applicable policies cover a majority of AUM <input type="checkbox"/> Applicable policies cover a minority of AUM |
| <input checked="" type="checkbox"/> Formalised guidelines on environmental factors | |
| <input type="checkbox"/> Formalised guidelines on social factors | |
| <input type="checkbox"/> Formalised guidelines on corporate governance factors | |
| <input type="checkbox"/> Fiduciary (or equivalent) duties | |
| <input type="checkbox"/> Asset class-specific RI guidelines | |
| <input type="checkbox"/> Sector specific RI guidelines | |
| <input checked="" type="checkbox"/> Screening / exclusions policy | |
| <input type="checkbox"/> Other, specify (1) | |
| <input type="checkbox"/> Other, specify(2) | |

SG 01.3 Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)

Other description (1)
 Resource Efficiency: The Osmosis Model of Resource Efficiency ("MoRE") systematically identifies relative resource efficiency amongst global large-cap companies. MoRE uses publicly available data on resource consumption to identify those companies that are producing more revenue while using less resources and is updated on a monthly basis.

- Other RI considerations, specify (2)

Other description (2)
 Osmosis works in conjunction with underlying clients in order to implement specific client ethical screens, these range from social exclusions to faith based approaches.

SG 01.4 Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

We live in a world of growing constraint, characterised by rising demand from population growth and rising living standards, converging with accelerating resource depletion. Companies that are measuring, managing and reducing their resource consumption while capitalising on this rising demand will deliver greater shareholder returns over the longer term.

Osmosis' investment approach objectively analyses corporate sustainability data which allows us to identify an uncorrelated source of alpha in publicly listed companies. This informational advantage when applied to a systematic quantitative approach creates investment portfolios that seek to deliver superior risk-adjusted returns over the long-term while significantly reducing their draw on natural resources. This results in portfolios with a much lower environmental footprint relevant to market benchmarks.

We are convinced that objectively identifying resource efficiency within global large cap companies allows us to target those who have addressed the issues of resource constraint and executed a sustainability program that has delivered to the bottom line. Our research allows us to identify companies whose sustainability programs have not only increased environmental performance but also delivered greater value to shareholders.

SG 01.5 Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

With world populations forecast to reach 7.8 billion by 2050 (source UN) and the global middle class expanding by approximately 150 million people per year (source Brookings Institute) demands for goods, products and services will continue to grow. All economies benefit from global GDP growth and we do not seek to penalise firms delivering sustainable growth. Such an insatiable demand must be met with the finite resources available. Those companies able to deliver greater value from more efficient use of resource to service this demand will emerge as the most economically and environmentally sustainable.

Core to the Osmosis philosophy is to target investments across the breadth of the economy. Addressing supply is a myopic and a fruitless endeavour unless demand is also equally addressed. Consumption is not confined to a single section of the economy. The Model of Resource Efficiency portfolios address both the supply and demand side of the consumption equation as they target the most efficient corporates throughout each step of the value chain across the breadth of the economy.

This philosophy is ultimately self-fulfilling. When capital is allocated in significant scale through a process of natural divestment from the most inefficient to the most efficient companies, we believe that markets will force up the cost of capital for those inefficient companies. This should ultimately pressure change from management to adapt their business models or they will risk being further downgraded by the market. We aim to ultimately prove that the capital markets will play an important role in transitioning the world's corporates to become more sustainable.

Critically, Osmosis identifies the results of management behaviour, using only objective data, rather than focusing on the bluster of management intent. Identifying action over intent positions the Model of Resource Efficiency portfolios to those management teams who are successfully implementing a more sustainable approach. The Osmosis data evidences that such behaviours are rewarded by the markets for their proven ability to aggregate greater value from their resources.

No

SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

The Osmosis Model of Resource Efficiency seeks to identify those companies that are creating more with less and who will lead a just transition to a more sustainable future. The model encourages an all economy approach which aims to facilitate mainstream adoption of sustainable investment principles. While our model does not originate from a risk management approach, but rather from a believe that efficient companies will outperform their inefficient peers, putting key environmental data at the heart of our investment process has benefits for transition and physical climate-related risks and opportunities. This is not limited to our investment time horizon.

No

SG 01.7 CC Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

No

Describe why your organisation has not yet assessed the likelihood and impact of climate risks

The Osmosis Model of Resource Efficiency seeks to identify those companies that are creating more with less and who will lead a just transition to a more sustainable future. Our systematic

approach focuses on the consumption of natural resources linked to economic productivity, and is integrated into all of our products. Our approach is not a risk-management approach, but stems from a belief that efficient companies will perform better than their inefficient peers. We believe that this concept holds true across the entire model, and therefore we do not believe there is a need to assess likelihood or impact of climate risks.

SG 01.8 CC Indicate whether the organisation publicly supports the TCFD?

- Yes
- No

SG 01.9 CC Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes
- No

Describe

The Osmosis Model of Resource Efficiency seeks to identify those companies that are creating more with less and who will lead a just transition to a more sustainable future. Our systematic approach focuses on the consumption of natural resources linked to economic productivity, and is integrated into all of our products. Our approach is not a risk-management approach, but stems from a belief that efficient companies will perform better than their inefficient peers. We believe that this concept holds true across the entire model, and therefore we do not believe there is a need to assess likelihood or impact of climate risks.

- No

SG 1.10 CC Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

SG 02 **Mandatory** **Core Assessed** **PRI 6**

SG 02.1 Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL
<https://www.osmosisim.com/uk/philosophy/>
- Attachment (will be made public)

- Formalised guidelines on environmental factors

URL/Attachment

- URL
<https://www.osmosisim.com/uk/research/>
- Attachment (will be made public)

- Screening / exclusions policy

- Engagement policy

URL/Attachment

- URL
<https://www.osmosisim.com/uk/philosophy/>
- Attachment (will be made public)

- (Proxy) voting policy

- We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL
<https://www.osmosisim.com/uk/research/>
- Attachment

- Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

- URL
<https://www.osmosisim.com/uk/funds/>
- Attachment

- Time horizon of your investment

- ESG incorporation approaches

URL/Attachment

- URL
<https://www.osmosisim.com/uk/research/>
- Attachment

- Active ownership approaches

- Reporting

- Climate change

- Understanding and incorporating client / beneficiary sustainability preferences

- Other RI considerations, specify (1)

Other description (1)

Resource Efficiency: The Osmosis Model of Resource Efficiency ("MoRE") systematically identifies relative resource efficiency amongst global large-cap companies. MoRE uses publicly available

data on resource consumption to identify those companies that are producing more revenue while using less resources and is updated on a monthly basis.

| | |
|---|---|
| URL/Attachment | |
| <input checked="" type="checkbox"/> URL | https://www.osmosisim.com/uk/philosophy/ |
| <input type="checkbox"/> Attachment | |
| <input type="checkbox"/> Other RI considerations, specify (2) | |
| <input type="checkbox"/> We do not publicly disclose any investment policy components | |

| | | | |
|-------|-----------|---------------|---------|
| SG 03 | Mandatory | Core Assessed | General |
|-------|-----------|---------------|---------|

| | | | |
|---------|---|--|--|
| SG 03.1 | Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process. | | |
|---------|---|--|--|

Yes

| | | | |
|---------|---|--|--|
| SG 03.2 | Describe your policy on managing potential conflicts of interest in the investment process. | | |
|---------|---|--|--|

Osmosis is majority owned by its directors and employees with a small number of external investors (who have no access to the investment decisions of Osmosis or its clients). Osmosis does not hold capital for proprietary investment and undertakes no dealing activities on its own account. Osmosis has a stringent personal dealing policy which requires prior approval of any dealing activities that might give rise to a conflict and such approval is unlikely to be granted even if there is only a perceived or potential conflict. This policy is applied to all members of staff who are required to make an annual statement including disclosure of all brokerage accounts (and private equity holdings). Those employees who undertake personal dealing activities are required to provide contract notes (typically direct from a broker) and quarterly brokerage statements. This robust approach is designed to avoid any conflicts arising in the dealing activities of Osmosis and its staff.

No

| | | | |
|-------|-----------|-------------|---------|
| SG 04 | Voluntary | Descriptive | General |
|-------|-----------|-------------|---------|

| | | | |
|---------|---|--|--|
| SG 04.1 | Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities. | | |
|---------|---|--|--|

Yes

No

| | | | |
|---------|---|--|--|
| SG 04.2 | Describe your process on managing incidents | | |
|---------|---|--|--|

The Model of Resource Efficiency monitors companies' revenues as well as resource efficiency when creating a resource efficiency score for each company. Incidents occurring within portfolio companies could result in a change of the company resource efficiency score which would automatically lead to the exclusion of the company from the portfolio if the impact is negative either in terms of financial or resource efficiency performance or both.

| | | | |
|-------|-----------|-----------------------|---------|
| SG 05 | Mandatory | Gateway/Core Assessed | General |
|-------|-----------|-----------------------|---------|

| | | | |
|---------|---|--|--|
| SG 05.1 | Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities. | | |
|---------|---|--|--|

Quarterly or more frequently

Biannually

Annually

Less frequently than annually

Ad-hoc basis

It is not set/reviewed

| | | | |
|---------|------------------------------------|--|--|
| SG 05.2 | Additional information. [Optional] | | |
|---------|------------------------------------|--|--|

The MoRE methodology systematically excludes companies that don't disclose environmental metrics as well as companies with poor Resource Efficiency Score as well as giving a higher weight to companies with a higher Resource Efficiency Score. This process is carried on an on-going basis as companies disclose new data throughout the year and is reflected in the monthly rebalances of the portfolio.

| | | | |
|-------|-----------|-------------|---------|
| SG 06 | Voluntary | Descriptive | General |
|-------|-----------|-------------|---------|

| | | | |
|---------|--|--|--|
| SG 06.1 | List the main responsible investment objectives that your organisation set for the reporting year. | | |
|---------|--|--|--|

| | |
|----------------------------------|--|
| Responsible investment processes | |
|----------------------------------|--|

Provide training on ESG incorporation

| |
|---------------------------|
| Key performance indicator |
|---------------------------|

Osmosis continually advances the training of staff in the gathering and interpretation of corporate environmental data. The KPI is the alpha generated

| |
|-------------------|
| Progress achieved |
|-------------------|

We have added significant new companies to the database, which now totals over 700 companies, with environmental data collected back to 2005. In addition we have undertaken to translate corporate reports from non english reporting corporates. In addition we have commenced the collection of data from within the Merging markets. We have built a significant dataset which has allowed the team to strengthen the efficacy of our resource efficiency signal and consequentially allow us to measure the relative efficiency of 700 corporates across 33 economic sectors, as to their value creation relative to their resource consumption

Provide training on ESG engagement

Improved communication of ESG activities within the organisation

Improved engagement to encourage change with regards to management of ESG issues

Improved ESG incorporation into investment decision making processes

| |
|---------------------------|
| Key performance indicator |
|---------------------------|

Osmosis investment approach is driven by the utilisation of environmental data. We operate a continuous process of research and analysis to enhance our alpha.

| |
|-------------------|
| Progress achieved |
|-------------------|

During the year, the portfolio management team has worked with the research team to isolate Resource Efficiency in a market neutral portfolio. The Osmosis MoRE World Resource Efficiency Fund – Sustainable Market Neutral takes long positions in global listed companies in developed markets that are demonstrably the most efficient in using energy and water inputs while producing the least waste, per unit of revenue generated. It takes short positions in the least efficient stocks – constructing a portfolio targeting both a financial and an environmental return.

