PINESTONE ASSET MANAGEMENT INC.

PRINCIPAL ADVERSE IMPACTS STATEMENT

Effective Date: May 2023

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1. Purpose of the Statement

To summarize the way in which Principle Adverse Impacts are factored into PineStone's investment decision process including how they are identified, analyzed, and measured. The statement is applicable to the equity strategies as listed in Appendix 1.

For further information about responsible investment at PineStone please refer to our webpage on sustainability at our website www.pinestoneam.com/sustainability.

2. Statement Owner

Chief Investment Officer

3. Persons Affected

The statement applies to the PineStone Investment Team.

4. Definitions

Carbon Footprint Scope 1 Emissions: Direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles).

Carbon Footprint Scope 2 emissions: Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.

Environmental, Social and Governance Issues:

> **Environmental (E):** Issues relating to the quality and functioning of the natural environment and natural systems. These can include greenhouse gas (GHG) emissions, climate change, renewable energy, energy efficiency, air, water or resource depletion or pollution, waste management and changes in land use.
>
> **Social (S):** Issues relating to the rights, well-being and interests of people and communities. These can include human rights, labour standards, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations, diversity, and relations with local communities.
>
> **Governance (G):** Issues relating to the governance of companies. These can include board structure, size, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure, business ethics, bribery and corruption, internal controls, and risk management. This category may also include business strategy implications for environmental and social issues and strategy implementation.

PAI – Principal Adverse Impacts: A specific list of indicators that allow investors to monitor the adverse impacts of the securities they invest in.

SASB: The Sustainability Accounting Standards Board - a non-profit organization, founded to develop sustainability accounting standards. Now a part of the IFRS Sustainability Alliance.

United Nations Principles for Responsible Investment (UN PRI): The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. Refer to PineStone's Responsible Investment Policy for further information.

5. STATEMENT

5.1 Principal Adverse Impacts

PineStone considers the Principal Adverse Impacts (“PAIs”) of its investment decisions on sustainability factors. The PAIs currently evaluated are:

- Greenhouse gas emissions:
    - Carbon footprint (Scope 1 and Scope 2).
    - GHG intensity of investee companies.

PAIs are reviewed at regular intervals and updated as seen fit.

5.2 Identifying and Prioritising Principal Adverse Impacts

The below is a description of the policies used to identify and prioritise PAIs:

- Responsibilities and Governance:
    - The primary responsibility for conducting PAI due diligence lies with the PineStone Investment Team. PAIs are assessed as part of the research process.
    - PineStone’s Operations and Compliance Departments and the Client Relations Team assist by providing data that for the Investment Team to identify, measure, and mitigate PAIs. For example:
        - The provision of carbon footprint data or any other information which enables an assessment (including peer comparison) of the potential harm to the environment from an individual investment or the overall portfolio.
    - The ESG Working Group oversees all ESG-related activities, including the development of investment due diligence for PAIs on sustainability factors and any related disclosures at the firm level.
- Data Limitations:
    - Company reporting on many PAIs is voluntary. Therefore, data availability, quality, and standardization vary by company. This may impact the ability to measure and consider PAIs as part of investment decisions.
    - PAI data is sourced directly from companies and from third-party data providers. If data is not available, PineStone will engage directly with companies and/or third party data providers who engage with companies to request disclosure or to improve our understanding of any identified disclosure gaps or areas of risk and opportunity. Other sources of information that may be accessible, such as subject matter experts, stakeholders, industry reports or specialist research, may also be used.
- PAI Investment Due Diligence:
    - Prior to making any investment decisions, the Investment Team conducts a thorough analysis of the company to be invested in. This includes a variety of factors including an assessment of the PAI against the sustainability indicators specified above. Additional sustainability factors are evaluated when and if material to the company.

- PAI as Part of the Investment Phase:
  - Following a review of the PAI due diligence, the Investment Team has full discretion as to what decision to take in respect of such potential investment opportunity (invest, divest, limit position size, invest with the intention to engage).
- Binding Requirements:
  - Maintain weighted average carbon intensity of the Fund's portfolio below Benchmark.
  - Do not invest in companies that extract coal. Companies that generate the majority of their own power from coal and which do not have a committed plan to transition to more sustainable sources of power generation will also be fully excluded.
  - Do not invest in a company if it derives any of its revenue directly from the manufacture or sale of controversial weapons.
  - Do not invest in companies that are involved in oil sands extraction.

5.3 Engagement Policy

As part of the investment process, PineStone sets objectives with regards to how PineStone will engage with companies. As part of this process, PineStone regularly engages with management teams and boards of directors of companies that PineStone invests in. PineStone relies on collaborative discussions with management teams in the interest of long-term profitability, business success and shareholder value creation. This process solidifies a relationship with management, ensuring PineStone's views are heard and considered by management teams. This includes requests for better ESG disclosure, which includes PAI disclosure.

PineStone actively challenges company management where PineStone views that the company is potentially making decisions that are considered value destructive by PineStone.

PineStone expresses engagement priorities through voting proxies on behalf of its clients. PineStone has been actively voting on proxies since inception and has engaged company management on the topics of, among others, capital allocation, equity issuance, board independence, executive compensation, employee wellness, and environmental disclosures.

PineStone adopts a constructive and flexible approach to engagement, choosing to consider a company's geography and the resulting culture, carefully stepping out of comfort zones where needed to ensure best practices are followed.

PineStone is not an activist investor, nor does it seek to be one.

5.4 Adherence to International Standards

PineStone is a signatory of the United Nations Principles for Responsible Investment (UN PRI), and a User Member of the Sustainability Accounting Standards Board (SASB).

6. STATEMENT ADMINISTRATION

6.1 Roles and Responsibilities

Employees:

It is the responsibility of Employees to:

- Respect PineStone's Policies, Statements, and Procedures.
- Report any violation of a policy, statement and/or a procedure that they may have identified to the Chief Compliance Officer.

Responsible Investment Working Group:

It is the responsibility of the Responsible Working Group to:

- Oversee all responsible investment activities and firm ESG activities.
- Meet at a minimum on an annual basis.
- The Responsible Investment Working Group includes representatives from the Investment Management Team and members from the Client Relations and Compliance Departments.

Chief Compliance Officer:

It is the responsibility of the Chief Compliance Officer to:

- Review the Statement on a regular basis.
- Approve all required changes in writing.
- Communicate all changes to all employees in writing and in a timely manner.
- Provide exceptions to policies if deemed necessary.
- Monitor the application of PineStone's Policies and Statements adopted.

6.2 Books and Records

All documentation must be retained in a secure location in accordance with this statement and PineStone's Books and Records Chart.

6.3 Version History

Version 1	**October 2022**
Version 2	**May 2023**

APPENDIX 1 – Client List

20UGS (UCITS) Funds PineStone Global Equity

Magna Umbrella Fund plc:
- Fiera Capital Global Equity Fund
- Fiera Capital US Equity Fund