



PUBLIC TRANSPARENCY REPORT

2024

Osmosis Investment Management

Generated 25-11-2024

About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2024 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2024 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented. The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Osmosis believes that to gain mainstream adoption, sustainable investment should not come at the cost of financial returns and that sustainability metrics, if quantifiable and objective in nature, can be applied to mainstream portfolios to generate alpha. Climate change and pressure on natural resources, coupled with growing societal awareness, are drivers forcing corporates to implement sustainable production and business processes. We believe that those companies that are more resource efficient, having effectively monetised sustainability to the balance sheet, are more likely to outperform their peers over the long term. Quite simply, doing more with less will be rewarded. Investment Thesis: Corporate sustainability performance is neither well understood nor efficiently priced by markets. Our research shows that Resource Efficiency can be used to target excess returns while having a low correlation to other common factors. Osmosis targets excess returns through the identification of Resource Efficiency in listed companies. We define Resource Efficiency as the carbon emitted, waste generated, and water consumed, relative to value creation. Resource efficient companies are, therefore, those which most efficiently use limited resources to create economic value. Our portfolios overweight efficient companies and underweight, or short, inefficient companies as identified by the Osmosis Model of Resource Efficiency (MoRE). Resource efficiency enables high-quality companies with strong management teams to generate a competitive advantage.

We believe Resource Efficiency is a proxy for quality that has yet to be priced by the market. It signifies a corporate culture committed to operational excellence and detail that go beyond industry norm. It also identifies companies with cost structures that are independent and uncorrelated with industry peers, allowing the reinvestment of capital in times when competitors have less profit to deploy. The ability to invest when competitors are strained enables resource efficient companies to sustain and grow their competitive advantage. The resilient business model and competitive advantage of resource efficient companies lead to other positive financial characteristics, such as higher and more consistent profitability and lower leverage.

We believe, and our models have demonstrated that resource efficient companies are likely to outperform their peers in the long term. Corporate carbon emissions, water usage, and waste generation are independent yet complementary metrics that, if better than industry peers, benefit not only the environment but also the financial bottom line. Osmosis' Resource Efficiency metric measures a company's sustainable actions over its intentions. It serves as a proxy for the intangible value of future environmental resiliency and mitigation and hedge against long-term environmental risks that are yet to be priced by the financial markets.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

Our team of quantitative environmental analysts and portfolio managers are singularly focused on delivering three levels of impact. 1) Better risk-adjusted returns, 2) measurable environmental reductions and 3) an active engagement programme to promote better corporate environmental disclosure.

1. Osmosis targets better risk-adjusted returns through its proprietary resource efficiency factor. Osmosis pioneered a unique research process to standardise unstructured corporate environmental data, enabling the construction of its Resource Efficiency Factor. Its team of analysts understands the significance of carbon, water, and waste data at a granular level enabling them to apply a focused and robust quantitative approach, which measures a company's sustainable actions, rather than its intentions.

Since inception (May 2017) Osmosis's flagship Resource Efficient Core Equity Fund has consistently delivered annual financial and environmental outperformance versus the MSCI World benchmark. Furthermore, Dr Christopher Sier at ClearGlass recently reported on value for money in the fund management sector, referencing Osmosis as the most competitive in 'performance' and 'cost' out of 80 global active equity funds (annual period, 2022). We firmly believe that pricing our funds for the mainstream investor is pivotal to responsible investment and key to wider adoption of sustainable investment.

2. Measurable Environmental Impact. As of 31 May 2023, the Core Equity Fund demonstrated significantly less ownership since inception of carbon (61%), water (67%) and waste (65%) versus the benchmark. All our long-only funds demonstrate savings across all three metrics, with our overall range of strategies on average 64% more resource efficient than their benchmarks.

3. Active Engagement Programme In 2022 we executed our voting rights across 12,345 issues, at 831 shareholder meetings and engaged with 298 companies to enhance their disclosures and encourage further transparency across their environmental balance sheets, an increase of 68% from 2021. We also increased our engagement participation in industry wide campaigns and have worked as lead campaigners with both the CDP and Share Action.

Section 3. Next steps

■ What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

As we enter the next stage of growth for our business we are determined to lead by delivering innovative solutions that reflect our specialist investment expertise and our detailed attention to risk management. We continue to refine and test the efficacy of our research and our proprietary sustainable investment factor. We have various projects in the pipeline which include an extensive emerging markets data, initial exploration of biodiversity opportunities and further scope 3 data analysis.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Ben Dear

Position

CEO and founder

Organisation's Name

Osmosis Investment Management

● A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

○ B

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2023

SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- ☐ (A) Yes
- ☒ (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 8,097,881,865.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 6,922,263,122.00

ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>75%	0%
(B) Fixed income	0%	0%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	>0-10%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

Provide a further breakdown of your internally managed listed equity AUM.

(A) Passive equity 0%

(B) Active – quantitative >75%

(C) Active – fundamental 0%

(D) Other strategies 0%

ASSET BREAKDOWN: INTERNALLY MANAGED HEDGE FUND

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 HF	CORE	OO 5	OO 11	PUBLIC	Asset breakdown: Internally managed hedge fund	GENERAL

Provide a further breakdown of your internally managed hedge fund assets.

(A) Multi-strategy 0%

(B) Long/short equity >75%

(C) Long/short credit 0%

(D) Distressed, special situations
and event-driven fundamental 0%

(E) Structured credit 0%

(F) Global macro 0%

(G) Commodity trading advisor 0%

(H) Other strategies 0%

GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

(A) Listed equity (1) 0%

(I) Hedge funds (1) 0%

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

(1) Listed equity - active

(8) Hedge funds

(A) Yes, through internal staff



(B) Yes, through service providers



(C) Yes, through external managers



(D) We do not conduct stewardship



STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5	OO 9	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation have direct investments in listed equity across your hedge fund strategies?

- ☐ (A) Yes
- ☒ (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

(1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active	(3) >10 to 20%
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ESG INCORPORATION

INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(B) Listed equity - active - quantitative



(M) Hedge funds - Long/short equity



ESG STRATEGIES

LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity

(A) Screening alone

0%

(B) Thematic alone

0%

(C) Integration alone

0%

(D) Screening and integration

0%

(E) Thematic and integration

0%

(F) Screening and thematic	0%
(G) All three approaches combined	>75%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?

Percentage coverage out of your total listed equity assets where a screening approach is applied

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	0%
(C) A combination of screening approaches	>75%

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

☒ (A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>75%

- ☐ (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- ☐ (C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

- ☐ (A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications
- ☒ (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) Listed equity – active – quantitative	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(M) Hedge funds – Long/short equity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

SUBMISSION INFORMATION

REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- ☐ (A) Publish as absolute numbers
- ☒ (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☒ (E) Guidelines on sustainability outcomes
- ☒ (F) Guidelines tailored to the specific asset class(es) we hold
- ☒ (G) Guidelines on exclusions
- ☐ (H) Guidelines on managing conflicts of interest related to responsible investment
- ☒ (I) Stewardship: Guidelines on engagement with investees
- ☐ (J) Stewardship: Guidelines on overall political engagement
- ☒ (K) Stewardship: Guidelines on engagement with other key stakeholders
- ☒ (L) Stewardship: Guidelines on (proxy) voting
- ☐ (M) Other responsible investment elements not listed here
 - ☐ (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- ☒ (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- ☒ (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- ☒ (C) Specific guidelines on other systematic sustainability issues

Specify:

Water security and circularity
- ☐ (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

☒ **(A) Overall approach to responsible investment**

Add link:

<https://www.osmosisim.com/uploads/2021/09/be4aa9601cc49d8c854a28fa98862c28/esg-policy.pdf>

☒ **(B) Guidelines on environmental factors**

Add link:

<https://www.osmosisim.com/uploads/2021/09/be4aa9601cc49d8c854a28fa98862c28/esg-policy.pdf>

☒ **(C) Guidelines on social factors**

Add link:

<https://www.osmosisim.com/uploads/2021/09/be4aa9601cc49d8c854a28fa98862c28/esg-policy.pdf>

☒ **(D) Guidelines on governance factors**

Add link:

<https://www.osmosisim.com/uploads/2021/09/be4aa9601cc49d8c854a28fa98862c28/esg-policy.pdf>

☒ **(E) Guidelines on sustainability outcomes**

Add link:

<https://www.osmosisim.com/uploads/2021/09/be4aa9601cc49d8c854a28fa98862c28/esg-policy.pdf>

☒ **(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://www.osmosisim.com/uploads/2021/09/be4aa9601cc49d8c854a28fa98862c28/esg-policy.pdf>

☒ **(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://www.osmosisim.com/uploads/2021/09/be4aa9601cc49d8c854a28fa98862c28/esg-policy.pdf>

☒ **(H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://www.osmosisim.com/uploads/2021/09/be4aa9601cc49d8c854a28fa98862c28/esg-policy.pdf>

☒ **(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

<https://www.osmosisim.com/uploads/2021/09/be4aa9601cc49d8c854a28fa98862c28/esg-policy.pdf>

☒ **(J) Guidelines on exclusions**

Add link:

<https://www.osmosisim.com/uploads/2021/09/be4aa9601cc49d8c854a28fa98862c28/esg-policy.pdf>

☒ **(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://www.osmosisim.com/uploads/2021/09/be4aa9601cc49d8c854a28fa98862c28/esg-policy.pdf>

☒ **(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

<https://www.osmosisim.com/uploads/2021/09/be4aa9601cc49d8c854a28fa98862c28/esg-policy.pdf>

☒ **(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://www.osmosisim.com/uploads/2021/09/be4aa9601cc49d8c854a28fa98862c28/esg-policy.pdf>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

☒ **(A) Yes**

Elaborate:

At Osmosis our core belief is that to gain mainstream adoption, positive environmental impact should not come at the cost of portfolio performance. Corporate climate change data, including carbon emissions, water consumption and waste generation, is explicitly integrated into our investment decision-making process. At the heart of our philosophy is the belief that those companies that are already identifying operational efficiencies are likely to outperform their peers in the long term. Quite simply, doing more with less will be rewarded.

Throughout all our investment programs we seek to achieve three levels of impact:

Targeting better risk adjusted returns for our clients

Delivering an objective and measurable environmental impact through the reduction in ownership of Carbon, Water & Waste relative to respective benchmarks

Leading an active engagement program to promote the disclosure of environmental data. We believe that a company that discloses its environmental footprint is more likely to manage, measure and reduce its impact.

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- ☒ **(A) Overall stewardship objectives**
- ☒ **(B) Prioritisation of specific ESG factors to be advanced via stewardship activities**
- ☒ **(C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts**
- ☒ **(D) How different stewardship tools and activities are used across the organisation**
- ☐ (E) Approach to escalation in stewardship
- ☒ **(F) Approach to collaboration in stewardship**
- ☐ (G) Conflicts of interest related to stewardship
- ☒ **(H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa**
- ☐ (I) Other

- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- ☒ (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- ☒ (B) Yes, it includes voting principles and/or guidelines on specific social factors
- ☒ (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- ☒ (E) Not applicable; we do not have a securities lending programme

RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment
 (B) Guidelines on environmental factors
 (C) Guidelines on social factors
 (D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change
 (1) for all of our AUM

(B) Specific guidelines on human rights
 (1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues
 (1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

☒ (A) Listed equity

(1) Percentage of AUM covered

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%

☒ (11) 100%

☒ (F) Hedge funds

(1) Percentage of AUM covered

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%

☒ (11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

☒ (A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%

- (10) >90% to <100%
- **(11) 100%**

GOVERNANCE

ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- ☒ **(A) Board members, trustees, or equivalent**
- ☒ **(B) Senior executive-level staff, or equivalent**

Specify:

Chief Executive Officer, Ben Dear

- ☒ **(C) Investment committee, or equivalent**

Specify:

Chief Investment Officer, Robbie Parker

- ☒ **(D) Head of department, or equivalent**

Specify department:

Research Director, Lennart Hermans and Head of Quant Research, Dr Tom Steffen

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

- ☐ (A) Yes
- ☐ (B) No
- ☒ **(C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

☒ **(A) Internal role(s)**

Specify:

Osmosis is singularly focused on implementing environmental data into portfolio construction.

The investment and research teams operate a flat management structure whereby research and portfolio management are closely integrated.

The ultimate responsibility for the investment and research process resides with the Investment Oversight and Development Committee. The committee meets formally once a month.

☒ **(B) External investment managers, service providers, or other external partners or suppliers**

Specify:

Osmosis employs external service providers for specific elements of its approach to responsible investment, including ISS for its proxy vote implementation.

- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?

☒ **(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Describe: (Voluntary)

Yes. Osmosis is majority-owned by management and employees, and singularly focused as a team on building and implementing sustainable investment solutions. We believe this universal ownership unites us in a dynamic culture that embraces progressive thinking and inspires the evolution of new ideas and investment solutions across the organisation. As the firm is singularly focussed on targeting better risk adjusted returns while delivering a positive environmental impact, all compensation, be that salaries, bonuses or equity participation schemes are directly linked to the success of the investment programs and thereby the firm. Further we recruit people who share our values so that independent of compensation, they strive to deliver better returns for all our stakeholders, both financially and environmentally. The KPIs we use are carbon emissions, water usage and waste generation, since these are the KPIs we target in our investment strategy.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

● **(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

● **(1) KPIs are linked to compensation**

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

Osmosis is majority-owned by management and employees, and singularly focused as a team on building and implementing sustainable investment solutions. We believe this universal ownership unites us in a dynamic culture that embraces progressive thinking and inspires the evolution of new ideas and investment solutions across the organisation. As the firm is singularly focussed on targeting better risk adjusted returns while delivering a positive environmental impact, all compensation, be that salaries, bonuses or equity participation schemes are directly linked to the success of the investment programs and thereby the firm, and that includes senior executive-level staff. The KPIs we use are carbon emissions, water usage and waste generation, since these are the KPIs we target in our investment strategy.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input type="checkbox"/>	<input type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies

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EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- ☒ (A) Any changes in policies related to responsible investment
- ☒ (B) Any changes in governance or oversight related to responsible investment
- ☒ (C) Stewardship-related commitments
- ☒ (D) Progress towards stewardship-related commitments
- ☒ (E) Climate-related commitments
- ☒ (F) Progress towards climate-related commitments
- ☒ (G) Human rights-related commitments
- ☒ (H) Progress towards human rights-related commitments
- ☒ (I) Commitments to other systematic sustainability issues
- ☒ (J) Progress towards commitments on other systematic sustainability issues
- ☐ (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- ☒ (A) Yes, including all governance-related recommended disclosures
 - ☒ (B) Yes, including all strategy-related recommended disclosures
 - ☒ (C) Yes, including all risk management-related recommended disclosures
 - ☒ (D) Yes, including all applicable metrics and targets-related recommended disclosures
 - ☐ (E) None of the above
- Add link(s):

<https://www.osmosisim.com/uploads/2021/01/b4b95237add6a78fb6a164eee07e2d80/2020-public-transparency-report-for-osmosis-investment-management.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

☒ **(A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)**

Link to example of public disclosures

<https://www.osmosisim.com/uk/fund/osmosis-resource-efficient-core-equity-fund-ie00bf0d3f98/>

☒ **(B) Disclosures against the European Union's Taxonomy**

Link to example of public disclosures

<https://www.osmosisim.com/uk/fund/osmosis-resource-efficient-core-equity-fund-ie00bf0d3f98/>

☐ (C) Disclosures against the CFA's ESG Disclosures Standard

☒ **(D) Disclosures against other international standards, frameworks or regulations**

Specify:

UK Stewardship Code

Link to example of public disclosures

<https://www.osmosisim.com/uk/active-ownership/#engagement>

☐ (E) Disclosures against other international standards, frameworks or regulations

☐ (F) Disclosures against other international standards, frameworks or regulations

☐ (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

☐ (A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

☐ (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

☒ **(C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year**

STRATEGY

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- ☒ (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- ☐ (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- ☒ (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- ☐ (D) Exclusions based on our organisation's climate change commitments
- ☐ (E) Other elements
- ☐ (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- ☐ (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- ☐ (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- ☐ (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- ☐ (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- ☐ (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- ☒ (F) Not applicable; we do not have a strategic asset allocation process

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

	(1) Listed equity	(6) Hedge funds
(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?