Other, specify (1)

Other, specify (2)

Other, specify (3)

None of the above

| | |
|--------------------------------------|--|
| Financial performance of investments | |
|--------------------------------------|--|

Increase portfolio performance by consideration of ESG factors

| |
|---------------------------|
| Key performance indicator |
|---------------------------|

We target excess return in the portfolios through the utilisation of environmental data - performance can be reviewed in the public domain.

Progress achieved

Our performance and risk attribution can explain the impact of resource efficiency on the portfolio. When isolating atypical common factors, Osmosis can highlight the consistent nature of 'unexplained'/idiosyncratic' returns that are being generated by the Resource Efficient portfolios. Resource Efficient companies are being consistently rewarded by the market above and beyond the more well-known factors when compared to their less efficient peers over a typical market cycle.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics

Key performance indicator

Please see website / alpha is derived solely from environmental data

Progress achieved

100%

- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio

Key performance indicator

We do not target carbon savings - they are derived from the investment process. Portfolios will have in excess of up to 50% to relevant benchmarks

Progress achieved

We deliver custom reports on the portfolios which detail their sustainability credentials by foot printing the fund against benchmarks illustrating that the strategy has a lower draw on energy, water, and waste relative to the benchmark. This is a unique process to Osmosis and provides a true quantifiable measure of sustainability.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Other activities

- Joining and/or participation in RI initiatives
- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients

Key performance indicator

We target a company specific report on a quarterly basis which is provided both to clients and in the public domain.

Progress achieved

In 2018, Osmosis provided its clients with various ad hoc analysis reports on the Resource Efficiency signal and its use within portfolio construction.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

SG 07 **Mandatory** **Core Assessed** **General**

SG 07.1 **Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.**

Roles

- Board members or trustees
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment

- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers

SG 07.2 For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Osmosis investment & research team consists of experienced portfolio management & environmental research specialists who are at the forefront of integrating sustainability data into investment portfolios. Osmosis environmental research team has extensive experience in understanding corporate environmental performance and how it pertains to the balance sheet of a business. They are supported by a senior management team with decades of experience.

Osmosis has three Portfolio Managers who not only share responsibilities for all the portfolio management, but have significant levels of expertise in utilising the Resource Efficiency signal generated from the MoRE model in portfolio construction. All portfolio managers have considerable expertise, with in excess of 40 years combined experience of working with environmental data and portfolios.

The Osmosis environmental research process is headed up by the former Head of Research at Truocost and joined Osmosis at the beginning of 2014 to enhance the environmental database research. In early 2019 we added further resource from the Carbon Disclosure Project – the global environmental reporting organisation joined the team to further develop the Osmosis proprietary research process and bring its expertise assessment methodologies for corporate disclosure on climate change, water security and deforestation. Whilst the research team speciality is within the disclosure and standardisation of the environmental data, the PMs are actively involved in work involving the enhancement of the signal to strengthen its explanatory power in justifying forward looking firm value. This understanding of how the Resource Efficiency factor signal is implemented within the portfolios is key to driving forward the research process. There are five research analysts who specialise across their respective industries, collecting and standardising the respective environmental disclosures of energy and water consumption and waste creation.

The collation of data is a manual process whereby the individual reports are reviewed and the data standardised by the analysts prior to acceptance by Stefano before inclusion within the database. Environmental data does not have a disclosing standard such as GAAP or IFRS and thus requires significant amount of work to standardise the data to the proprietary economic framework developed by Osmosis.

The underlying environmental data is annually observed; however, the data is disclosed at multiple points during the year due to the different reporting cycles each company adopts.

At the start of each month, the anticipated work load for the updates is calculated and the work is normally complete within the first 2 weeks of the month. This does, however, vary from month to month based upon the disclosure levels as there are naturally some months where there are greater amounts of raw data points to analyse.

Once the companies updates are completed, the remaining time of the analysts is allocated to perform additional research projects of this vary from case study analysis, company engagement and the enhancement of the "economic value created" numerator within the Resource Efficiency signal.

Often the PMs are working on additional projects in tandem with our underlying clients and projects have included:

- Analysing dividend resilience of Resource Efficiency low volatility portfolio vs low volatility benchmark
- Implication of Resource Efficiency & Quality
- Resource Efficiency in the Low Volatility signal
- Resource Efficiency and correlation of other long-term drivers of return

Finally, as the firm continues to grow the management and board recognise the requirement for continued investment into the research function. Reinvestment is continuous and includes investment into staff, data and infrastructure.

All functions report into the CEO, who has overall responsibility for the strategic direction of the firm and oversight of all responsible investment activities.

SG 07.3 Indicate the number of dedicated responsible investment staff your organisation has.

14

SG 07.4 Additional information. [Optional]

All Osmosis strategies are driven by the outcome of the Model of Resource Efficiency. From the definition above, all staff apart from compliance and finance have been included as all dedicated to responsible investment.

SG 07 CC Mandatory to Report, Voluntary to Disclose Descriptive General

SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

| | |
|---|---|
| Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee | <input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues |
| Portfolio managers | <input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues |
| Investment analysts | <input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues |
| Dedicated responsible investment staff | <input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues |
| Investor relations | <input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues |

SG 07.7 CC For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

All Osmosis strategies are driven by the outcome of the Model of Resource Efficiency. From the definition above, all staff apart from compliance and finance have been included as all dedicated to responsible investment.

SG 08 Voluntary Additional Assessed General

SG 08.1 Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

| | |
|--|--|
| Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee | |
| SG 08.1a RI in objectives, appraisal and/or reward | <input checked="" type="checkbox"/> Responsible investment KPIs and/or goals included in objectives <input checked="" type="checkbox"/> Responsible investment included in appraisal process <input checked="" type="checkbox"/> Variable pay linked to responsible investment performance |

None of the above

SG 08.1b RI in personal development and/or training plan

Responsible investment included in personal development and/or training plan

None of the above

Portfolio managers

SG 08.1a RI in objectives, appraisal and/or reward

Responsible investment KPIs and/or goals included in objectives

Responsible investment included in appraisal process

Variable pay linked to responsible investment performance

None of the above

SG 08.1b RI in personal development and/or training plan

Responsible investment included in personal development and/or training plan

None of the above

Investment analysts

SG 08.1a RI in objectives, appraisal and/or reward

Responsible investment KPIs and/or goals included in objectives

Responsible investment included in appraisal process

Variable pay linked to responsible investment performance

None of the above

SG 08.1b RI in personal development and/or training plan

Responsible investment included in personal development and/or training plan

None of the above

Dedicated responsible investment staff

SG 08.1a RI in objectives, appraisal and/or reward

Responsible investment KPIs and/or goals included in objectives

Responsible investment included in appraisal process

Variable pay linked to responsible investment performance

None of the above

SG 08.1b RI in personal development and/or training plan

Responsible investment included in personal development and/or training plan

None of the above

Investor relations

SG 08.1a RI in objectives, appraisal and/or reward

Responsible investment KPIs and/or goals included in objectives

Responsible investment included in appraisal process

Variable pay linked to responsible investment performance

None of the above

SG 08.1b RI in personal development and/or training plan

Responsible investment included in personal development and/or training plan

None of the above

SG 09

Mandatory

Core Assessed

PRI 4,5

SG 09.1 Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

Moderate

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Osmosis is a UN PRI signatory. Osmosis is also an active participant in the PRI: EU Taxonomy Practitioners Group, a group of signatories with the purpose to socialise good practice in implementing the EU Taxonomy in investment practice among the group's participants, and PRI's wider signatory base.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Osmosis is a signatory member of CDP Climate Change.
Osmosis' Research Manager was invited speaker at an event for CDP's supply chain members, sharing insights to the corporate members on how investors are using corporate environmental disclosures. Osmosis also participated in some CDP campaigns, including the non-disclosure campaign.

CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

Basic

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Osmosis is a signatory member of CDP Forests.

CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

Basic

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Osmosis is a signatory member of CDP Water.

CFA Institute Centre for Financial Market Integrity

Climate Action 100+

Your organisation's role in the initiative during the reporting period (see definitions)

Moderate

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Osmosis is a member of CA100+.

Code for Responsible Investment in SA (CRISA)

Council of Institutional Investors (CII)

Eumedion

Extractive Industries Transparency Initiative (EITI)

ESG Research Australia

Invest Europe Responsible Investment Roundtable

Global Investors Governance Network (GIGN)

Global Impact Investing Network (GIIN)

Global Real Estate Sustainability Benchmark (GRESB)

Green Bond Principles

HKVCA: ESG Committee

Institutional Investors Group on Climate Change (IIGCC)

Interfaith Center on Corporate Responsibility (ICCR)

International Corporate Governance Network (ICGN)

Investor Group on Climate Change, Australia/New Zealand (IGCC)

International Integrated Reporting Council (IIRC)

Investor Network on Climate Risk (INCR)/CERES

Local Authority Pension Fund Forum

Principles for Financial Action in the 21st Century

Principles for Sustainable Insurance

Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

UKSIF

Your organisation's role in the initiative during the reporting period (see definitions)

Basic

Responsible Finance Principles in Inclusive Finance

Shareholder Association for Research and Education (Share)

United Nations Environmental Program Finance Initiative (UNEP FI)

United Nations Global Compact

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

SG 10 **Mandatory** **Core Assessed** **PRI 4**

SG 10.1 **Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.**

Yes

SG 10.2 **Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.**

Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

| Description |
|--|
| Osmosis continuously aims to raise awareness about resource efficiency as an environmental responsible investment theme. |

Frequency of contribution

Quarterly or more frequently

Biannually

Annually

Less frequently than annually

Ad hoc

Other

Provided financial support for academic or industry research on responsible investment

Provided input and/or collaborated with academia on RI related work

| Description |
|--|
| Osmosis provided data to the University of Cardiff who conducted an independent study and published a white paper entitled "Resource Efficiency and Firm Value". The paper highlights the efficacy of Resource Efficiency in explaining future firm value above other traditional indicators of firm value. anew academic study is under review with a leading UK university |

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment

| Description |
|---|
| Osmosis participated to the Morgan Stanley Emerging Manager Event where it raised awareness about resource efficiency themed investment. The CEO has spoken has numerous industry events to raise the the opportunity the opportunity and challenges us utilizing an ESG data in America, the UK and Europe |

| Frequency of contribution |
|---|
| <ul style="list-style-type: none"> <input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other |

- Wrote and published in-house research papers on responsible investment

| Description |
|--|
| Osmosis provided clients with case studies on resource efficiency. Our data has been provided for independent academic analysis – a white paper was subsequently published linking resource efficiency to future firm value. |

| Frequency of contribution |
|---|
| <ul style="list-style-type: none"> <input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other |

- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify

| Description |
|---|
| Osmosis is a member of PRI's EU Taxonomy Practitioners' Group. The purpose is to socialise good practice in implementing the EU Taxonomy in investment practice among the group's participants, and PRI's wider signatory base. Where the group identifies barriers in implementing the Taxonomy, it will seek to resolve and develop a FAQ. The results may be shared with EU policy makers. |

| Frequency of contribution |
|---|
| <ul style="list-style-type: none"> <input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other |

- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify

No

SG 10.3 Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

We have organised investment seminars - but more importantly, we have spent the year working with forward-thinking asset owners to develop new responsible investment products and launched one new fund.

