Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

ANNEX 1

Product name: Nomura Funds Ireland – Global Sustainable Equity Fund
Legal entity identifier: 213800J5LRHOLZRU5724

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It will make a minimum of **sustainable investments with an environmental objective: 0 %***	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It will make a minimum of **sustainable investments with a social objective: 0 %***	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

*While the sum of sustainable investments with an environmental objective invested and sustainable investments with a social objective invested will add up to the Sub-Fund's minimum share of 90% sustainable investments, the Sub-Fund does not commit to a certain allocation between environmental and social objectives individually. Accordingly, the Sub-Fund does not commit to any minimum share of investments with an environmental objective or any minimum share of investments with a social objective.

What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Sub-Fund is to invest in companies with a high overall positive impact on society (meaning the environment, society, customers, suppliers, employees and investors). Based on the sustainable investment objective above, the Sub-Fund will mainly focus on the following six UN Sustainable Development Goals ("SDGs") aligned "Impact Goals":

1. Mitigate Climate Change
2. Mitigate Natural Capital Depletion
3. Eliminate Communicable Disease
4. Mitigate the Obesity Epidemic
5. Global Access to Basic Financial Services
6. Global Access to Clean Drinking Water

In order to achieve the sustainable investment objective above, the Investment Manager seeks to invest in sustainable investments which contribute to or the Investment Manager deems will contribute to solving social or environmental problems and will focus on maximising total stakeholder impact when making investment decisions. A company's total impact spans across a broad range of stakeholders (the environment, customers, suppliers, employees, society, and investors) and is both non-monetary and monetary in nature.

The Sub-Fund uses the MSCI All Country World Index (the "Index") in the way that the principal adverse impacts ("PAIs") of the Sub-Fund are compared against the PAIs of the Index, with the aim being to limit such portfolio average adverse impacts (weighted average adverse impacts of the companies held by the Sub-Fund) to be lower than that of the Index. However, the Index is not used to define the portfolio composition of the Sub-Fund and is not used for the purpose of determining the attainment of the sustainable investment objective of the Sub-Fund. The Index is a broad market index and not consistent with the sustainable investment objective of the Sub-Fund.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Investment Manager will use the sustainability indicators to measure the attainment of the sustainable investment objective of the Sub-Fund.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

The Investment Manager will select the most appropriate metric for measuring an investee company's core impact which could be relatively standardised or necessarily idiosyncratic in nature. Sustainability indicators will include but are not limited to:

- Tonnes of carbon avoided as a result of an investee company's products and services
- Number of low income patients reached with drugs and treatments through company's access strategies
- Number of people reached with financial services that were previously unbanked
- Litres of clean drinking water provided as a result of a company's technology

These indicators are tracked on an ongoing basis by the Investment Manager and reported annually within its impact report providing full disclosure across all holdings. The Investment Manager also publishes a quarterly Climate Impact Report which discloses greenhouse gas emissions, carbon footprint, greenhouse gas intensity, exposure to fossil fuels, the share of renewable energy production applicable to the Sub-Fund's investments and the alignment of the Sub-Fund's portfolio with a range of climate warming scenarios.

The Investment Manager will use data from data providers as well as data provided by the companies in annual sustainability reports, and information obtained through engagement directly with the investee company.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

In order to ensure that the sustainable investments of the Sub-Fund do not cause significant harm to any environmental or social sustainable investment objective, the Sub-Fund takes into account certain indicators for adverse impacts on sustainability factors. Details on how the indicators have been considered is described below.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The following PAIs indicators are taken into account as part of the exclusions:

- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (threshold 0%)
- Violations of UN Global Compact principles (UNGC) and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises (OECD Guidelines) (threshold 0%)

For the following PAIs indicators, the Investment Manager will assess and monitor the impact of each sustainable investment on sustainability factors to ensure that sustainable investments do not cause significant harm to any environmental or social objectives. Within this assessment, the Investment Manager will use thresholds appropriate to business activities, sectors and countries.