As a quantitative investor with a focus on sustainability across the entire economy, our engagement is primarily focused on corporate environmental data. We prioritize engagement across four key areas.

1. Promoting improved disclosure and transparency on environmental issues

Encouraging companies to develop more granular and robust sustainability reporting has been a long-term focus for Osmosis. We believe that a company that discloses its environmental footprint is more likely to manage, measure and reduce its impact. We engage with companies to discuss the materiality of their environmental data to the balance sheet, and the accuracy of their disclosure. As disclosure becomes more prevalent and more granular in nature, our funds will benefit from enhancements within the research model. We also interact with companies who are part of our target group but are not disclosing (sufficient) environmental data. Through regular non-disclosing campaigns and ad hoc company targeting we explain the importance of this data and the consequences of not reporting it.

Our flagship economy-wide stewardship activity targets all companies who do not disclose sufficient environmental data for inclusion in our investment models. In 2023, we contacted 342 companies through this campaign, expanding into the emerging markets as part of our plans to launch an EM product suite in the second half of 2024. Of these 342 companies, 239 were from the developed markets and 103 from emerging markets.

2. Company/sector specific monitoring and research

As part of our on-going analysis we identify company and sector specific matters that need further research or monitoring. We believe true expertise lies with the corporate practitioners. No one better understands the value of reported data, the best way to use and integrate the data and the company specific nature of the data better than the reporting company. By talking to a wide range of corporate experts about our research projects we try to construct a complete and nuanced image of how to assess a particular company's resource efficiency. Examples of this can be found in our mining waste research project and our water consumption in electricity generation project. As always, every activity is logged in our systems and can be queried.

3. Collaborative Engagement and Industry Initiatives

We recognise the benefits of working with like-minded peers to advocate for change at a broader market level. Osmosis maintains active relations with key organisations in the responsible investment community. We are part of an early practitioners' group on the EU Taxonomy with the UN PRI (United Nations Principles of Responsible Investment), serving as an unofficial try-out of the new proposed EU regulation on sustainable investment. We are part of GRI's (Global Reporting Initiative) technical expert group on waste, developing a new reporting standard for corporates. Additionally, Osmosis is a signatory of Climate Action 100+, and collaborates with the CDP (Carbon Disclosure Project) in regular nondisclosure campaigns, urging companies to disclose environmental data.

4. Active Ownership and Stewardship

We operate a climate orientated voting policy across all of our pooled funds. The policy utilises independent proxy advisory firm ISS to promote our sustainable climate ambitions and support best practices in regard of all environmental, social and governance issues.

ISS' specialty Climate Voting Policy is based on principles consistent with good stewardship that incorporate specific climate change relevant information, flags, and voting recommendations, which institutional investors can use to apply their views on a portfolio company's climate performance and disclosure. In the case of individual mandates Osmosis works with investors, where desired, to ensure that their own individual proxy voting strategies are enacted.

Our stewardship focuses both on economy-wide topics and on specific themes and, in both cases, companies targeted in these stewardship efforts are defined by the topic. For example, in 2023, we contacted 40 companies associated with oil & gas production, transportation, service provision, refining and marketing to understand how decarbonisation plans have changed. This effort is in continuation to our Oxford Martin Principles engagement project started in 2022. The Oxford Martin Principles describe a framework for climate-conscious engagement with highly polluting sectors. The principles focus on establishing a commitment to net-zero emissions, a business plan to move to a profitable net-zero business model, and quantitative medium-term targets for decarbonisation.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- ☒ (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- ☐ (B) We collaborate on a case-by-case basis
- ☐ (C) Other
- ☐ (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.

We recognise the benefits of working with like-minded peers to advocate for change at a broader market level and to further our own stewardship goals. Osmosis maintains active relations with key organisations in the responsible investment community. We were part of an early practitioners' group on the EU Taxonomy with the UN PRI (United Nations Principles of Responsible Investment), serving as an unofficial try-out of the new proposed EU regulation on sustainable investment. We were also part of GRI's (Global Reporting Initiative) technical expert group on waste, developing a new reporting standard for corporates. Additionally, Osmosis is a signatory of Climate Action 100+, and collaborates with the CDP (Carbon Disclosure Project) in regular non-disclosure campaigns, urging companies to disclose environmental data. Our engagements as part of the CDP Non-Disclosure Campaign were successful in 2023, achieving a 100% disclosure rate from our targeted companies in response to the CDP's climate change questionnaire. This stands out when compared to the overall campaign average of only 20% disclosure for the same questionnaire.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

☒ **(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**

Select from the list:

- ☒ 1
- ☐ 5

☐ **(B) External investment managers, third-party operators and/or external property managers, if applicable**

☒ **(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers**

Select from the list:

- ☒ 2
- ☐ 5

☒ **(D) Informal or unstructured collaborations with investors or other entities**

Select from the list:

- ☒ 4
- ☐ 5

☒ **(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**

Select from the list:

- ☒ 3
- ☐ 5

☐ **(F) We do not use any of these channels**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 26	PLUS	OO 8, OO 9, PGS 1	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation ensure that its policy on stewardship is implemented by the external service providers to which you have delegated stewardship activities?

☒ **(A) Example(s) of measures taken when selecting external service providers:**

Osmosis relies on certain service providers within our investment process, including proxy voting agents, data providers and trading platforms. Osmosis conducts an annual review of all service providers, ensuring their services have been delivered and continue to meet the needs of the business. From a stewardship perspective, the main service providers are ISS and MSCI ESG. The research team continually monitors the service they deliver, and with regard to the latter, the data used for creating exclusion lists.

☐ **(B) Example(s) of measures taken when designing engagement mandates and/or consultancy agreements for external service providers:**

☐ **(C) Example(s) of measures taken when monitoring the stewardship activities of external service providers:**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

Good stewardship informs our investment universe. All our strategies exclude tobacco and we align our portfolios with the UN Global Compact Principles for social and governance safeguards. This means any company in breach of these principles will be automatically excluded from portfolio selection.

To be eligible for investment in our portfolios, companies must disclose at least two of the environmental metrics of carbon, water and waste that are consistent with Osmosis' data framework. These are used to calculate our proprietary investment factor, Resource Efficiency, which allows us to embed stewardship and sustainability directly into our funds and strategies. We believe that companies that disclose, manage, and reduce their inputs are often better managed. Those that take a proactive economic approach to environmental and social issues tend to generate greater shareholder value.

Our belief in the importance of a firm's environmental footprint to its economic sustainability is also reflected in the proxy voting and engagement we undertake on behalf of our clients. Osmosis' Proxy Voting Policy seeks to actively manage and mitigate exposure to climate-related risks in portfolio companies, accurately reflecting Osmosis' belief in the long-term materiality of climate and environmental issues to shareholder value. Osmosis' flagship engagement campaign works to encourage companies to disclose environmental data such that they can be included in our investment model. We work with all our clients to ensure their portfolios are run in accordance with their financial and non-financial investment guidelines. In addition to our in-house policies, we recognise the stewardship requirements of our clients are diverse, and that additional screens or exclusions may be required.