SG 11 Voluntary Additional Assessed PRI 4,5,6

SG 11.1 Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

- Yes
- No

Please explain

We have continued to focus on raising real AUM into new investment strategies over the past reporting cycle. Previous efforts to engage with public policy makers have proved time-consuming and ineffective. We have taken a conscious decision to influence those who manage the capital rather than those that manage policy.

SG 12 Mandatory Core Assessed PRI 4

SG 12.1 Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

SG 13 Mandatory Descriptive PRI 1

SG 13.1 Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

| | Describe |
|--------------------------|--|
| | While Osmosis' Model of Resource Efficiency is developed to assess companies only on their current resource use, including carbon emissions, water consumption and waste generation, We also perform analysis using scenario analysis tools like SBTi and TPI to assess the level of climate ambition in our portfolios. |
| <input type="checkbox"/> | No, our organisation does not currently carry out scenario analysis and/or modelling |

SG 13.2 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

| | We do the following |
|-------------------------------------|--|
| <input type="checkbox"/> | Allocation between asset classes |
| <input type="checkbox"/> | Determining fixed income duration |
| <input type="checkbox"/> | Allocation of assets between geographic markets |
| <input type="checkbox"/> | Sector weightings |
| <input checked="" type="checkbox"/> | Other, specify |
| | Osmosis stock selection is entirely based on the output of the Model of resource Efficiency. Please refer to 13.3 for details. |
| <input type="checkbox"/> | We do not consider ESG issues in strategic asset allocation |

SG 13.3 Additional information. [OPTIONAL]

The Osmosis model of resource efficiency (MoRE) is a multi-factor systematic process which assimilates objective environmental-based factors of resource intensity with a market-based factor of economic value to produce a robust investment portfolio of sustainable resource efficient businesses.

Stock selection is systematic and based on three resource intensity factors:

- Energy; by measuring the observed and reported level of absolute greenhouse gas emissions from fossil fuel combustion, industrial processes and other sources owned or controlled by a company;
- Water; by calculating the cost of water used in the production process of a company purchased directly for operations or abstracted for use from local supply;
- Waste; by calculating the total costs generated from the disposal of waste in normal company operations, classified as landfill, incineration or recycling and including nuclear waste.

SG 13 CC Mandatory to Report, Voluntary to Disclose Descriptive General

SG 13.4 CC Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

| | |
|-------------------------------------|--|
| <input type="checkbox"/> | Initial assessment |
| <input type="checkbox"/> | Incorporation into investment analysis |
| <input checked="" type="checkbox"/> | Inform active ownership |

| | Describe |
|--------------------------|--|
| <input type="checkbox"/> | Other |
| | While Osmosis' Model of Resource Efficiency is developed to asses companies only on their current resource use, including carbon emissions, water consumption and waste generation, we have performed analysis using scenario analysis tools like SBTi and TPI to assess the level of climate ambition in our portfolios. These tools are created using climate scenarios from the International Energy Agency (IEA, the 2 Degree Scenario) and the Intergovernmental Panel on Climate Change (IPCC, RCP2.6). This analysis is used as an input into our active ownership engagement strategy. |

SG 13.5 CC Indicate who uses this analysis.

| | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | Board members, trustees, C-level roles, Investment Committee |
| <input type="checkbox"/> | Portfolio managers |
| <input checked="" type="checkbox"/> | Dedicated responsible investment staff |
| <input type="checkbox"/> | External managers |
| <input type="checkbox"/> | Investment consultants/actuaries |
| <input type="checkbox"/> | Other |

SG 13.6 CC Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

| | |
|-------------------------------------|-----|
| <input checked="" type="checkbox"/> | Yes |
|-------------------------------------|-----|

| | Describe |
|--------------------------|---|
| <input type="checkbox"/> | No |
| | The Osmosis Model of Resource Efficiency seeks to identify those companies that are creating more with less and who will lead a just transition to a more sustainable future. The model encourages an all economy approach which aims to facilitate mainstream adoption of sustainable investment principles. This is not limited to our investment time horizon. |

SG 13.7 CC Indicate whether a range of climate scenarios is used.

| | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | Analysis based on a 2°C or lower scenario |
| <input type="checkbox"/> | Analysis based on an abrupt transition, consistent with the Inevitable Policy Response |
| <input type="checkbox"/> | Analysis based on a 4°C or higher scenario |
| <input type="checkbox"/> | No, a range is not used |

SG 13.8 CC Indicate the climate scenarios your organisation uses.

| Provider | Scenario used |
|---------------------------------------|---|
| IEA | |
| IEA | <input checked="" type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario |
| IEA | |
| IEA | |
| IEA | |
| IRENA | |
| Greenpeace | |
| Institute for Sustainable Development | |
| Bloomberg | |
| IPCC | |
| IPCC | |
| IPCC | |
| IPCC | <input checked="" type="checkbox"/> RPC 2.6 |
| Other | |

| | |
|-------|--|
| Other | |
| Other | |

SG 14.1 Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2 Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

| Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes. |
|--|
| Total AUM |
| 1,266,839,998 USD |
| 0 USD |

| Specify the framework or taxonomy used. |
|---|
| 100% of the firm's assets are managed under the Model of Resource Efficiency. |

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

| other description |
|---|
| Osmosis integrates water & waste into the resource efficiency metric alongside energy usage (CO2e). |
| <input type="checkbox"/> None of the above |

SG 14.3 Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

| other description |
|---|
| Osmosis additionally integrates water & waste disclosures into the resource efficiency metric alongside energy usage (CO2e) |
| <input type="checkbox"/> None of the above |

SG 14.6 CC Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

| Metric Type | Coverage | Purpose | Metric Unit | Metric Methodology |
|---|------------|--|---|---|
| Carbon footprint (scope 1 and 2) | All assets | Osmosis calculates the portfolio environmental footprint and uses it as a key metric to define the success of the portfolio. | tCO2e; m3 water consumption; t waste generation | The portfolio footprints are calculated using an ownership approach, based on Osmosis proprietary database. |
| Portfolio carbon footprint | All assets | Osmosis calculates the portfolio environmental footprint and uses it as a key metric to define the success of the portfolio. These footprints are communicated quarterly to our clients. | tCO2e/million \$ revenue; m3 water/million \$ revenue, tonnes of waste/million \$ revenue | The portfolio footprints are calculated using an ownership approach, based on Osmosis proprietary database. |
| Total carbon emissions | All assets | Osmosis calculates the portfolio environmental footprint and uses it as a key metric to define the success of the portfolio. | tCO2e; m3 water consumption; t waste generation | The portfolio footprints are calculated using an ownership approach, based on Osmosis proprietary database. |
| Carbon intensity | All assets | Osmosis calculates the portfolio environmental footprint and uses it as a key metric to define the success of the portfolio. | tCO2e/million \$ revenue; m3 water/million \$ revenue, tonnes of waste/million \$ revenue | The portfolio footprints are calculated using an ownership approach, based on Osmosis proprietary database. |
| Other emissions metrics | | | | |

SG 14.8 CC Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management

| |
|--|
| Please describe |
| The Osmosis Model of Resource Efficiency seeks to identify those companies that are creating more with less and who will lead a just transition to a more sustainable future. The model encourages an all economy approach which aims to facilitate mainstream adoption of sustainable investment principles. While our model does not originate from a risk management approach, but rather from a belief that efficient companies will outperform their inefficient peers, putting key environmental data at the heart of our investment process has benefits for transition and physical climate-related risks and opportunities. This is not limited to our investment time horizon. |
| <input type="radio"/> Processes for climate-related risks are not integrated into overall risk management |
| SG 14.9 CC Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption. |
| <input checked="" type="checkbox"/> Yes |
| Please describe |
| Osmosis engages with companies both in and outside of its portfolios to encourage them to disclose extensive environmental information in their annual reports. Osmosis recognizes that the TCFD is one of the most advanced way of incorporating environmental data into mainstream reporting, however, acknowledges that companies can incorporate data in other ways as well. |
| <input type="radio"/> No, we do not undertake active ownership activities. |
| <input type="radio"/> No, we do not undertake active ownership activities to encourage TCFD adoption. |

| | | | |
|--------------|--|-------------|-------|
| SG 15 | Mandatory to Report, Voluntary to Disclose | Descriptive | PRI 1 |
|--------------|--|-------------|-------|

| | |
|--|--|
| SG 15.1 | Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas. |
| <input checked="" type="checkbox"/> Yes | |
| SG 15.2 | Indicate the percentage of your total AUM invested in environmental and social themed areas. |
| 100% | |
| SG 15.3 | Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description. |
| Area | Asset class invested |
| <input checked="" type="checkbox"/> Energy efficiency / Clean technology | |
| Asset class invested | Brief description and measures of investment |
| <input checked="" type="checkbox"/> Listed equity 100Percentage of AUM (+/-5%) per asset class invested in the area <input type="checkbox"/> Hedge funds | |
| The Model of resource efficiency and all of our portfolios target those companies who utilise less energy (carbon) water and produce less waste than their same sector peers per unit of revenue created. | |
| <input type="checkbox"/> Renewable energy <input type="checkbox"/> Green buildings <input type="checkbox"/> Sustainable forestry <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Microfinance <input type="checkbox"/> SME financing <input type="checkbox"/> Social enterprise / community investing <input type="checkbox"/> Affordable housing <input type="checkbox"/> Education <input type="checkbox"/> Global health <input checked="" type="checkbox"/> Water | |
| Asset class invested | Brief description and measures of investment |
| <input checked="" type="checkbox"/> Listed equity 100Percentage of AUM (+/-5%) per asset class invested in the area <input type="checkbox"/> Hedge funds | |
| The Model of resource efficiency and all of our portfolios target those companies who utilise less energy (carbon) water and produce less waste than their same sector peers per unit of revenue created. | |
| <input checked="" type="checkbox"/> Other area, specify | |
| The Model of resource efficiency and all of our portfolios target those companies who utilise less energy (carbon) water and produce less waste | |
| Asset class invested | Brief description and measures of investment |
| <input checked="" type="checkbox"/> Listed equity 97Percentage of AUM (+/-5%) per asset class invested in the area <input checked="" type="checkbox"/> Hedge funds 03Percentage of AUM (+/-5%) per asset class invested in the area | |
| Osmosis Investment Management believes its unique sustainable investment approach places it at the forefront of stewardship in the context of governance and responsibility towards efficient use of resources. Through the allocation of capital that has been entrusted to it, Osmosis is proactively directing capital to companies which are more resource efficient than their sector peers. We believe that efficient use of resources within a company demonstrates good corporate governance and is key to helping these companies maximise returns over time. Through this approach, we believe we will maintain, enhance and protect value to clients over the longer term. Those companies which our model selects for investment display additional characteristics which investors deem attractive, as such resource efficiency can be viewed as a proxy for quality. | |
| <input type="radio"/> No | |