- GHG emissions (Scope 1 GHG emissions, Scope 2 GHG emissions, Scope 3 GHG emissions and Total GHG emissions)
- Carbon footprint
- GHG intensity of investee companies
- Exposure to companies active in the fossil fuel sector
- Share of non-renewable energy consumption and production
- Energy consumption intensity per high impact climate sector
- Activities negatively affecting biodiversity-sensitive areas
- Emissions to water
- Hazardous waste and radioactive waste ratio
- Lack of process and compliance mechanisms to monitor compliance with UNGC and OECD Guidelines
- Unadjusted gender pay gap
- Board gender diversity

The Investment Manager will also take into account other relevant indicators depending on the business activities and behaviours of a company. Where there is no sufficient data to make credible assessment, the Investment Manager will engage with companies to request disclosure and robust procedures to mitigate PAIs.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Sustainable investments align with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights by excluding companies that the Investment Manager deems in violation of UNGC and OECD Guidelines.

Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes

The Sub-Fund considers the PAIs of its investment decisions on sustainability factors by evaluating such decisions against the following indicators and thresholds:

- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (threshold 0%)
- Violation of UNGC and OECD Guidelines (threshold 0%)

The Sub-Fund considers the PAIs of its investment decisions on sustainability factors by evaluating such decisions against the following indicators:

- GHG emissions (Scope 1 GHG emissions, Scope 2 GHG emissions, Scope 3 GHG emissions and Total GHG emissions)
- Carbon footprint
- GHG intensity of investee companies
- Exposure to companies active in the fossil fuel sector
- Share of non-renewable energy consumption and production
- Energy consumption intensity per high impact climate sector
- Activities negatively affecting biodiversity-sensitive areas
- Emissions to water
- Hazardous waste and radioactive waste ratio
- Lack of process and compliance mechanisms to monitor compliance with UNGC and OECD Guidelines
- Unadjusted gender pay gap
- Board gender diversity

The Sub-Fund will in principle seek to limit its portfolio average adverse impact (weighted average adverse impact of the companies held by the Sub-Fund) as measured in each of the indicators above to be lower than that of the Index. For those companies with relatively high adverse impact on an individual company level, the Investment Manager will engage with those companies to encourage improvement. Additionally, where the reduction of adverse impacts could effectively contribute to the sustainable investment objective, the Investment Manager will focus on certain PAIs indicators from the above and engage with investee companies to encourage further improvement.

The Investment Manager has an active programme of corporate engagement whereby it will engage with investee and other companies to encourage positive change as pertains to ESG matters. The engagement process focuses not only on seeking improvements from companies but also communicating the Investment Manager's support and approval as an investor to companies that operate in desirable ways.

The impact of the Sub-Fund's investment on the above indicators will be monitored on a periodic basis. Investors should note that some of the indicators may have limited data availability.

The annual reports of the Fund will disclose how principal adverse impacts as measured in the indicators above have been considered on sustainability factors.

No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund is an actively managed portfolio that will invest primarily in Equity and Equity-Related Securities listed or traded on a Recognised Exchange in the country universe of the Index. The Investment Manager has a proprietary framework to identify sustainable investments. Within its framework, the Investment Manager categorises contribution to environmental or social objective in the following categories; i) "direct contribution", ii) "indirect contribution" and iii) "transition".

i) Direct contribution

Products and/or services offered by a company inherently contribute to one or more environmental or social objectives or a company is in the process of developing products and/or services that will contribute to one or more environmental or social objectives. In each case, contribution or potential contribution needs to be measured by quantitative or qualitative indicators.

ii) Indirect contribution

A company that does not necessarily have products or services which contribute to environmental or social objectives but is operating its business in a way that is aligned with one or more environmental or social objective. In each case, contribution needs to be measured by quantitative or qualitative indicators.

iii) Transition

A company has a credible climate transition plan which is in line with available and/or relevant sectoral pathways, technology roadmaps and/or local taxonomies. For investing in such companies, the Investment Manager will be required to assess the risk of carbon lock-in (the risk of an investment delaying or preventing the company's transition to near-zero or net-zero alternatives) and whether such company supports a "just transition" (a transition to a more sustainable economy where the benefits are shared widely and fairly, and those who get negatively affected by such transition will be supported).