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

☒ (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes

Select from the below list:

☒ (1) in all cases

☐ (2) in a majority of cases

☐ (3) in a minority of cases

☒ (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear

Select from the below list:

☒ (1) in all cases

☐ (2) in a majority of cases

☐ (3) in a minority of cases

☐ (D) We do not review external service providers' voting recommendations

☐ (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How is voting addressed in your securities lending programme?

☐ (A) We recall all securities for voting on all ballot items

☐ (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting

☐ (C) Other

☐ (D) We do not recall our securities for voting purposes

☒ (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

☒ (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment

☐ (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal

☐ (C) We vote in favour of shareholder resolutions only as an escalation measure

- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2
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During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- ☐ (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- ☐ (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- ☐ (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- ☒ (D) **We did not privately or publicly communicate our voting intentions prior to the AGM/EGM**
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2
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After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- ☒ (A) **Yes, for all (proxy) votes**

Add link(s):

<https://www.osmosisim.com/voting-summary/>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2
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In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- ☒ (A) **Within one month of the AGM/EGM**
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(2) for a majority of votes	(2) for a majority of votes
(B) Yes, we privately communicated the rationale to the company	(1) for all votes	(1) for all votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	○	○

(A) Yes, we publicly disclosed the rationale - Add link(s):

<https://www.osmosisim.com/voting-summary/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

We are informed by alert from ISS, our proxy voting provider, of any votes that are rejected.

STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9 HF, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

(1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one	<input checked="" type="checkbox"/>
(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal	<input type="checkbox"/>
(C) Publicly engaging the entity, e.g. signing an open letter	<input checked="" type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>
(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director	<input checked="" type="checkbox"/>
(F) Divesting	<input checked="" type="checkbox"/>
(G) Litigation	<input type="checkbox"/>
(H) Other	<input type="checkbox"/>
(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings	<input type="radio"/>

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- ☐ (A) Yes, we engaged with policy makers directly
- ☒ **(B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI**
- ☐ (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- ☐ (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- ☒ **(A) We participated in 'sign-on' letters**
- ☒ **(B) We responded to policy consultations**
- ☒ **(C) We provided technical input via government- or regulator-backed working groups**

Describe:

Last year, we collaborated with CDP and signed a letter calling on governments to address the global plastics crisis. Along with other financial leaders, we strongly encouraged governments to:

1. Make disclosure of plastics data mandatory as part of the Global Plastics Treaty
2. Data disclosed must include: risk assessment, opportunities identification, dependencies and impacts and target setting

- ☐ (D) We engaged policy makers on our own initiative
- ☐ (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- ☒ **(A) We publicly disclosed all our policy positions**

Add link(s):

<https://www.osmosisim.com/uk/active-ownership/#engagement>

☒ **(B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

<https://www.osmosisim.com/uk/active-ownership/#engagement>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

Osmosis Engagement effort

(1) Led by

☒ **(1) Internally led**

- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

☒ **(1) Environmental factors**

- ☐ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

☒ **(1) Listed equity**

- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Osmosis is continuously developing its engagement

strategy. In 2023, our environmental team engaged

with a total of 342 individual companies, outside the

realm of our collaborative engagement strategies

discussed in section 3.2 of this report. Of this, 239

of our target engagement companies were from

the developed markets (DM) and 103 were from the emerging markets (EM). At the beginning of 2023, Osmosis launched a 16-month research project into corporate environmental data in EM, which included hiring a dedicated team of analysts to collect, interrogate, clean, and standardise publicly available carbon, water, and waste data on a sector-by-sector basis across the whole economy. Osmosis plans to launch an EM product suite in the second half of 2024.

Our engagement processes encompass all entities in our target universe, meaning we do not run our engagement processes on a fund or product level.

Throughout 2023, we initiated dialogue across companies spanning all GICS sectors except financials. The highest number of engagements were with companies in the energy, consumer discretionary, and information technology sectors. In 2023 we engaged with entities from 37 countries and notably, the United States and China emerged as focal points for our engagement efforts, reflecting their prominence within their respective developed and emerging market indexes.

(B) Example 2:

Title of stewardship activity:

CDP's Annual Non-Disclosure Campaign

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ (1) Environmental factors
- ☐ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Aiming to encourage disclosure,

CDP coordinated a financial institution-led global engagement campaign in which Osmosis participated as one of the 318 institutions, with a combined AUM of \$37 trillion USD.

Initiative and role:

A total of 318 institutions from around the world took part in 2023. Osmosis was a lead engager. Our objective was to encourage three assigned target companies to start participating in one of CDP's reporting programs, which include Climate Change, Water Security and Deforestation. Success is measured through the percentage of companies submitting a response to CDP at the end of the disclosure period. Contrarily to previous year, institutions could only lead and not be co-signatories.

Outcomes and next steps:

Our engagements lead to a 100% disclosure rate for our target companies on the climate change questionnaire, compared to a CDP average of 20%. We will join the campaign again in 2024.

(C) Example 3:

Title of stewardship activity:

Oxford Martin Principles engagement with the oil & gas industry

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ (1) Environmental factors
- ☐ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Issue:

The Oxford Martin Principles describe a framework for climate-conscious engagement with highly polluting sectors. The principles focus on establishing a commitment to net-zero emissions, a business plan to move to a profitable net-zero business model, and quantitative medium-term targets for decarbonisation.

Initiative and role:

In 2022, Osmosis was asked by one of our clients to utilise the principles to guide engagement with firms in our investment universe associated with oil & gas production, transportation, service provision, refining and marketing. . Following a first round of engagement in 2022, targeting 48

companies, we sought to repeat the format in 2023 to understand how decarbonisation plans have

changed. In 2023, we targeted 40 companies for engagement.

Outcomes and next steps:

We received a 49% response rate to these letters and performed several follow-up calls. We made two key conclusions from this engagement. First, although

progress is being made towards decarbonisation targets, 'brown-spinning' is an issue for many companies,

whereby they divest their carbon-intensive assets by selling them. Second, we found companies to be

positioning themselves into three general strategies, ready for the coming decade of transition: i) 'energy

companies' that are expanding renewables capacity; ii) 'transition players', those focusing on provision of

lower carbon fossil fuels; and iii) 'fossil fuel expanders', those that are committed to expanding fossil fuel

supply, perhaps alongside Carbon Capture, Utilisation and Storage (CCUS) provision. We are working to

understand how these categorisations could feed into our investment and active ownership strategies

(D) Example 4:

Title of stewardship activity:

Biodiversity in Mining

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ (1) Environmental factors
- ☐ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Issue: Mining companies have a significant impact on biodiversity, primarily through land-use change. As we are an environmentally focused quantitative investment manager, we wanted to investigate what strategies these entities are employing to manage their impact on biodiversity and whether biodiversity impacts are quantifiable by mining companies' land-use change disclosure.

Outcomes and next steps: Out of eight mining companies we contacted, three companies replied and organised meetings. These meetings showed that land-use is a very subjective metric, as the definitions vary between companies. The companies further highlighted the importance of their rehabilitation programmes in their biodiversity management. From these calls, we concluded that there are significant complexities with using land use as an indicator of resource use and environmental impact and we will be looking at other metrics moving forward to try to capture the negative impact of mining companies on biodiversity.