| | | | |
|--------------|-----------|-------------|---------|
| SG 16 | Mandatory | Descriptive | General |
|--------------|-----------|-------------|---------|

| | |
|---|--|
| SG 16.1 | Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold. |
| Asset Class | Describe what processes are in place and the outputs or outcomes achieved |
| SG 16.2 | Additional information [Optional]. |
| In addition to looking at carbon & water we also look at waste - waste is becoming a significant threat to the environment as well as an important balance sheet issue for corporates. We hold waste data | |

on over 700 companies in the developed markets.

| | | | |
|---|-----------|-------------|---------|
| SG 18 | Voluntary | Descriptive | General |
| SG 18.1 Indicate whether any specific features of your approach to responsible investment are particularly innovative. | | | |
| <input checked="" type="checkbox"/> Yes | | | |
| SG 18.2 Describe any specific features of your approach to responsible investment that you believe are particularly innovative. | | | |
| <p>Osmosis fundamentally believes that investing on a sustainable basis and generating shareholder returns are not mutually exclusive. Sustainability metrics, if quantifiable and objective in nature can be applied to mainstream portfolios to generate alpha.</p> <p>Resource efficiency is not new. It is a natural and progressive economic phenomenon and a fundamental characteristic of our industrial economy. The business community recognizes resource efficiency as an economic imperative to counter rising input costs, widen margins and drive profitability. It is also a compelling measure for determining a company's ability to cope with the challenges of decreasing resource supply and increasing price volatility.</p> <p>However the investment community does not fully appreciate the value in such data because it is disclosed in a non-uniform manner and poorly understood.</p> <p>Osmosis has the expertise in-house which not only understands such environmental data disclosures, but is also able to standardize the data to an economic framework to give it context and make it comparable within sectors. This has allowed Osmosis to generate an informational advantage over peers who continue to focus solely on financial disclosures.</p> | | | |
| <input type="checkbox"/> No | | | |

| | | | |
|-------|-----------|---------------|----------|
| SG 19 | Mandatory | Core Assessed | PRI 2, 6 |
|-------|-----------|---------------|----------|

| | |
|----------------|---|
| SG 19.1 | Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information. |
|----------------|---|

| | |
|---|--|
| Listed equity - Incorporation | |
| Do you disclose? | |
| <input type="checkbox"/> We do not proactively disclose it to the public and/or clients/beneficiaries <input type="checkbox"/> We disclose to clients/beneficiaries only. <input checked="" type="checkbox"/> We disclose it publicly | |
| The information disclosed to clients/beneficiaries is the same | |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| Disclosure to public and URL | |
| Disclosure to public and URL | |
| <input type="checkbox"/> Broad approach to ESG incorporation <input checked="" type="checkbox"/> Detailed explanation of ESG incorporation strategy used | |
| Quarterly or more frequently | |
| https://www.osmosisim.com/uk/philosophy/ https://www.osmosisim.com/uk/research/ | |

| | |
|--|--|
| Listed equity - Engagement | |
| Do you disclose? | |
| <input type="checkbox"/> We do not disclose to either clients/beneficiaries or the public. <input type="checkbox"/> We disclose to clients/beneficiaries only. <input checked="" type="checkbox"/> We disclose to the public | |
| The information disclosed to clients/beneficiaries is the same | |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| Disclosure to public and URL | |
| Disclosure to public and URL | |
| <input checked="" type="checkbox"/> Details on the overall engagement strategy <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information | |
| Quarterly or more frequently | |
| https://www.osmosisim.com/uk/wp-content/uploads/2020/01/a-pathway-to-paris.pdf?utm_campaign=11241903_Newsletter%20December%202019%20RoW&utm_medium=email&utm_source=Osmosis%20Investment%20Management&dm_i=162U,6OYB3,V2N316,QPA9R,1 | |

| | |
|--|--|
| Listed equity - (Proxy) Voting | |
| Do you disclose? | |
| <input type="checkbox"/> We do not disclose to either clients/beneficiaries or the public. <input checked="" type="checkbox"/> We disclose to clients/beneficiaries only. <input type="checkbox"/> We disclose to the public | |
| Disclosure to clients/beneficiaries | |

| Disclosure to clients/beneficiaries | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | Disclose all voting decisions |
| <input type="checkbox"/> | Disclose some voting decisions |
| <input type="checkbox"/> | Only disclose abstentions and votes against management |
| Quarterly or more frequently | |

Hedge Funds

| Do you disclose? | |
|--|---|
| <input type="checkbox"/> | We do not disclose to either clients/beneficiaries or the public. |
| <input type="checkbox"/> | We disclose to clients/beneficiaries only. |
| <input checked="" type="checkbox"/> | We disclose to the public |
| The information disclosed to clients/beneficiaries is the same | |
| <input checked="" type="checkbox"/> | Yes |
| <input type="checkbox"/> | No |

| Disclosure to public and URL | |
|---|---|
| Disclosure to public and URL | |
| <input type="checkbox"/> | Broad approach to RI incorporation for all strategies |
| <input checked="" type="checkbox"/> | Detailed explanation of RI incorporation for each strategy used |
| Quarterly | |
| https://www.osmosisim.com/uk/funds/IE00BF19C821/ | |

SG Checks

Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEI 01.1 Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

- Screening alone (i.e., not combined with any other strategies)
 - Thematic alone (i.e., not combined with any other strategies)
 - Integration alone (i.e., not combined with any other strategies)
 - Screening and integration strategies
 - Thematic and integration strategies
 - Screening and thematic strategies
 - All three strategies combined
- | | |
|---|------|
| Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5% | 100% |
|---|------|
- We do not apply incorporation strategies

LEI 01.3 If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

The MoRE Model analyses the disclosing universe of public companies, i.e. the world's largest public companies that disclose sufficiently on their energy consumption, waste creation and water consumption, in the public domain through their annual reports and sustainability reports. This data is checked for completeness and accuracy and then entered into the Model of Resource Efficiency database making it part of the disclosing universe. Only companies which disclose on GHG Equivalent Emissions, water consumption and waste generation will be scored. These factors are combined and calculated into a Resource Efficiency Factor Score, i.e. for each stock within the universe of companies disclosing environmental and resource efficiency data a unique multi-factor score is calculated. The multi-factor score is generated by combining the individual factors of greenhouse gas emissions, water use, and waste generated which are used to quantify a company's resource efficiency. The Resource Efficiency Factor Scores are analysed within their sector and re-calculated in respect of each company upon publication of its annual financials (including its environmental report). Stock selection is based on a systematic selection of resource efficient stocks across all sectors as identified by the model.

LEI 02.1 Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

- Raw ESG company data
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – analyst or portfolio manager
- Company-related analysis or ratings
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – analyst or portfolio manager
- Sector-related analysis or ratings
- Country-related analysis or ratings
- Screened stock list
- ESG issue-specific analysis or ratings
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – analyst or portfolio manager
- Other, specify

LEI 02.2 Indicate whether you incentivise brokers to provide ESG research.

- Yes
- No

LEI 03.1 Indicate whether your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.

- Engagement
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.
- (Proxy) voting
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.

LEI 04.1 Indicate and describe the type of screening you apply to your internally managed active listed equities.

- Negative/exclusionary screening
 - Product
 - Activity
 - Sector
 - Country/geographic region
 - Environmental and social practices and performance
 - Corporate governance

| Description |
|--|
| Osmosis systematically identifies relative resource efficiency amongst global large caps. Resource efficiency is defined as the amount of energy consumed, water consumed and waste created in order to generate economic value. Osmosis conducts such analysis across all economic sectors excluding the financial sector. Depending on the strategy, companies that do not disclose environmental metrics will not be included in the portfolio construction universe. |

- Positive/best-in-class screening
 - Product
 - Activity
 - Sector
 - Country/geographic region
 - Environmental and social practices and performance
 - Corporate governance

| Description |
|---|
| Osmosis systematically identifies relative resource efficiency amongst global large caps. Resource efficiency is defined as the amount of energy consumed, water consumed and waste created in order to generate economic value. Osmosis conducts such analysis across all economic sectors excluding the financial sector. Depending on the strategy, companies with the best resource efficiency scores within their respective sectors will be selected for inclusion in the investment portfolio. |

- Norms-based screening
 - UN Global Compact Principles
 - The UN Guiding Principles on Business and Human Rights
 - International Labour Organization Conventions
 - United Nations Convention Against Corruption
 - OECD Guidelines for Multinational Enterprises
 - Other, specify

| Description |
|--|
| Our strategies contribute to several of the UN Sustainable Development Goals, directly and indirectly : <ul style="list-style-type: none"> • Goal 6: Supporting those companies that avoid wasting water and use water most efficiently • Goal 7: Renewable energy is a key contributor to resource efficiency • Goal 9: Technological progress and innovation is at the basis of resource efficiency • Goal 12: Resource efficiency is about sustainable production, doing more and better with less, this will increase competitiveness • Goal 13: We identify those companies that are leading in their sector on taking action to reduce their carbon footprint • Goal 15: Careful management of less energy, less water and less waste is a key feature of a sustainable future |

LEI 04.2 Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.

Osmosis updates the Model of Resource Efficiency database on a monthly basis so that any corporate disclosures are continuously updated. Due to the systematic rules of the MoRE investment process, investors are not updated, but depending on the strategy, such resource efficiency score will determine on inclusion/exclusion or relative weight in the strategy. Clients may see the relative improvement of the portfolios optically through an in-house resource efficiency metric which graphically evidences the relative resource efficiency score of a portfolio to the respective benchmarks.