In order to identify sustainable investments that meet one or more of the categories above, the Investment Manager will implement the following strategies; 1) proprietary ESG ratings, 2) exclusions, 3) SDGs assessment, 4) contribution assessment and 5) proprietary total stakeholder impact assessment.

1) Proprietary ESG ratings

The Investment Manager will assign a proprietary ESG rating for each potential issuer. In this process, the Investment Manager will utilise data from external data providers ("Data Providers"), such as MSCI ESG, ISS ESG and Sustainalytics and various third party Non-Governmental Organisations (NGOs) such as NGOs whose mission is relevant to the company in question, as well as data from other sources (such as company reports, industry reports and other third party research reports). The potential ratings range from "No Issues" to "Uninvestible". The Investment Manager will be precluded from investing in companies that are rated "Uninvestible" under any circumstances.

2) Exclusions

- Adult entertainment: Exclusion of companies that derive more than 5% of revenue from production of adult entertainment or sales of adult entertainment in retail channels.

- Alcohol: Exclusion of companies that derive more than 5% of revenue from production of alcohol or sales of alcohol in retail channels.
- Gambling: Exclusion of companies that derive more than 5% of revenue from gambling activities, or sales of gambling activities in retail channels.
- Gas: Exclusion of companies that derive more than 5% of revenue from gas extraction and production.
- Oil: Exclusion of companies that derive more than 5% of revenue from extraction, production, handling or sales of oil.
- Thermal coal: Exclusion of companies that derive more than 5% of revenue from extraction, or production of thermal coal or power generation from thermal coal.
- Tobacco: Exclusion of companies that produce tobacco, or companies for which tobacco distribution represents more than 5% of the company's revenue.
- Exclusion of companies involved with nuclear weapons.
- Conventional weapons: Exclusion of companies that produce conventional weapons or that derive more than 1% of revenue from sales of conventional weapons in retail channels.
- Controversial weapons: Exclusion of companies involved with controversial weapons, including anti-personnel mines, cluster munitions, chemical weapons, and biological weapons.
- Exclusion of companies that the Investment Manager deems to be in violation of the UNGC and OECD Guidelines.

3) SDGs assessment

The Investment Manager will screen the investment universe using a proprietary SDGs aligned screening tool, to help identify investment ideas that may contribute to the achievement of the sustainable investment objective. The proprietary SDGs assessment is the primary component of the screen and has a 50% weighting. Using data from Data Providers, the SDGs assessment is combined with an environmental score, social score and a controversy score derived from a third party research provider. A company must be in the top 40% of this screen as well as not having a materially negative impact on any of the SDGs and ultimately the investment objective to be deemed investible for the Sub-Fund.

4) Contribution assessment

In order to identify sustainable investments, the Investment Manager will focus on characteristics such as products, services, business activities and/or behaviours of investee companies (dependent on the type of company under review) and will only invest where there is quantitative and/or qualitative evidence that the company fits into one or more of the contribution categories above and is aligned with the achievement of the sustainable investment objective of the Sub-Fund. Examples of characteristics are:

- Whether products and/or services support the reduction of emissions (e.g. renewable energy technology or electric vehicles) or not.
- Whether products and/or services support lower natural capital depletion (e.g. industrial recycling operations) or not.
- The use of energy and/or greenhouse gas emissions, including any targets the company may have set and progress towards those targets.
- The sustainability of sourcing and consumption of raw materials, for example, deforestation issues and water consumption.

- Whether products and/or services support a reduction in communicable disease mortality or support a mitigation of the obesity epidemic (e.g. R&D expenditure within infectious diseases, number of patients receiving diabetes treatment) or not.
- The efforts taken by companies to ensure access to drugs and treatments, and the broader approach to pricing treatments fairly.
- The fair treatment of employees, including diversity (e.g. gender), customers (e.g. fair pricing and treatment) and suppliers (e.g. avoiding coercive sourcing practices).
- Whether products and/or services support providing solutions towards global access to basic financial services or not.
- Whether products and/or services support providing solutions towards ensuring global access to clean drinking water.
- The adherence to societal norms such as anti-bribery, anti-child or other forced labour and appropriate treatment of local communities, including within their supply chain.