(E) Example 5:

Title of stewardship activity:

Reporting boundary

(1) Led by

☒ (1) Internally led

☐ (2) External service provider led

☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

☒ (1) Environmental factors

☐ (2) Social factors

☐ (3) Governance factors

(3) Asset class(es)

☒ (1) Listed equity

☐ (2) Fixed income

☐ (3) Private equity

☐ (4) Real estate

☐ (5) Infrastructure

☐ (6) Hedge funds

☐ (7) Forestry

☐ (8) Farmland

☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Issue: Company A, a German pharmaceutical company, has a complex company structure. One of its business lines is separately listed, and also included within our target universe. They produce only one sustainability report. To ensure that we capture each company's resource efficiency accurately, we engaged with the management team.

Outcomes and next steps: We joined a call with- the company where we discussed their corporate structure, and how to best capture their resource efficiency within our model. Following subsequent internal discussions, we were able to more accurately implement the company's data into our model

CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

☒ (A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

We believe that Resource efficiency captures the intangible value of environmental resilience and mitigates long-term climate change risk. Our models have demonstrated that resource efficient companies are likely to outperform their peers in the long term. Corporate carbon emissions, water usage, and waste generation are independent yet complementary metrics that, if better than industry peers, benefit not only the environment but also the financial bottom line. By factoring these in, we minimise our climate-related risks.

- Corporate greenhouse gas emissions: 1. are being priced and regulated by governments; 2. pose a risk that increases firms' cost of capital; 3. damage their competitive position; 4. harm customer relationships; 5. undermine workforce attraction and brand value.
- Corporate water usage: 1. is a strategic resource for firms; 2. is adversely impacted by water scarcity (droughts), disruption of supply (flooding), or deteriorating quality (diffuse pollution).
- 3. will be the target of policymakers regulating access, use, and management; 4. will lead to the relocation of business operations away from water-stressed areas.
- Corporate waste generation: 1. is a direct reflection of operational efficiency; 2. reflects the squandering of valuable resources that has adverse economic impacts; 3. will be targeted by more stringent waste management, reuse, recycling, and disposal rules; 4. poses a high reputational risk given tangible negative effects on ecosystems and communities.

The challenge with sustainable investing is that climate, water, and pollution risks can materialise over long periods of time and at random intervals. As a result, financial markets are inherently bad at pricing these externalities. Companies need to invest in infrastructure and technology to address such risks, and the cost of inaction should ideally be a liability on the corporate balance sheet. However, these intangible assets and liabilities are difficult to measure since the benefits and costs of reducing environmental risk will be sporadic and potentially far into the future. Despite these challenges, there is growing evidence that those companies taking tangible steps to reduce environmental risk will enjoy a lower cost of capital and a structural competitive advantage over time.

Osmosis' Resource Efficiency metric measures a company's sustainable actions over its intentions. It serves as a proxy for the intangible value of future environmental resiliency and mitigation and hedge against long-term environmental risks that are yet to be priced by the financial markets.

We believe that those companies that have already started to adapt to looming climate change risks will enjoy the greatest business resiliency over the long term. We use Resource Efficiency as a proxy to identify those companies that are best prepared to face those challenges. Compared to their inefficient peers, the reduced exposure that efficient companies have to environmental challenges should mitigate, on a relative basis, any adverse impacts on their operations.

Better resource management also reduces exposure to uncertain political and regulatory interventions and externalities in the future, for example, carbon taxes. Meanwhile, consumer preferences are evolving to reward brands and products that demonstrate environmental responsibility. Resource Efficiency is, therefore, material to every company and sector that aims to be part of the transition to a greener economy.

Importantly, we have identified resource efficiency as an independent source of alpha that cannot be fully explained by other common factors and corroborate the investment thesis with robust statistical evidence over time across economic sectors and geographic regions.

Resource Efficiency has a long-term investment horizon of a minimum of 3 to 5 years. We believe clients must invest for a full economic cycle to gain exposure to the diverse nature of the alpha we target. Efficient companies will continue to deliver greater capital back to shareholders relative to their natural resource consumption. This is a long-term phenomenon as the value from Resource Efficiency gets reflected in traditional balance sheet reporting through quarterly and annual cycles. As time continues and the stress on natural resources intensifies, for example, through carbon pricing or commodity price inflation, we believe this effect will magnify.

- ☐ (B) Yes, beyond our standard planning horizon
- ☐ (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

☒ **(A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities**

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Osmosis believes that sustainability is first and foremost an economic imperative. The premise of the Osmosis investment philosophy is that well managed, forward thinking companies which take a proactive economic approach to environmental and social issues tend to generate greater shareholder value. Climate risks are integrated into our day-to-day risk management processes, our overall investment strategy and our financial planning. We assess climate risks in all our strategies via the corporations we invest in, focusing on Carbon emissions, Water consumption, and Waste generation. Since companies with higher resource intensity are likely to face more exposure to environmental and regulatory risks, this metric can serve as a proxy for a portfolio's exposure to potential climate change-related risks relative to other portfolios or relative to a benchmark. Osmosis calculates and reports the Weighted Average Carbon, Water and Waste Intensities quarterly.

In addition, our research team closely monitors emerging regulatory requirements, and members of our team are regularly involved with policy development. Examples include the EU Taxonomy and the Global Reporting Initiative.

- ☐ (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

☒ **(A) Coal**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World with the exception of tobacco. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. We regularly engage in research on fossil fuels, including coal. Osmosis also offers those clients that are committed to total divestment of fossil fuels from their investments the opportunity to invest in our Core Equity ex fossil fuels strategy, which excludes companies who derive revenue from coal.

☒ **(B) Gas**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. Additionally, we also engage frequently with sectors that depend heavily on fossil fuels. For example, in 2023 we engaged with the Oil&Gas industry on their decarbonisation efforts. This means that even though we are investing in high-emitting sectors, the least carbon intense companies will be invested in. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ **(C) Oil**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. Additionally, we also engage frequently with sectors that depend heavily on fossil fuels. For example, in 2023 we engaged with the Oil& Gas Industry on their decarbonisation efforts. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ **(D) Utilities**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive companies when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ **(E) Cement**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive companies when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ **(F) Steel**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive companies when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ **(G) Aviation**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive companies when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ **(H) Heavy duty road**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. Additionally, we also engage frequently with sectors that depend heavily on fossil fuels. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive companies when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ **(I) Light duty road**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. Additionally, we also engage frequently with sectors that depend heavily on fossil fuels. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive companies when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ **(J) Shipping**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. Additionally, we also engage frequently with sectors that depend heavily on fossil fuels. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive companies when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ **(K) Aluminium**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive companies when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ **(L) Agriculture, forestry, fishery**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive companies when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ **(M) Chemicals**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive companies when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ **(N) Construction and buildings**

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive companies when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ (O) Textile and leather

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive companies when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☒ (P) Water

Describe your strategy:

Our investment strategy is sector-agnostic, and we therefore invest in all sectors in the MSCI World. Our strategy with high-emitting sectors is the same as for all our sectors: company data on carbon, water and waste is collected by our in-house analysts, standardised into scores, to allow for comparison between sector peers. In the end, the most resource efficient companies are selected for investment. This means that even though we are investing in high-emitting sectors, we seek to identify the least carbon, water and waste intensive companies when compared to peers. The result is that we make significant carbon, water and waste savings compared to our benchmark, a testament to the success of our strategy.

☐ (Q) Other

- ☐ (R) We do not have a strategy addressing high-emitting sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

☐ (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)

☐ (B) Yes, using the One Earth Climate Model scenario

☒ (C) Yes, using the International Energy Agency (IEA) Net Zero scenario

☐ (D) Yes, using other scenarios

☐ (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

☒ (A) Yes, we have a process to identify and assess climate-related risks

(1) Describe your process

Osmosis employs an objective, quantitative investment approach that relies on scientifically observed metrics and removes subjective opinions. Only actual actions taken by a company that feeds through to their environmental balance sheet will affect the investment decision.