LEI 05 Mandatory Core Assessed PRI 1

LEI 05.1 Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list.
- A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- A periodic review of internal research is carried out.
- Review and evaluation of external research providers.
- Other; specify
- None of the above

LEI 05.2 Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 05.4 Indicate how frequently you review internal research that builds your ESG screens.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 06 Voluntary Additional Assessed PRI 1

LEI 06.1 Indicate which processes your organisation uses to ensure fund criteria are not breached.

- Systematic checks are performed to ensure that stocks meet the fund's screening criteria
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria
- Audits of fund holdings are undertaken regularly by internal audit function
- Periodic auditing/checking of the organisations RI funds by external party
- Other; specify
- None of the above

LEI 06.2 If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.

Osmosis selects companies based on their relative resource efficiency. Osmosis process will not breach limits due to the systematic process which drives the model and subsequent portfolio constituent selection.

LEI 07 Mandatory Descriptive PRI 1

LEI 07.1 Indicate the type of sustainability thematic funds or mandates your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

LEI 07.2 Describe your organisation's processes relating to sustainability themed funds. [Optional]

Osmosis focuses solely on the productive use of resource within the operations of a business relative to the economic value it generates. The productive use of resource is identified through three publicly disclosed, objective and uncorrelated factors:

- Energy Consumption
- Water Consumption
- Waste Creation

These three key factors are private costs accountable to the balance sheet, focussing on the operational performance of the business. Utilising these internalised factors allows us to focus purely on the economic benefit to the balance sheet of using less to produce more.

Management teams that monitor, manage and reduce their resource consumption relative to the economic value created are ultimately positioning their business for long-term and sustainable economic growth. By using objective data, Resource Efficiency identifies successful management teams actions over their intent, successfully delivering sustainability to the bottom line.

| | | | |
|--------|-----------|---------------|-------|
| LEI 08 | Mandatory | Core Assessed | PRI 1 |
|--------|-----------|---------------|-------|

| | |
|----------|--|
| LEI 08.1 | Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis. |
|----------|--|

| ESG issues | Proportion impacted by analysis | | | | | | | | | | |
|----------------------------------|---|--|----------------------|----------------------------------|------|-----------------------|--------|-----------------------|--------|----------------------------------|------|
| Environmental | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; background-color: #0070C0; color: white;"></td> <td style="background-color: #0070C0; color: white;">Environmental</td> </tr> <tr> <td><input type="radio"/></td> <td><10%</td> </tr> <tr> <td><input type="radio"/></td> <td>10-50%</td> </tr> <tr> <td><input type="radio"/></td> <td>51-90%</td> </tr> <tr> <td><input checked="" type="radio"/></td> <td>>90%</td> </tr> </table> | | Environmental | <input type="radio"/> | <10% | <input type="radio"/> | 10-50% | <input type="radio"/> | 51-90% | <input checked="" type="radio"/> | >90% |
| | Environmental | | | | | | | | | | |
| <input type="radio"/> | <10% | | | | | | | | | | |
| <input type="radio"/> | 10-50% | | | | | | | | | | |
| <input type="radio"/> | 51-90% | | | | | | | | | | |
| <input checked="" type="radio"/> | >90% | | | | | | | | | | |
| Social | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; background-color: #0070C0; color: white;"></td> <td style="background-color: #0070C0; color: white;">Social</td> </tr> <tr> <td><input checked="" type="radio"/></td> <td><10%</td> </tr> <tr> <td><input type="radio"/></td> <td>10-50%</td> </tr> <tr> <td><input type="radio"/></td> <td>51-90%</td> </tr> <tr> <td><input type="radio"/></td> <td>>90%</td> </tr> </table> | | Social | <input checked="" type="radio"/> | <10% | <input type="radio"/> | 10-50% | <input type="radio"/> | 51-90% | <input type="radio"/> | >90% |
| | Social | | | | | | | | | | |
| <input checked="" type="radio"/> | <10% | | | | | | | | | | |
| <input type="radio"/> | 10-50% | | | | | | | | | | |
| <input type="radio"/> | 51-90% | | | | | | | | | | |
| <input type="radio"/> | >90% | | | | | | | | | | |
| Corporate Governance | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; background-color: #0070C0; color: white;"></td> <td style="background-color: #0070C0; color: white;">Corporate Governance</td> </tr> <tr> <td><input checked="" type="radio"/></td> <td><10%</td> </tr> <tr> <td><input type="radio"/></td> <td>10-50%</td> </tr> <tr> <td><input type="radio"/></td> <td>51-90%</td> </tr> <tr> <td><input type="radio"/></td> <td>>90%</td> </tr> </table> | | Corporate Governance | <input checked="" type="radio"/> | <10% | <input type="radio"/> | 10-50% | <input type="radio"/> | 51-90% | <input type="radio"/> | >90% |
| | Corporate Governance | | | | | | | | | | |
| <input checked="" type="radio"/> | <10% | | | | | | | | | | |
| <input type="radio"/> | 10-50% | | | | | | | | | | |
| <input type="radio"/> | 51-90% | | | | | | | | | | |
| <input type="radio"/> | >90% | | | | | | | | | | |

| | |
|----------|------------------------------------|
| LEI 08.2 | Additional information. [Optional] |
|----------|------------------------------------|

We do not target S & G but we have seen that companies who drive environmental performance to the balance sheet tend to rank highly across these factors.

| | | | |
|--------|-----------|---------------|-------|
| LEI 09 | Mandatory | Core Assessed | PRI 1 |
|--------|-----------|---------------|-------|

| | |
|----------|--|
| LEI 09.1 | Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis. |
|----------|--|

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other; specify
- None of the above

| | |
|----------|---|
| LEI 09.2 | Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy. |
|----------|---|

- <10%
- 10-50%
- 51-90%
- >90%

| | |
|----------|---|
| LEI 09.4 | Indicate how frequently you review internal research that builds your ESG integration strategy. |
|----------|---|

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

| | |
|----------|---|
| LEI 09.5 | Describe how ESG information is held and used by your portfolio managers. |
|----------|---|

- ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- Other; specify
- None of the above

| | | | |
|--------|--|---------------|-------|
| LEI 10 | Mandatory to Report, Voluntary to Disclose | Core Assessed | PRI 1 |
|--------|--|---------------|-------|

Private

| | | |
|------------|--|--------|
| LEI Checks | | Checks |
|------------|--|--------|

- If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEA 01.1 Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2 Attach or provide a URL to your active ownership policy.

- Attachment provided:
- URL provided:
<https://www.osmosisim.com/uk/philosophy/>

LEA 01.3 Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other, (specify)

We engage companies to promote and better understand the disclosure of resource consumption data.

(Proxy) voting approach

Voting

- ESG issues
- Prioritisation and scope of voting activities
- Methods of voting
- Transparency of voting activities
- Regional voting practice approaches
- Filing or co-filing resolutions
- Company dialogue pre/post-vote
- Decision-making processes
- Securities lending processes
- Other, (specify)

We follow our clients guidelines

- Other
- None of the above

No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

Yes

LEA 01.5 Where active ownership activities are conducted by service providers, indicate whether your active ownership policy covers any of the following:

- Outline of service provider's role in implementing your organisation's active ownership policy
 - Description of considerations included in service provider selection and agreements
 - Identification of key ESG frameworks which service providers must follow
 - Outline of information sharing requirements of service providers
 - Description of service provider monitoring processes
 - Other, (specify)
- We outsource our proxy voting activities to a third party provider and vote according to our clients' proxy voting policy.
- None of the above

No

LEA 01.6 Additional information [optional]

Osmosis engages with companies on regular basis, in collaboration with asset owners and commenced its formal engagement programme in 2019.

LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

| Type of engagement | Reason for interaction |
|---|---|
| Individual / Internal staff engagements | <ul style="list-style-type: none"> <input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff |

| | |
|------------------------------|---|
| Collaborative engagements | <input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements |
| Service provider engagements | <input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers |

LEA 02.4 Additional information. [Optional]

Our direct engagement is focused on promoting broader and deeper environmental disclosures and encouraging a more transparent and coherent approach to sustainability reporting. We actively collaborate with several agencies which seek to promote good governance at scale. These include the UNPRI, UKSIF, Climate Action 100 and the Carbon Disclosure Project. For those clients who have given us authority, we use a proxy voting service as a dialogue for best ESG practice. Osmosis regularly participates in policy discussion, in relation to environmental disclosures and is a regular participant at investment conferences and green finance initiatives.

LEA 03 **Mandatory** **Core Assessed** **PRI 2**

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

LEA 03.2 Indicate the criteria used to identify and prioritise engagements for each type of engagement.

| Type of engagement | Criteria used to identify/prioritise engagements |
|---|---|
| Individual / Internal staff engagements | <p>Individual / Internal staff engagements</p> <input checked="" type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input type="checkbox"/> Exposure (size of holdings) <input type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Follow-up from a voting decision <input checked="" type="checkbox"/> Client request <input type="checkbox"/> Breaches of international norms <input checked="" type="checkbox"/> Other: (specify) <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">specify</div> <p>Data coverage : We identify engagement based on companies disclosure of environmental data (either missing or unclear) within our Universe (MSCI World developed index)</p> <input type="checkbox"/> We do not outline engagement criteria for our individual engagements |
| | <p>Collaborative engagements</p> <input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input checked="" type="checkbox"/> Ability to add value to the collaboration <input checked="" type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of the ESG factors addressed by the collaboration <input type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Follow-up from a voting decision <input checked="" type="checkbox"/> Alleviate the resource burden of engagement <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other: (specify) <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers |

No

LEA 04 **Mandatory** **Core Assessed** **PRI 2**

LEA 04.1 Indicate whether you define specific objectives for your organisation's engagement activities.

| | |
|---|--|
| Individual / Internal staff engagements | <input checked="" type="checkbox"/> All engagement activities <input type="checkbox"/> Majority of engagement activities <input type="checkbox"/> Minority of engagement activities <input type="checkbox"/> We do not define specific objectives for engagement activities carried out by internal staff |
| Collaborative engagements | <input checked="" type="checkbox"/> All engagement activities <input type="checkbox"/> Majority of engagement activities <input type="checkbox"/> Minority of engagement activities <input type="checkbox"/> We do not define specific objectives for engagement activities carried out through collaboration |

LEA 05 **Mandatory** **Core Assessed** **PRI 2**

LEA 05.1 Indicate whether you monitor and/or review engagement outcomes.

| | |
|---|--|
| Individual / Internal staff engagements | <input checked="" type="checkbox"/> Yes, in all cases <input type="checkbox"/> Yes, in a majority of cases <input type="checkbox"/> Yes, in a minority of cases <input type="checkbox"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff. |
| Collaborative engagements | <input checked="" type="checkbox"/> Yes, in all cases <input type="checkbox"/> Yes, in a majority of cases <input type="checkbox"/> Yes, in a minority of cases <input type="checkbox"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration. |