5) Proprietary total stakeholder impact assessment

The Investment Manager uses a proprietary “Total Stakeholder Impact Framework” as a comprehensive tool to make a holistic assessment of the total impact on all stakeholders. The Sub-Fund applies a minimum threshold for the total impact score as assessed by the Investment Manager and investments that do not meet such threshold are not elgible for investment in the portfolio.

For 4) contribution assessment and 5) proprietary total stakeholder impact assessment above, the Investment Manager relies predominantly on company-reported data such as annual sustainability reports, and information obtained through engagement directly with the company. The Investment Manager will also use data from Data Providers as well as various third party NGOs and idiosyncratic data sources including but not limited to consumer satisfaction websites and employee review data sets.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The binding elements of the investment strategy are set out above under “What investment strategy does this financial product folllow?”

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff ad tax compliance.

The Investment Manager has set a binding obligation to make a thorough assessment of the governance practices of the investee companies (including sound management structures, employee relations, remuneration of staff and tax compliance) and votes any proxies issued by such investee companies taking into account their governance practices. The Investment Manager has a proprietary assessment process for the assessment of governance practices of investee companies. Within this assessment, the Investment Manager will utilise data from Data Providers as well as other sources (such as company publications) which focuses on four primary areas as follows:

1. Environmental, Social and Governance attitude: The Investment Manager will assess the culture and attitude of the board and management of the investee company towards fair treatment of all stakeholders of the investee company, to include the avoidance of environmental damage and conduct breaches (e.g. bribery). The Investment Manager also assesses effective governance reaction and remediation steps taken by the investee company in the face of any issues concerning such stakeholders. This assessment may include the use of data from Data Providers, in particular, to identify issues that have occurred in the past or are ongoing.
2. Skill in capital allocation: The Investment Manager will assess the track record of the management and the board of investee companies in allocating capital to high return investments that will benefit shareholders and other stakeholders in the long term. The Investment Manager believes that inappropriate capital allocation is indicative of poor corporate governance.
3. Skill in operational management: The Investment Manager will assess the track record and likely capability of the management and the board of investee companies in optimising the operations of an investee company.
4. Remuneration policy: The Investment Manager believes that the nature of the management reward policy, set by the investee company board, is likely to drive behaviour. As such, the Investment Manager will evaluate the acceptability of the remuneration structure in detail.

The Investment Manager complies with the requirements of the UK Stewardship Code, which sets out principles of effective stewardship. The Investment Manager is a signatory to the UN Principles for Responsible Investment (the "UNPRI"), since 2011.

What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

The Sub-Fund is an actively managed portfolio that will invest primarily in Equity and Equity-Related Securities listed or traded on a Recognised Exchange in the country universe of the Index.

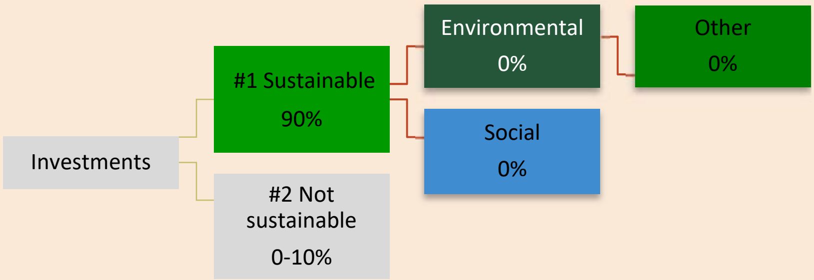
#1 Sustainable

The Investment Manager commits to invest a minimum of 90% of the Sub-Fund's assets in sustainable investments. Further details on how the Investment Manager identifies sustainable investments are described under "What investment strategy does this financial product follow?"

While the sum of sustainable investments with an environmental objective invested and sustainable investments with a social objective invested will add up to the Sub-Fund's minimum share of 90% sustainable investments, the Sub-Fund does not commit to a certain allocation between environmental and social objectives individually. Accordingly, the Sub-Fund does not commit to any minimum share of investments with an environmental objective or any minimum share of investments with a social objective.