The Core Equity investment strategy was specifically designed to target those companies producing less carbon emissions, consuming less water and generating less waste than their peers, thereby delivering substantial environmental intensity reductions. Since companies with higher resource intensity are likely to face more exposure to environmental and regulatory risks, this metric can serve as a proxy for a portfolio's exposure to potential climate change-related risks relative to other portfolios or relative to a benchmark. Osmosis calculates and reports the Weighted Average Carbon, Water and Waste Intensities quarterly.

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 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.

(2) Describe how this process is integrated into your overall risk management

The process described above is an integral part of our investment process, and defines our day-to-day operations. As such, they are at the foundation of our risk management.

☒ (B) Yes, we have a process to manage climate-related risks

(1) Describe your process

Osmosis employs an objective, quantitative investment approach that relies on scientifically observed metrics and removes subjective opinions. Only actual actions taken by a company that feeds through to their environmental balance sheet will affect the investment decision.

The Core Equity investment strategy was specifically designed to target those companies producing less carbon emissions, consuming less water and generating less waste than their peers, thereby delivering substantial environmental intensity reductions. Since companies with higher resource intensity are likely to face more exposure to environmental and regulatory risks, this metric can serve as a proxy for a portfolio's exposure to potential climate change-related risks relative to other portfolios or relative to a benchmark. Osmosis calculates and reports the Weighted Average Carbon, Water and Waste Intensities quarterly.

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 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.

(2) Describe how this process is integrated into your overall risk management

The process described above is an integral part of our investment process, and defines our day-to-day operations. As such, they are at the foundation of our risk management.

☐ (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?

- ☐ (A) Exposure to physical risk
- ☐ (B) Exposure to transition risk
- ☐ (C) Internal carbon price
- ☒ (D) Total carbon emissions

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- ☐ (1) Metric or variable used
- ☒ (2) Metric or variable used and disclosed
- ☐ (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.osmosisim.com/os-funds/>

☒ (E) **Weighted average carbon intensity**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) **Metric or variable used and disclosed**
 - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.osmosisim.com/os-funds/>

☐ (F) Avoided emissions

☒ (G) **Implied Temperature Rise (ITR)**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) **Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

https://www.cisl.cam.ac.uk/files/understanding_the_climate_performance_of_investment_funds_part_2_-_a_universal_temperature_score_method_0.pdf

☐ (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

☐ (I) Proportion of assets or other business activities aligned with climate-related opportunities

☐ (J) Other metrics or variables

- (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

☐ (A) Scope 1 emissions

☐ (B) Scope 2 emissions

☒ (C) **Scope 3 emissions (including financed emissions)**

- (1) Indicate whether this metric was disclosed, including the methodology
 - (1) Metric disclosed
 - (2) **Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.osmosisim.com/uk/active-ownership/#engagement>

- (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

- ☒ (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- ☐ (A) The UN Sustainable Development Goals (SDGs) and targets
- ☒ (B) The UNFCCC Paris Agreement
- ☐ (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☒ (E) The EU Taxonomy
- ☐ (F) Other relevant taxonomies
- ☐ (G) The International Bill of Human Rights
- ☐ (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (I) The Convention on Biological Diversity
- ☒ (J) Other international framework(s)
Specify:
UNGC
- ☐ (K) Other regional framework(s)
- ☐ (L) Other sectoral/issue-specific framework(s)
- ☐ (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- ☒ (A) Identify sustainability outcomes that are closely linked to our core investment activities
- ☒ (B) Consult with key clients and/or beneficiaries to align with their priorities

- ☒ (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- ☒ (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- ☐ (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- ☐ (F) Understand the geographical relevance of specific sustainability outcome objectives
- ☐ (G) Other method
- ☐ (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- ☒ (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- ☒ (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- ☐ (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- ☒ (C) We have been requested to do so by our clients and/or beneficiaries
- ☒ (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- ☒ (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- ☐ (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- ☐ (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- ☐ (H) Other

HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?

☒ (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

All our investment activities are covered by the UN Global Compact and we divest from companies that are on its exclusion list as a first identification step. This means that that we avoid severe human rights violations, since they would be flagged by this organisation. Another identification step is also to regularly review our own exclusion lists, to make sure that our investments do not lead to adverse impacts on human rights. Last year, we reviewed this list and made clear that companies with revenues derived from controversial weapon specifically cluster munitions and anti-personnel mines, would always be excluded from our portfolios, a clear action to mitigate negative impacts on human right violations. This work is overseen internally by the Ethical Advisory Committee.

☐ (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm

☐ (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts

☐ (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities

☐ (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?

☐ (A) Workers

☐ (B) Communities

☐ (C) Customers and end-users

☒ (D) Other stakeholder groups

Specify:

We regularly engage with the companies we invest in. If companies engage in harmful activities, we will sometimes organise meetings to discuss this further. For example, in 2023 we engaged with Company E, a Canadian mining company, which was excluded from Osmosis' portfolios due to its failure to adhere to the social principles set forward by the UNGC concerning two alleged human rights violations at some of its mines. Osmosis reaches out to all the companies excluded from our portfolios through these principles and tries to encourage a resolution to the underlying issues. Since our last report, the company made changes to its business model and is now deemed to no longer breach the UNGC principles. The company has been removed from our exclusion lists and is back in the investment pool. Osmosis consistently screens our investment universe for breaches against the UNGC principles and excludes any company that does not adhere to these principles from all our portfolios.

Sector(s) for which each stakeholder group was included

- ☐ (1) Energy
- ☐ (2) Materials
- ☐ (3) Industrials
- ☐ (4) Consumer discretionary
- ☐ (5) Consumer staples
- ☐ (6) Healthcare
- ☐ (7) Finance
- ☐ (8) Information technology
- ☐ (9) Communication services
- ☐ (10) Utilities
- ☐ (11) Real estate

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?

☒ **(A) Corporate disclosures**

Provide further detail on how your organisation used these information sources:

Osmosis relies on corporate disclosures for all of its environmental data. These can also be used to inform on social issues, although it is not our primary source to identify negative social outcomes.

☐ **(B) Media reports**

☒ **(C) Reports and other information from NGOs and human rights institutions**

Provide further detail on how your organisation used these information sources:

Osmosis chooses to incorporate the United Nations Global Compact (UNGC) Principles to promote the prevention or mitigation of negative ESG impacts. Companies in breach of the Social & Governance principles are excluded from all our portfolios. The UN and OECD instruments share the same values of business ethics, including human rights, labour and industrial relations, and anti-corruption. While the OECD Guidelines are recommendations by governments to companies, the UNGC Principles are a public platform for companies to express their commitment to these values.

Examples of companies that we have excluded from our portfolios include:

- BHP Group (Human Rights – Impact on Local Communities)
- PG&E (Human Rights Concerns)
- Barrick Gold Corp Human Rights Concerns)

☐ **(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank**

☐ **(E) Data provider scores or benchmarks**

☐ **(F) Human rights violation alerts**

☐ (G) Sell-side research

☒ (H) Investor networks or other investors

Provide further detail on how your organisation used these information sources:

Investor networks can be useful to highlight some negative social outcomes, but are not our primary source to identify negative social outcomes.

☐ (I) Information provided directly by affected stakeholders or their representatives

☐ (J) Social media analysis

☐ (K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?

☐ (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities

☐ (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities

☒ (C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

Explain why:

When the companies we invest in are flagged by organisations like the UN Global Compact for breaches of human rights, we divest immediately. In some instances, we divest as a precaution, to ensure we minimise negative human right outcomes.

LISTED EQUITY (LE)

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?

(2) Active - quantitative

(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period	(1) for all of our AUM
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○

MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?