LEA 05.2 Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

| | |
|---|---|
| Individual / Internal staff engagements | <input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify |
| Collaborative engagements | <input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify |

LEA 06 **Mandatory** Additional Assessed **PRI 2,4**

LEA 06.1 Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

LEA 06.2 Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the board of directors or the annual financial report
- Submitting nominations for election to the board
- Seeking legal remedy / litigation
- Reducing exposure (size of holdings)
- Divestment
- Other; specify

No

LEA 07 **Voluntary** Additional Assessed **PRI 1,2**

LEA 07.1 Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.

| Type of engagement | Insights shared |
|---|--|
| Individual / Internal staff engagements | <input checked="" type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input type="checkbox"/> No |
| Collaborative engagements | <input checked="" type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input type="checkbox"/> No |

LEA 07.2 Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing an engagement programme
- Holding investment team meetings and/or presentations
- Using IT platforms/systems that enable data sharing
- Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- Other; specify
- None

LEA 07.3 Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.

| Type of engagement | Insights shared |
|---------------------------------------|--|
| Individual/Internal staff engagements | <input type="checkbox"/> Yes, systematically <input checked="" type="checkbox"/> Yes, occasionally <input type="checkbox"/> No |
| Collaborative engagements | <input type="checkbox"/> Yes, systematically <input checked="" type="checkbox"/> Yes, occasionally <input type="checkbox"/> No |

LEA 08 **Mandatory** Gateway **PRI 2**

LEA 08.1 Indicate whether you track the number of your engagement activities.

| Type of engagement | Tracking engagements |
|---------------------------------------|---|
| Individual/Internal staff engagements | <input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track |
| Collaborative engagements | <input checked="" type="checkbox"/> Yes, we track the number of collaborative engagements in full <input type="checkbox"/> Yes, we partially track the number of our collaborative engagements <input type="checkbox"/> We do not track |

LEA 09 Mandatory to Report, Voluntary to Disclose Core Assessed PRI 2

LEA 09.1 Indicate the proportion of companies in your listed equities portfolio with which your organisation engaged during the reporting year.

| | We did not complete any engagements in the reporting year. | Number of companies engaged (avoid double counting, see explanatory notes) | Proportion of companies engaged with, out of total listed equities portfolio |
|---|---|---|--|
| Individual / Internal staff engagements | <input type="checkbox"/> We did not complete any engagements in the reporting year. | 200 | 20 |
| Collaborative engagements | <input type="checkbox"/> We did not complete any engagements in the reporting year. | 270 | 38 |

LEA 09.2 Indicate the breakdown of engagements conducted within the reporting year by the number of interactions (including interactions made on your behalf).

| No. of interactions with a company | % of engagements |
|------------------------------------|---|
| One interaction | <input type="checkbox"/> >76% <input type="checkbox"/> 51-75% <input checked="" type="checkbox"/> 11-50% <input type="checkbox"/> 1-10% <input type="checkbox"/> None |
| 2 to 3 interactions | <input type="checkbox"/> >76% <input type="checkbox"/> 51-75% <input checked="" type="checkbox"/> 11-50% <input type="checkbox"/> 1-10% <input type="checkbox"/> None |
| More than 3 interactions | <input type="checkbox"/> >76% <input type="checkbox"/> 51-75% <input type="checkbox"/> 11-50% <input checked="" type="checkbox"/> 1-10% <input type="checkbox"/> None |
| Total | 100% |

LEA 09.3 Indicate the percentage of your collaborative engagements in which you were the leading organisation during the reporting year.

| Type of engagement | % leading role |
|---------------------------|---|
| Collaborative engagements | <input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input checked="" type="checkbox"/> <10% <input type="checkbox"/> None |

LEA 09.5 Additional information. [Optional]

Note that Osmosis also engages with companies that it currently doesn't invest in. Adequate environmental data needs to be included in corporate reports for companies to be admitted to our investment universe. Companies that do not report sufficient data will be targeted and engaged with.

LEA 10 Voluntary Additional Assessed PRI 2

LEA 10.1 Indicate which of the following your engagement involved.

- Letters and emails to companies
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Meetings and/or calls with board/senior management
- Meetings and/or calls with the CSR, IR or other management
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Visits to operations
- Visits to supplier(s) in supplier(s) from the company's supply chain
- Participation in roadshows
- Other

LEA 11 Voluntary Descriptive PRI 2

LEA 11.1 Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.

- Add Example 1

| | |
|-------------------|---|
| ESG Topic | <input checked="" type="checkbox"/> Climate Change <input checked="" type="checkbox"/> Pollution <input checked="" type="checkbox"/> Sustainability reporting <input checked="" type="checkbox"/> Water risks <input checked="" type="checkbox"/> Other |
| Conducted by | Individual / Internal |
| Objectives | Osmosis' objective in this example was to increase the disclosure of waste data and to better understand the materiality of waste in the sectors of the companies we engaged with. |
| Scope and Process | Scope : Osmosis Universe of companies (MSCI World Developed) Process : Osmosis engaged with DHL and Coca Cola Company, which both do not disclose waste figures whereas their industry peers disclose this information. |
| Outcomes | Increased understanding / information |

Add Example 2

| | |
|-------------------|--|
| ESG Topic | <input checked="" type="checkbox"/> General ESG <input checked="" type="checkbox"/> Sustainability reporting |
| Conducted by | Individual / Internal |
| Objectives | Osmosis' objective in this example was to clarify the disclosed waste data and to better understand the materiality of waste in the sectors of the companies we engaged with. |
| Scope and Process | Scope : Osmosis Universe of companies (MSCI World Developed) Process : Osmosis engaged with Exelon Corp to clarify their approach to waste disclosure. Based on the partial data disclosed by the company in its sustainability report, an initial waste profile could be put together, which was confirmed by the Exelon management team. Osmosis is working on publishing a case study on this engagement interaction and will publish this on our website. The company confirmed it will review reporting practices in the next reporting cycle. |
| Outcomes | Increased understanding / information |

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

| | | | |
|--------|-----------|-------------|-------|
| LEA 12 | Mandatory | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|

| | |
|----------|--|
| LEA 12.1 | Indicate how you typically make your (proxy) voting decisions. |
|----------|--|

| | | | | | | | |
|----------|--|----------|---|----------|---|--|--|
| | <table border="1" style="width: 100%; background-color: #0070C0; color: white;"> <tr> <td style="width: 15%;">Approach</td> <td> <input type="radio"/> We use our own research or voting team and make voting decisions without the use of service providers. <input type="radio"/> We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions. <input checked="" type="radio"/> We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions. </td> </tr> <tr> <td style="width: 15%;">Based on</td> <td> <input type="radio"/> The service-provider voting policy we sign off on <input type="radio"/> Our own voting policy <input checked="" type="radio"/> Our clients' requests or policies <input type="radio"/> Other (explain) </td> </tr> <tr> <td></td> <td> <input type="radio"/> We hire service providers who make voting decisions on our behalf. </td> </tr> </table> | Approach | <input type="radio"/> We use our own research or voting team and make voting decisions without the use of service providers. <input type="radio"/> We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions. <input checked="" type="radio"/> We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions. | Based on | <input type="radio"/> The service-provider voting policy we sign off on <input type="radio"/> Our own voting policy <input checked="" type="radio"/> Our clients' requests or policies <input type="radio"/> Other (explain) | | <input type="radio"/> We hire service providers who make voting decisions on our behalf. |
| Approach | <input type="radio"/> We use our own research or voting team and make voting decisions without the use of service providers. <input type="radio"/> We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions. <input checked="" type="radio"/> We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions. | | | | | | |
| Based on | <input type="radio"/> The service-provider voting policy we sign off on <input type="radio"/> Our own voting policy <input checked="" type="radio"/> Our clients' requests or policies <input type="radio"/> Other (explain) | | | | | | |
| | <input type="radio"/> We hire service providers who make voting decisions on our behalf. | | | | | | |

| | |
|----------|--|
| LEA 12.2 | Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made. |
|----------|--|

Osmosis ensure that the voting policy is adhered to by motioning the votes cast by its proxy voting provider on a monthly basis. Comprehensive reports are provided to Osmosis including details of every single voting decision. All votes are cast according to client policy and confirmation letters are issued for specific clients.

| | | | |
|--------|-----------|---------------------|-------|
| LEA 13 | Mandatory | Additional Assessed | PRI 2 |
|--------|-----------|---------------------|-------|

| | |
|----------|--|
| LEA 13.1 | Of the voting recommendations that your service provider made in the reporting year, indicate the percentage that was reviewed by your organisation, giving the reasons. |
|----------|--|

| | | | | | |
|---|--|---|--|--------------------|--|
| | <table border="1" style="width: 100%; background-color: #0070C0; color: white;"> <tr> <td style="width: 15%;">Percentage of voting recommendations your organisation reviewed</td> <td> <input checked="" type="radio"/> 100-75%, <input type="radio"/> 74-50%, <input type="radio"/> 49-25%, <input type="radio"/> 24-1% <input type="radio"/> None </td> </tr> <tr> <td style="width: 15%;">Reasons for review</td> <td> <input checked="" type="checkbox"/> Specific environmental and/or social issues <input type="checkbox"/> Votes concerning significant holdings <input type="checkbox"/> Votes against management and/or abstentions <input type="checkbox"/> Conflicts of interest <input type="checkbox"/> Corporate action, such as M&As, disposals, etc. <input type="checkbox"/> Votes concerning companies with which we have an active engagement <input type="checkbox"/> Client requests </td> </tr> </table> | Percentage of voting recommendations your organisation reviewed | <input checked="" type="radio"/> 100-75%, <input type="radio"/> 74-50%, <input type="radio"/> 49-25%, <input type="radio"/> 24-1% <input type="radio"/> None | Reasons for review | <input checked="" type="checkbox"/> Specific environmental and/or social issues <input type="checkbox"/> Votes concerning significant holdings <input type="checkbox"/> Votes against management and/or abstentions <input type="checkbox"/> Conflicts of interest <input type="checkbox"/> Corporate action, such as M&As, disposals, etc. <input type="checkbox"/> Votes concerning companies with which we have an active engagement <input type="checkbox"/> Client requests |
| Percentage of voting recommendations your organisation reviewed | <input checked="" type="radio"/> 100-75%, <input type="radio"/> 74-50%, <input type="radio"/> 49-25%, <input type="radio"/> 24-1% <input type="radio"/> None | | | | |
| Reasons for review | <input checked="" type="checkbox"/> Specific environmental and/or social issues <input type="checkbox"/> Votes concerning significant holdings <input type="checkbox"/> Votes against management and/or abstentions <input type="checkbox"/> Conflicts of interest <input type="checkbox"/> Corporate action, such as M&As, disposals, etc. <input type="checkbox"/> Votes concerning companies with which we have an active engagement <input type="checkbox"/> Client requests | | | | |

- Ad-hoc oversight of service provider
- Shareholder resolutions
- Share blocked securities
- Other (explain)

other description
We follow our clients guidelines.