#2 Not sustainable

The remaining 0% to 10% of investments will be in investments which are used for the purposes of hedging and cash held as ancillary liquidity.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

- ***How does the use of derivatives attain the sustainable investment objective?***

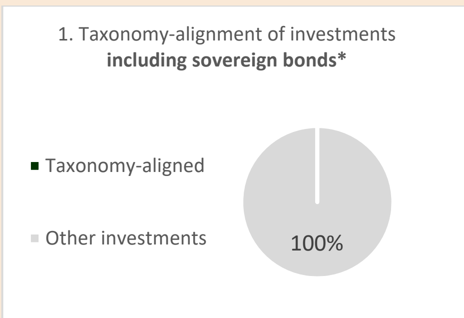
Whilst the Sub-Fund may use derivatives as part of its investment strategy for efficient portfolio management and/or hedging purposes, the use of derivatives is not with a view to attaining the sustainable investment objective of the Sub-Fund.

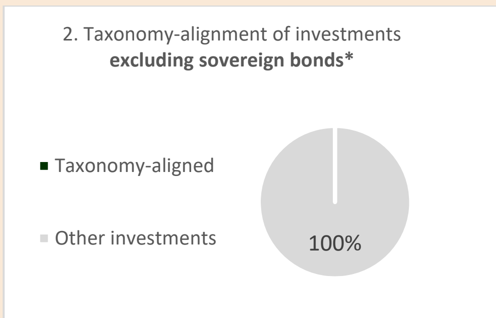
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

As at the date hereof, it is expected that the minimum proportion of investments of the Sub-Fund in environmentally sustainable economic activities aligned with the EU Taxonomy (including in transitional and enabling activities) shall be 0% of the net assets of the Sub-Fund. This is because the Sub-Fund currently does not use the EU Taxonomy classification system in determining whether economic activities contribute to an environmental objective or not.

The Sub-Fund will invest in economic activities that do not qualify as environmentally sustainable economic activities within the meaning of the EU Taxonomy. Further rationale for such investment is set out below.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

The minimum share of investments in transitional and enabling activities is 0%.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

While the sum of sustainable investments with an environmental objective invested and sustainable investments with a social objective invested will add up to the Sub-Fund's minimum share of 90% sustainable investments, the Sub-Fund does not commit to any minimum share of sustainable investments with an environmental objective. Accordingly, the minimum share of sustainable investments with an environmental objective is 0%. In addition, the Sub-Fund currently does not use the EU Taxonomy classification system in determining whether economic activities contribute to an environmental objective or not. Therefore, the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 0%.

The Sub-Fund does not commit to a certain allocation between environmental and social objectives individually, and instead seeks to invest in sustainable investments that contribute to environmental and social objectives based on investment and/or contribution opportunities.

What is the minimum share of sustainable investments with a social objective?

While the sum of sustainable investments with an environmental objective invested and sustainable investments with a social objective invested will add up to the Sub-Fund's minimum share of 90% sustainable investments, the Sub-Fund does not commit to any minimum share of sustainable investments with a social objective. Accordingly, the minimum share of sustainable investments with a social objective is 0%.

The Sub-Fund does not commit to a certain allocation between environmental and social objectives individually, and instead seeks to invest in sustainable investments that contribute to environmental and social objectives based on investment and/or contribution opportunities.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The "#2 Not sustainable" investments made by the Sub-Fund include instruments which are used for the purposes of hedging and cash held as ancillary liquidity and they do not follow any minimum environmental or social safeguards. The proportion and use of such "#2 Not sustainable" investments does not affect the delivery of the sustainable investment objective on a continous basis due to the limited use and the nature of those instruments.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable.

- ***How does the designated index differ from a relevant broad market index*?**

  Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://www.nomura-asset.co.uk/fund-documents/

The Investment Manager publishes a quarterly Responsible Investment Report detailing all ESG research and engagement activity carried over the period. These reports will be published on the Investment Manager's website: https://www.nomura-asset.co.uk/responsible-investment/.