(2) Active - quantitative

(A) Yes, we have a formal process that includes scenario analyses

(1) for all of our AUM

(B) Yes, we have a formal process, but it does not include scenario analyses

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

○

(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

○

(A) Yes, we have a formal process that includes scenario analysis - Specify: (Voluntary)

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 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.

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?

(1) Active - quantitative

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(2) in a majority of cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?

(2) Active - quantitative

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors

(1) in all cases

(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors

(1) in all cases

(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability

(1) in all cases

(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors

(1) in all cases

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

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ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.

At Osmosis we focus on the E of ESG. While all our strategies adhere to the UN Global Compact Principles to ensure high level ESG integration and exclude tobacco and controversial weapons, as a firm we have always advocated for a more focused approach to ESG integration.

Environmental research is explicitly integrated into our investment decision-making process. Osmosis measures the environmental metrics of companies through detailed, objective analysis of their resource efficiency utilising publicly disclosed environmental data. We have been analysing this data since 2005 and have built, what we believe to be, one of the world's most comprehensive environmental disclosure databases. Using our proprietary Model of Resource Efficiency (MoRE), companies are scored based on their environmental impact, relative to economic output. The key metrics that Osmosis stores within its proprietary database are:

- **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.
- **Water:** Costs generated by purchasing water directly for a company's operations or from direct water supply companies.
- **Waste:** Costs generated from the disposal of waste in normal business operations, classified as landfill, incinerated waste, recycled or nuclear waste.

Resource efficiency enables high-quality companies with strong management teams to generate a competitive advantage. We believe Resource Efficiency is a proxy for quality that has yet to be priced by the market. It signifies a corporate culture committed to operational excellence beyond the industry norm. It also identifies companies with cost structures that are independent and uncorrelated with industry peers, allowing the reinvestment of capital in times when competitors have less profit to deploy. The ability to invest when competitors are strained enables resource efficient companies to sustain and grow their competitive advantage. The resilient business model and competitive advantage of resource efficient companies lead to other positive financial characteristics, such as higher and more consistent profitability and lower leverage.

Once the environmental data has been standardised to our sector frameworks, the environmental balance sheet of each company is constructed to include energy consumption and emissions generated, water consumed, and waste produced. By linking the environmental balance sheet to the relevant financial metrics, intensities can be created which detail how successful the company is at creating economic value relative to the resources it uses. This data is used to create efficiency dispersions within each sector, which are then combined to create a multifactor, resource efficiency score.

The Resource Efficiency score is integral to the portfolio construction of all our strategies. Only those companies with a positive Resource Efficiency score are eligible for inclusion in our portfolios, thereby maximising the exposure to the most environmentally efficient companies within the relative benchmark indices.

For a concrete example, let's take the Oil and Gas sector. Our team of analysts collect the carbon, water and waste data of all the Oil and Gas companies in the MSCI World. Then, we derive the intensity figures for carbon, water and waste for every company, therefore adjusting for their size and making the figures comparable. A Resource Efficiency score is attributed to each company, and our model then overweighs the oil and gas companies deemed resource efficient in our portfolios, and underweights the ones that are resource inefficient. A company deemed efficient and which we have subsequently invested in is TotalEnergies.

A project we started in 2023 and which we are currently working on is our upcoming Emerging Markets Product. Our environmental team analysts spent months collecting carbon, water waste data for these emerging market companies, going back multiple years as well as researching resource efficiency in those markets. The product is based on our resource efficiency thesis, and integrates the methodology described above. We are looking to launch the product in the coming months. This showcases our dedication to incorporating ESG factors in our equity selection.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?

(2) Active - quantitative

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

○

POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- ☒ (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- ☐ (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- ☒ (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(1) Active - quantitative

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings



(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents



(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities



(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents



(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion



(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.

Osmosis believes that sustainability is first and foremost an economic imperative. The premise of the Osmosis investment philosophy is that well managed, forward thinking companies which take a proactive economic approach to environmental and social issues tend to generate greater shareholder value. We believe that positive environmental impact should not come at the cost of portfolio performance.

Our objective approach to environmental investment is driven by over a decade of proprietary research enabling the construction of our proprietary sustainable investment factor. Research, both internal and external, has demonstrated that our Resource Efficiency factor is uncorrelated to other common factors and is a predictor of future firm value.

To meet our clients' goals, we utilise this sustainable investment factor as the core source of financial and environmental return across all our funds and strategies. Our portfolios overweight efficient companies and underweight, or short, inefficient companies, while targeting specific risk profiles and investment styles. Through this approach, all our portfolios demonstrate significantly less ownership of Carbon, Water and Waste than their respective benchmarks.

The integration of environmental factors (carbon, water, and waste) into our investment process has been core to our approach since the firm's launch in 2009. By objectively identifying sustainable behaviour across all sectors of the economy, Osmosis continues to believe that there will be a source of return unidentified by the market meaning. ESG is not just integrated but is the source of the returns we seek.

The Osmosis Resource Efficient Core Equity Strategy seeks superior risk-adjusted returns by targeting maximum resource efficiency exposure while maintaining a tight tracking error to the MSCI World. The portfolio takes advantage of the inefficiencies of market cap weighted strategies by closely replicating the factor exposures of the underlying benchmark with the active exposure being delivered through the Osmosis Resource Efficiency Factor. The Fund excludes tobacco and any companies that breach the UN Global Compact's social and governance safeguards. The resulting portfolio demonstrates significantly less ownership of Carbon, Water and Waste than the respective benchmark.

DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- ☒ (A) We share a list of ESG screens
- ☒ (B) We share any changes in ESG screens
- ☒ (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- ☐ (D) We do not share the above information for all our listed equity assets subject to ESG screens

HEDGE FUNDS (HF)

POLICY

INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 1	CORE	OO 21	N/A	PUBLIC	Investment guidelines	1, 4, 6

What activities, practices and/or relationships are covered by your organisation's responsible investment policy(ies) for the majority of your hedge fund assets?

- ☐ (A) Our ESG requirements of prime brokers
- ☐ (B) Our ESG requirements for administrators and custodians
- ☒ (C) Our ESG requirements regarding (proxy) voting service providers (or other third-party providers), where applicable
- ☐ (D) How breaches in our responsible investment policy are communicated to clients
- ☒ (E) How ESG is incorporated into our long and/or short exposures
- ☒ (F) Whether sectors, issuers, equities and/or asset types are excluded from the portfolio due to ESG factors
- ☒ (G) How we engage with underlying investees, issuers or real assets
 - (H) Our responsible investment policy(ies) does not specifically cover activities, practices and/or relationships for our hedge fund assets

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 2	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your hedge fund strategies?

(2) Long/short equity

(A) Yes, our investment process incorporates material governance factors

(1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors

(1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors into risk assessment and the risk profile of the underlying exposures

(1) for all of our AUM

(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion

○

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

○

MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 3	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your hedge fund strategies?

(2) Long/short equity

(A) Yes, we have a formal process that includes scenario analyses

(1) for all of our AUM

(B) Yes, we have a formal process but it does not include scenario analyses

(C) We do not have a formal process for our hedge fund strategies; our investment professionals monitor and review the implications of changing ESG trends at their discretion

o

(D) We do not monitor and review the implications of changing ESG trends on our hedge fund strategies

o

(A) Yes, we have a formal process that includes scenario analyses - Specify: (Voluntary)

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 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, and is overseen by our Ethical Advisory Committee.

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How does your investment research incorporate material ESG risks and opportunities into the selection of listed companies or issuers of corporate debt?