LEA 14 Voluntary Additional Assessed PRI 2

LEA 14.1 Does your organisation have a securities lending programme?

- Yes
- No

LEA 14.2 Describe why your organisation does not lend securities.

Osmosis is reviewing its securities lending policies.

LEA 15 Mandatory Descriptive PRI 2

LEA 15.1 Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 16 Mandatory Core Assessed PRI 2

LEA 16.1 Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

LEA 17 Mandatory Core Assessed PRI 2

LEA 17.1 For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

Votes cast (to the nearest 1%)
99%

Specify the basis on which this percentage is calculated

- Of the total number of ballot items on which you could have issued instructions
- Of the total number of company meetings at which you could have voted
- Of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

LEA 17.2 Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received on time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other (explain)

LEA 18 Voluntary Additional Assessed PRI 2

LEA 18.1 Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.

- Yes, we track this information

LEA 18.2 Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:

Voting instructions Breakdown as percentage of votes cast For (supporting) management recommendations
90%
Against (opposing) management recommendations
9%
Abstentions
1%

- No, we do not track this information

LEA 18.3 In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.

0

LEA 19 Mandatory Core Assessed PRI 2

LEA 19.1 Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.

- Yes
- No

LEA 20 Voluntary Descriptive PRI 2

LEA 20.1 Indicate whether your organisation, directly or through a service provider, filed or co-filed any ESG shareholder resolutions during the reporting year.

- Yes
- No

LEA 21 Voluntary Descriptive PRI 2

LEA 21.1 Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

Add Example 1

| | |
|-------------------|--|
| ESG Topic | <input checked="" type="checkbox"/> Company leadership issues |
| Conducted by | Service provider |
| Objectives | For a company in our portfolio, significant risks to shareholders stemming from severe ESG controversies were identified, which reflects a failure by the board to proficiently guard against and manage material environmental, social and governance risks. |
| Scope and Process | Given the board chair shoulders the greatest responsibility amongst the board members for failing to effectively supervise the management risks to the company, and its shareholders are not up for election at this annual meeting, all board members with the exception of new nominees should be held accountable for poor board and management oversight of ESG risk exposures at the firm. This warranted a vote against. |
| Outcomes | Voting |

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

LEA Checks Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

HF 01.1 What is your rationale for adopting a policy to incorporate RI into the investment decision- making process? Please select all options that apply to your organisation.

- To provide a framework and ESG applicability to security selection (the strategy) and decision-making in Hedge Funds (e.g. breaking the strategy into different components and focus on risk/return).
- To provide a framework of the fund governance structure.
- Because ESG incorporation is perceived as a competitive advantage in the industry.
- Growing momentum of sustainable investing in Hedge Funds in the financial community.
- Other
- None of the above (we don't have a policy addressing RI incorporation into Hedge Funds).

HF 02.1 To which normative codes and initiatives are you a signatory to, or a voluntary adherent?

- AOI Hedge Funds Principles 2014
- Standards Board for Alternative Investments (SBAI)
- Alternative Investment Management Association (AIMA)
- International Organisation of Securities Commissions (IOSCO)
- CFA's Asset Manager Code of Professional Conduct
- Other

None of the above

specify

The firms claims compliance with the GIPS 2020 standards.

HF 03.1 Indicate whether and how your organisation has organised RI implementation and/or oversight responsibilities.

- We have dedicated internal staff with RI oversight responsibility for Hedge Funds (CEO, CIO, PM, etc.)

Specify

The CEO, together with the risk and investment committees, are responsible for RI oversight.

- We have dedicated internal staff with RI implementation responsibility for Hedge Funds (CEO, CIO, PM, etc.).

Specify

The portfolio managers and the environmental research team are responsible for the implementation of RI.

- We use external consultants that have oversight and/or RI implementation responsibilities.
- Other
- We do not have staff dedicated to RI oversight and implementation.

HF 03.2 Additional information. [Optional]

The whole business is dedicated to an "E" approach. Due to the systematic approach taken to construct the investment strategies, the PM's are responsible for the rebalancing of the portfolios and continually to engage with the research team to present thoughts and ideas as to how to further exploit the utilisation of the environmental data set. They also work closely with the Head of Research. Research work closely with the PMs to understand how the Resource Efficiency factor signal is implemented within the portfolios. This collegiate approach is key to driving forward the research process.

HF 04.1 Please indicate whether you implemented any RI training program regarding hedge funds investments for your staff during the reporting year.

- Yes, we have a formal RI training/educational program covering hedge funds.
- Yes, we have a RI training program to educate staff regarding our hedge funds policies.
- Yes, we regularly train our staff on code of ethics/compliance manuals covering hedge funds investments.
- Other
- No, we don't have a RI training program.

HF 04.2 Explain how the RI training program is conducted?

Environmental analysts are trained by the Head of Environmental Research and each specialises in resource efficiency within various industry groups. In early 2019 Lennart Hermans from the Carbon Disclosure Project – the global environmental reporting organisation joined the team to further develop the Osmosis proprietary research process and bring it expertise assessment methodologies for corporate disclosure on climate change, water security and deforestation. Later in 2019, Dr Tom Stephen joined the team as a quantitative researcher linking the environmental research and portfolio management teams. In his most recent position as a postdoctoral fellow in Sustainable Finance at the University of Geneva, he conducted data-driven research on responsible investment strategies and portfolio ESG footprints. Prior to that, Tom was a visiting researcher at the Financial Conduct Authority. Tom holds a joint Ph.D. in financial market microstructure from the University of Edinburgh and Macquarie University. He completed an M.Sc. in Carbon Finance (University of Edinburgh) and a B.Sc. in Business Administration (University of Mannheim), including a semester abroad at HEC Montreal.

HF 05.1 In incorporating RI into Hedge Funds, what is(are) the main consideration(s) your organisation follows? Please select all applicable to your organisation.

- To achieve a robust governance structure for our Hedge Funds investments.
- To attain relevant/existing ESG data.
- To clearly identify/manage the ESG opportunities associated with each strategies.
- To clearly identify each strategy and associated financial risks.
- Other
- None of the above

HF 05.2 Does the annual employee(s) performance review or remuneration metrics reflect any component for the inclusion of RI into Hedge Funds?

Yes

If yes, please select and describe all that applies to your organisation (at least one KPI should be linked to the variable pay).

| KPI | Variable pay linked | Explanation |
|---|--|---|
| <input checked="" type="checkbox"/> Risk management | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | The whole business is dedicated to inclusion of RI into our hedge fund and other strategies. Successful risk management, financial performance and related AUM growth ultimately benefits all employees through remuneration and bonuses. |
| <input checked="" type="checkbox"/> Financial performance | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | The whole business is dedicated to inclusion of RI into our hedge fund and other strategies. Successful risk management, financial performance and related AUM growth ultimately benefits all employees through remuneration and bonuses. |

| | | |
|--------------------------------------|--|--|
| <input checked="" type="radio"/> Yes | | |
| <input type="radio"/> No | | |

No

HF 06 Mandatory Descriptive General

HF 06.1 Please describe the ESG resources and tools used in your investment decision-making process.

| Category of ESG | Reason for use |
|---|------------------|
| <input checked="" type="checkbox"/> ESG data (proprietary, 3rd party, etc.) | alpha generation |

HF 06.2 Select and explain how these resources are incorporated into the investment and risk management process?

| Category of ESG | Investment/risk management process | Additional text (optional) |
|---|---|----------------------------|
| ESG data (proprietary, 3rd party, etc.) | <input checked="" type="checkbox"/> Investment origination <input checked="" type="checkbox"/> Investment analysis <input checked="" type="checkbox"/> Portfolio construction <input type="checkbox"/> Trade management <input checked="" type="checkbox"/> Risk management | |

HF 07 Mandatory Descriptive 1,2

HF 07.1 Does your organisation uses quantitative analysis?

Yes

Please indicate at which level ESG is incorporated into the analysis.

| Quantitative modelling | ESG incorporation | Outcomes and assessment/review |
|--|---|--------------------------------|
| <input checked="" type="checkbox"/> Multi-factors models <input type="checkbox"/> Fractal Market Hypothesis (FMH) modelling <input type="checkbox"/> Models Yield <input type="checkbox"/> Technical analysis (Fibonacci retracements, Bollinger bands, etc.) <input type="checkbox"/> Univariate models (Box-Jenkins) <input type="checkbox"/> Monte-Carlo simulations <input type="checkbox"/> Multiple regression analysis <input type="checkbox"/> Correlation analysis <input type="checkbox"/> Other | <input checked="" type="checkbox"/> Pre-defined ESG parameters are added in our quantitative models. <input type="checkbox"/> We conduct scenario analysis to define ESG parameters separately. <input type="checkbox"/> Variance/Value at Risk analysis with embedded ESG-risks. <input type="checkbox"/> Other | uncorrelated sustainable alpha |

We don't use quantitative analysis.

HF 07.2 Does your organisation uses fundamental analysis?

Yes

Please indicate at which level ESG is incorporated into the analysis.

| Fundamental approach | ESG incorporation | Outcomes and assessment/review |
|--|---|---|
| <input type="checkbox"/> Top-down <input checked="" type="checkbox"/> Bottom-up | <input checked="" type="checkbox"/> At a micro level - ESG factors are integrated into financial models (DCF, multiples, etc.) <input checked="" type="checkbox"/> Financial ratios with embedded ESG factors. <input type="checkbox"/> At a macro level - ESG factors are embedded with economic indicators (GDP, inflation, etc.) <input type="checkbox"/> Other | uncorrelated sustainable alpha. Long book is significantly more resource efficient than the short book. |

We don't use fundamental analysis.

HF 08 Mandatory Descriptive 1,6

HF 08.1 Could you please indicate whether there have been any changes to your RI incorporation process over the past 12 months (e.g. additional resources, information sources)?

Yes

No

HF 08.2 If yes, please describe them.

Osmosis has recruited additional research and portfolio managers in 2019, all focused on and with significant experience in RI, with the intent to strengthen and develop the RI incorporation process, which for Osmosis corresponds to the Resource Efficiency Signal integration in long short and long only portfolios.

HF 09 Mandatory Descriptive 1,2

HF 09.1 Please select and explain how active ownership practices are integrated into investment decisions.

- (Proxy) Voting
- Engagement

Osmosis' engagement campaign is an integral part of the research and data collection process. When key resource indicators cannot be found systematic engagement is carried out. In numerous cases, this has led to the targeted companies providing the research team with new or previously undisclosed figures. Alternatively, where more clarity around certain disclosed figures is required, companies are being contacted in a systematic way.

- Shareholder resolution
- None of the above
- Not applicable (N/A)

HF 10 Mandatory Descriptive 1,2

HF 10.1 Please provide examples of where ESG risks and opportunities were incorporated into the investment decisions over the past 12 months.

Add Example 1

| | |
|-------------------------|---|
| Hedge Funds Strategy | <input checked="" type="checkbox"/> Equity Hedge |
| ESG factors | <input checked="" type="checkbox"/> Environmental |
| ESG risks/opportunities | Long Resource Efficiency / Short Resource Inefficiency - alpha generated on both sides of the book |
| Financial risks | n/a |
| Scope and process | n/a |
| Outcomes | Uncorrelated alpha derived from a sector neutral factor neutral portfolio. Less energy / water waste owned in the long book than the short book. evidencing more sustainable companies are rewarded by the market and those with poor efficiency metrics are being penalized. |

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

HF 10.2 Based on your example(s) provided above, please specify whether the incorporation of ESG factors affected the risk-adjusted returns of your hedge funds.

- The incorporation of ESG risks positively affected the risk adjusted returns of the hedge funds
- The incorporation of ESG risks negatively affected the risk adjusted returns of the hedge funds
- The incorporation of ESG risks had an overall neutral effect on the risk adjusted returns of the hedge funds
- No impact, or we do not track this information.

HF 11 **Mandatory** Descriptive General

HF 11.1 Do you use derivatives instruments as part of your hedge funds strategies and/or Funds of Hedge Funds?

- Yes
- No

HF 11.2 Please select all the applicable categories of derivatives used.

| Listed/OTC | Category of derivatives |
|--|--|
| <input checked="" type="checkbox"/> Listed derivatives | <input type="checkbox"/> Futures <input type="checkbox"/> Options (Equity, Index, ETF, FX, IR, etc.) <input type="checkbox"/> Other <input checked="" type="checkbox"/> None of the above |
| <input checked="" type="checkbox"/> OTC derivatives | <input checked="" type="checkbox"/> Swaps <input type="checkbox"/> FRA <input type="checkbox"/> Exotic derivatives <input type="checkbox"/> CDS <input type="checkbox"/> Other <input type="checkbox"/> None of the above |

HF 11.3 Please explain whether and how these derivatives impacted the risk-adjusted returns of your hedge funds investments?

| Impact |
|--|
| <input type="radio"/> Positive impact <input type="radio"/> Negative impact <input checked="" type="radio"/> Neutral impact |
| Outcomes |
| Derivatives are solely used for the delivery of a total return strategy whereby dividends are reinvested on ex-date and for leverage purposes as the strategy requires synthetic leverage. |
| <input type="radio"/> No impact or we do not track this information |

HF 11.4 Please indicate whether the use of derivatives triggered ESG risks/opportunities at the fund level?

- Yes
- No, or undetermined

HF 12 **Mandatory** Descriptive 1,2

HF 12.1 Could you indicate whether you report separately on your funds' long/short/net exposures?

- Yes
- No
- Not Applicable

HF 12.2 Please explain your reporting process.

| Exposure |
|--|
| <input checked="" type="checkbox"/> Long exposure |
| ESG data/reporting process |
| Osmosis delivers custom reports on the portfolios, which detail their sustainability credentials by foot printing the fund against benchmarks illustrating that the strategy has a lower draw on energy, water, and waste relative to the benchmark. These reports includes short and long books carbon, waste and water footprints. |

| | |
|-------------------------------------|--|
| | KPI and assessment |
| | energy, water, and waste footprints |
| <input checked="" type="checkbox"/> | Short exposure |
| | ESG data/reporting process |
| | Osmosis delivers custom reports on the portfolios, which detail their sustainability credentials by foot printing the fund against benchmarks illustrating that the strategy has a lower draw on energy, water, and waste relative to the benchmark. These reports includes short and long books carbon, waste and water footprints. |
| | KPI and assessment |
| | energy, water, and waste footprints |
| <input type="checkbox"/> | Neutral exposure |

| | | | |
|-------|-----------|-------------|-----|
| HF 13 | Mandatory | Descriptive | 1,2 |
|-------|-----------|-------------|-----|

HF 13.1 Please describe what metrics/initiatives (internal and/or external) your organisation uses to measure its progress in incorporating RI into the investment process.

Add Example 1

| | | |
|--------------------------------|--|-------------------------|
| Hedge Funds Strategy | <input checked="" type="checkbox"/> Equity Hedge | |
| Metrics/Initiatives | GHG Emissions | Integration of ESG data |
| Internal/external | Internal | |
| Metrics/Initiatives definition | Energy: Level of absolute greenhouse gas emissions from fossil fuel combustion, industrial processes and other sources owned or controlled by the company represented as CO2e. | |
| Assessment/outcomes | The strategy invests in global large cap companies that represent the most resource efficient businesses from every sector of the global economy, ex-financial. | |

Add Example 2

| | | |
|--------------------------------|---|-------------------------|
| Hedge Funds Strategy | <input checked="" type="checkbox"/> Equity Hedge | |
| Metrics/Initiatives | ESG Alpha | Integration of ESG data |
| Internal/external | Internal | |
| Metrics/Initiatives definition | Resource Efficiency signal : The Osmosis Model of Resource Efficiency targets Resource Efficiency as an alpha opportunity, rather than an approach to risk mitigation. The Osmosis Resource Efficiency signal is utilised in our investment process as an alpha signal not a risk factor. | |
| Assessment/outcomes | The strategy seeks absolute returns by maximising the Resource Efficiency factor in a market neutral portfolio. The strategy goes long Resource Efficient stocks and short Resource Intensive stocks whilst neutralising exposures to other traditional common factors such as industry, country, currency and style factors. | |

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

| | | | |
|-------|-----------|-------------|---------|
| HF 14 | Voluntary | Descriptive | General |
|-------|-----------|-------------|---------|

HF 14.1 Does your organisation assess the funds' exposure to climate-related risks, measure and monitor the carbon footprint of its investment portfolio?

- Yes
- No

HF 14.2 If yes, explain the methodology followed and assessment process.

Add Example 1

| | |
|---------------------|--|
| Hedge Fund Strategy | <input checked="" type="checkbox"/> Equity Hedge |
| KPI | Carbon intensity |
| Methodology | Stock selection is based on three resource intensity factors, among which the energy factor, measuring the observed and reported level of absolute greenhouse gas emissions from fossil fuel combustion, industrial processes and other sources owned or controlled by a company. |
| Assessment | We can deliver custom reports on the portfolios which detail their sustainability credentials by foot printing the fund against benchmarks illustrating that the strategy has a lower draw on energy (and water, and waste) relative to the benchmark. This is a unique process to Osmosis and provides a true quantifiable measure of sustainability. |

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

| | | | |
|-------|-----------|-------------|-----|
| HF 15 | Mandatory | Descriptive | 2,6 |
|-------|-----------|-------------|-----|

HF 15.1 How often and in what format (e.g. meetings, written reports) does your organisation report to its investors on ESG activities risks assessments? Please provide reporting examples.

Add Example 1

| | |
|--------------------------------|--|
| Frequency of reporting | <input type="radio"/> Annually <input checked="" type="radio"/> More frequently than annually <input type="radio"/> Other |
| Format | <input type="checkbox"/> Minutes of meetings <input checked="" type="checkbox"/> Written reports <input checked="" type="checkbox"/> Side letters/emails <input type="checkbox"/> Other |
| ESG activities | <input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Social <input type="checkbox"/> Governance |
| Portfolio ESG risks assessment | <input type="checkbox"/> Fund governance <input type="checkbox"/> Linear constrains <input checked="" type="checkbox"/> Quadratic constraints <input type="checkbox"/> Other |
| Outcomes | Osmosis maximises the exposure to our proprietary resource efficiency factor within a utility optimisation whilst isolating this effect from all tradition common factors within a equity market neutral portfolio. The resulting portfolio is a highly resource efficient long portfolio and highly resource intensive short portfolio. The level of Resource Efficiency the portfolio is able to isolate is relative to the risk and isolation from country, industry, currency and style factors. The resulting portfolio solely focuses on the risk and return outcome from targeting an ESG signal (Resource Efficiency). |

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

| | | | | | |
|---|--|---------------------|---------|---------------------------------|---|
| CM1 01 | Mandatory | Additional Assessed | General | | |
| CM1 01.1 | Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone: | | | | |
| <input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified <input type="checkbox"/> Selected data has been internally verified <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above | | | | | |
| CM1 02 | Mandatory | Descriptive | General | | |
| CM1 02.1 | We undertook third party assurance on last year's PRI Transparency Report | | | | |
| <input type="checkbox"/> Whole PRI Transparency Report was assured last year <input type="checkbox"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="checkbox"/> We did not assure last year's PRI Transparency report <input type="checkbox"/> None of the above, we were in our preparation year and did not report last year. | | | | | |
| CM1 03 | Mandatory | Descriptive | General | | |
| CM1 03.1 | We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report: | | | | |
| <input type="checkbox"/> We adhere to an RI certification or labelling scheme <input type="checkbox"/> We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report <input type="checkbox"/> ESG audit of holdings <input checked="" type="checkbox"/> Other, specify Our primary focus is on the environmental data provided by companies in their publicly audited financial reports. <input type="checkbox"/> None of the above | | | | | |
| CM1 04 | Mandatory | Descriptive | General | | |
| CM1 04.1 | Do you plan to conduct third party assurance of this year's PRI Transparency report? | | | | |
| <input type="checkbox"/> Whole PRI Transparency Report will be assured <input type="checkbox"/> Selected data will be assured <input checked="" type="checkbox"/> We do not plan to assure this year's PRI Transparency report | | | | | |
| CM1 07 | Mandatory | Descriptive | General | | |
| CM1 07.1 | Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed | | | | |
| <input checked="" type="checkbox"/> CEO or other Chief-Level staff <table border="1" style="margin-left: 20px;"> <tr> <td>Sign-off or review of responses</td> </tr> <tr> <td> <input checked="" type="checkbox"/> Sign-off <input checked="" type="checkbox"/> Review of responses </td> </tr> </table> <input type="checkbox"/> The Board <input type="checkbox"/> Investment Committee <input checked="" type="checkbox"/> Compliance Function <input checked="" type="checkbox"/> RI/ESG Team <input type="checkbox"/> Investment Teams <input type="checkbox"/> Legal Department <input type="checkbox"/> Other (specify) | | | | Sign-off or review of responses | <input checked="" type="checkbox"/> Sign-off <input checked="" type="checkbox"/> Review of responses |
| Sign-off or review of responses | | | | | |
| <input checked="" type="checkbox"/> Sign-off <input checked="" type="checkbox"/> Review of responses | | | | | |