(2) Long/short equity

(A) We incorporate material governance-related risks and opportunities that may affect the products and services delivered by listed companies or issuers of corporate debt

(1) in all cases

(B) We incorporate material environmental and social risks and opportunities that may affect the products and services delivered by listed companies or issuers of corporate debt

(1) in all cases

(C) We incorporate material environmental and social risks and opportunities that may arise from how listed companies or issuers of corporate debt undertake their operations

(1) in all cases

(D) We incorporate material environmental and social risks and opportunities linked to a listed company or issuer or corporate debt supply chain

(1) in all cases

(E) Other

(F) Our investment research does not incorporate material ESG risks and opportunities into the selection of listed companies or issuers of corporate debt

o

(G) Not applicable, our strategy does not invest directly in listed companies or issuers of corporate debt

o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in research	1

Where you invest in commodities or other asset classes, either directly or through other financial instruments, provide an example of how you incorporate material ESG factors into your research, investment strategy, engagement or portfolio construction.

To evaluate the Resource Efficiency of companies, we developed and maintained a proprietary environmental database allowing us to derive our unique, uncorrelated investment signal based on publicly reported, objective, and quantifiable indicators. We do not rely on any third party ESG data to drive the research program. Our specialist environmental analysts collect and standardise the relevant corporate environmental disclosures on carbon emissions, water consumption, and waste generation.

Our unique approach of assessing and validating corporate environmental footprints through an economic lens cut through the ESG noise resulting in Resource Efficiency scores that are uncorrelated to the standard Environmental and broader ESG assessments provided by ESG rating agencies. We uncover material new insights that cannot be gained by acquiring ESG data from third parties. In addition, the portfolio implements high-level S & G screens to ensure compliance with the UN global compact. The portfolio does utilise external screening providers to ensure companies in breach of the norms are excluded from the investable universe. The portfolio also excludes tobacco companies.

Our research team consists of environmental scientists, engineers, and economists with extensive experience in the sustainable investment space. Having worked with environmental data for years, Osmosis have developed significant in-house expertise and a granular understanding of corporate environmental footprints. This knowledge sets us apart from our peers.

Through the standardisation of unstructured environmental data, our research process gives context and comparability to corporate environmental disclosures by objectively comparing the environmental balance sheets of companies across 34 industry sectors. Once the environmental data has been standardised to our sector frameworks, the environmental balance sheet of each company is constructed to include energy consumption and emissions generated, water consumed, and waste produced. By linking the environmental balance sheet to the relevant financial metrics, intensities can be created which detail how successful the company is at creating economic value relative to the resources it uses. This data is used to create efficiency dispersions within each sector, which are then combined to create a multifactor, resource efficiency score. The Resource Efficiency score is integral to the portfolio construction of all our strategies. Only those companies with a positive Resource Efficiency score are eligible for inclusion in our portfolios, thereby maximising the exposure to the most environmentally efficient companies within the relative benchmark indices.

Our evidence-based approach, through the stripping out of subjective data, measures sustainable action over intent.

ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?

(2) Long/short equity

(A) Material ESG factors contribute to the selection of individual assets and financial instruments within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets and financial instruments within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(C) Material ESG factors contribute to the sector, country or regional weighting of assets and financial instruments within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(D) Material ESG factors contribute to determining the construction of short positions

(1) for all of our AUM

(E) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(F) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 7	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Describe how information or data on material ESG factors influenced weightings and portfolio construction in each of your main hedge fund strategies during the reporting year.

Internally managed
hedge fund strategies

Example

(B) Long/short equity

As with our long only strategies we put our proprietary resource efficiency factor at the heart of our hedge fund portfolio construction. Using our proprietary research process, we standardise companies' self-reported data on carbon, water and waste which has been collected by our analysts. These are standardised, and Resource Efficiency scores are created, which allow us to compare companies within sectors to their peers. The most resource efficient compares are overweighted on a sector relative basis, whilst the least efficient companies are shorted. As such, material ESG factors completely determine the weightings within the portfolio construction.

POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 8	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your hedge fund assets subject to negative exclusionary screens meet the screening criteria?

- ☒ (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- ☐ (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- ☒ (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
 - ☐ (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens
 - ☐ (E) Not applicable; we do not conduct negative exclusionary screening on our hedge fund assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 9	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your hedge funds, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(2) Long/short equity

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual securities, issuers and financial instruments



(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other securities, issuers and financial instruments exposed to similar risks and/or incidents



(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities



(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents



(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their own discretion



(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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SUSTAINABILITY OUTCOMES (SO)

SETTING TARGETS AND TRACKING PROGRESS

SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

☒ **(A) Sustainability outcome #1**

- (1) Widely recognised frameworks used to guide action on this sustainability outcome
 - ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
 - ☒ **(2) The UNFCCC Paris Agreement**
 - ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
 - ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
 - ☐ (5) The EU Taxonomy
 - ☐ (6) Other relevant taxonomies
 - ☐ (7) The International Bill of Human Rights
 - ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - ☐ (9) The Convention on Biological Diversity
 - ☐ (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
 - ☒ **(1) Environmental**
 - ☐ (2) Social
 - ☐ (3) Governance-related
 - ☐ (4) Other
- (3) Sustainability outcome name

Portfolio carbon reduction
- (4) Number of targets set for this outcome
 - ☒ **(1) No target**
 - ☐ (2) One target
 - ☐ (3) Two or more targets

☒ **(B) Sustainability outcome #2**

- (1) Widely recognised frameworks used to guide action on this sustainability outcome
 - ☒ **(1) The UN Sustainable Development Goals (SDGs) and targets**
 - ☐ (2) The UNFCCC Paris Agreement
 - ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
 - ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
 - ☐ (5) The EU Taxonomy
 - ☐ (6) Other relevant taxonomies
 - ☐ (7) The International Bill of Human Rights
 - ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - ☐ (9) The Convention on Biological Diversity
 - ☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

☒ (1) **Environmental**

☐ (2) Social

☐ (3) Governance-related

☐ (4) Other

(3) Sustainability outcome name

Portfolio water reduction

(4) Number of targets set for this outcome

☒ (1) **No target**

☐ (2) One target

☐ (3) Two or more targets

☒ (C) **Sustainability outcome #3**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☒ (1) **The UN Sustainable Development Goals (SDGs) and targets**

☐ (2) The UNFCCC Paris Agreement

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

☐ (9) The Convention on Biological Diversity

☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

☒ (1) **Environmental**

☐ (2) Social

☐ (3) Governance-related

☐ (4) Other

(3) Sustainability outcome name

Portfolio waste reduction

(4) Number of targets set for this outcome

☒ (1) **No target**

☐ (2) One target

☐ (3) Two or more targets

☒ (D) **Sustainability outcome #4**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☐ (1) The UN Sustainable Development Goals (SDGs) and targets

☐ (2) The UNFCCC Paris Agreement

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

☐ (9) The Convention on Biological Diversity

☒ (10) **Other international, regional, sector-based or issue-specific framework(s)**

(2) Classification of sustainability outcome

☐ (1) Environmental

☒ (2) **Social**

☒ (3) **Governance-related**

☐ (4) Other

(3) Sustainability outcome name

(4) Number of targets set for this outcome

- ☒ (1) No target
- ☐ (2) One target
- ☐ (3) Two or more targets

- ☐ (E) Sustainability outcome #5
- ☐ (F) Sustainability outcome #6
- ☐ (G) Sustainability outcome #7
- ☐ (H) Sustainability outcome #8
- ☐ (I) Sustainability outcome #9
- ☐ (J) Sustainability outcome #10

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- ☐ (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- ☐ (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- ☒ (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- ☒ (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- ☐ (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- ☒ (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- ☐ (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

- ☒ (A) Board, trustees, or equivalent
 - Sections of PRI report reviewed
 - ☒ (1) the entire report
 - ☐ (2) selected sections of the report
- ☒ (B) Senior executive-level staff, investment committee, head of department, or equivalent
 - Sections of PRI report reviewed
 - ☒ (1) the entire report
 - ☐ (2) selected sections of the report
- ☐ (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year