RESPONSIBLE INVESTMENT POLICY

JUPITER FUND MANAGEMENT PLC

January 2024

Summary

This policy applies to all Jupiter Fund Management Plc's regulated subsidiaries.

Jupiter Fund Management (Jupiter) is a specialist, high-conviction, active asset manager committed to helping our clients achieve their long-term investment objectives. At Jupiter, we believe that responsible investment is not only a societal responsibility, but also an important element of long-term value creation.

Our approach to responsible investment means that we consider material ESG issues for every investment strategy, identifying extra-financial information to enable our investment teams to make better-informed investment decisions. Jupiter's investment teams are independent from each other and are not subject to a 'house view'. Consideration of material ESG issues is integrated into both investment analysis and decision-making. The form this integration takes is tailored according to each team's asset class, management style, investment process, and the information available to us.

We recognise that systemic issues such as climate change and the gradual depletion of natural resources pose significant risks to the economy, society and the environment, but also offer many opportunities for innovation and adaptation. We provide details of the ESG issues we have identified as most material to our investments in this policy.

We expect our investee companies to manage their material ESG risks and opportunities effectively, acknowledge the challenges and opportunities posed by sustainability issues, and to adopt a proactive and strategic approach to address them. We recognise that companies operate in distinct regulatory environments according to local jurisdictional norms, among many other factors. We believe such differences, including resource availability, create both risks and opportunities from an investment perspective for Jupiter's funds so long as they remain within their investment restrictions.

Within our fundamental investment strategies, we engage with companies we invest in, or consider investing in, to communicate our expectations, to encourage best practices, to influence their strategies and to monitor their progress. We use our voting rights as shareholders and bondholders to support our engagement activities and to hold companies accountable.

Process and responsibilities

Our investment teams analyse material ESG issues identified by their investment processes, which includes the use of our centralised specialist resources, to ensure that we protect and enhance the value of our client's investments to deliver risk-adjusted returns in line with mandates. The investment management teams are supported by dedicated stewardship and ESG research and integration (R&I) teams that assist with asset monitoring, company research, and proxy voting as well as direct and collaborative engagement.

In Jupiter's Sustainability Policy, we identify material sustainability issues relevant to Jupiter's corporate and investment footprints. The Responsible Investment Policy describes how we approach these issues as an active investor.

ESG Materiality Assessment

Jupiter takes a materiality approach to integrating ESG into our investment processes. ESG integration enables us to develop a view of the material risks and opportunities a company or asset is exposed to; many of which may evolve dynamically and seeks to understand how these may develop through time. These insights are then incorporated into valuation and investment decisions to the extent that investment restrictions permit. The key ESG factors that we may consider are listed below.

Environmental

Climate

We support the Task Force on Climate-Related Financial Disclosures (TCFD) and encourage companies to provide (as Jupiter does) accurate and timely disclosure in line with the four thematic pillars of the TCFD framework. Our investment teams consider climate risk through the analysis of companies' TCFD disclosure or climate risk reporting. At a strategy level, our investment teams may also consider the alignment of assets in their portfolios with the goal of net zero emissions by 2050, using the methodologies including the Net Zero Investment Framework, and the Science Based Targets initiative. Where relevant, we may use third-party carbon data and tools such as scenario analysis and transition pathways to assess how portfolio companies are managing climate risk, recognising that these tools are still at an early stage of development.

Limiting global temperature rises to 1.5 degrees above preindustrial levels, in line with the Paris Agreement, is an urgent challenge facing the global economy. We use our influence as an investor through stewardship and active ownership to encourage companies to identify, manage and mitigate climate change risks or opportunities. We believe that the scale of climate change will impact all sectors, industries, and asset classes and we acknowledge the positive role that investors can play in tackling it through our investment decisions and capital allocation.

Our approach is centred on increasing the alignment of our portfolio companies with net zero over time, using engagement to understand a company's readiness to implement climate-related changes, track progress against goals, and demonstrate impact over time.

We expect that the transition to a more sustainable economy will not be linear nor risk-free, and that both policy actions and inactions will influence both the pace of the transition and how asset prices respond. We monitor regulatory and political developments at the global, regional and national levels, and assess their potential impacts on our portfolios.

Biodiversity

Biodiversity underpins healthy societies, resilient economies, and the ability of companies to operate. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) has indicated that 75% of the land-based environment and approximately 66% of the marine environment have been altered significantly by human actions[1], which indicates value destruction on an extraordinary scale. Financial institutions and investors have a role to play in helping to prevent further biodiversity loss and restoring nature to ensure ecosystem resilience.

We consider material biodiversity impacts in our ESG analysis of companies. When we engage with investee companies on biodiversity issues we seek to promote changes where we believe their practices are unsustainable. The goal of the engagement is to achieve change, seek to reverse biodiversity loss where it occurs, while preserving and enhancing the value of our client's assets.

We signed the Finance for Biodiversity Pledge[2] which commits us to collaborating, engaging, and assessing our biodiversity impact, in addition to setting targets and reporting on biodiversity by 2025.

Social

Human Rights

Human rights are basic rights or freedoms to which all human beings are inherently entitled. We recognise the importance of companies respecting and protecting human rights. Companies with poor management of human rights can face a range of issues including fines, workforce issues and supply chain challenges, which may affect their licence to operate. We monitor potential human rights issues affecting our investee companies using third party data providers.

Human Capital

Good human capital management supports both value creation and business resilience, and we believe that investing in human capital correlates with longer-term business success. Human capital management can both upskill and educate a workforce, increase productivity, and retain and motivate employees which has a direct impact both on an individual company and on wider society.

Promoting diversity, equity and inclusion (DE&I) enables companies to attract talent from a wider talent pool. It also contributes to better decision-making, performance, innovation, and employee satisfaction and retention. We understand that approaches to human capital management, including DE&I will differ, and as an active owner we seek to understand an investee company's operating model and we engage to understand and challenge on areas for potential improvements.

Health and safety

Companies have a duty to protect workers and members of the public when conducting potentially hazardous activities. Occupational health and safety is also a useful metric that can reflect good workforce practices and a strong operational culture. Where a company fails to meet health and safety standards, we may engage and encourage the company to improve its practices and to disclose health and safety indicators. This includes consideration of both directly employed staff and contracted staff.

Corporate Governance

Corporate governance is the process by which companies are directed and controlled. Boards of directors are responsible for the governance of companies.

As active owners, we assess company governance on a range of issues. Good corporate governance is key to the success of a company's strategy and culture. Governance also intersects with sustainability issues, and we seek to understand how a company's governance is interconnected to the oversight, transparency, and effectiveness of its sustainability goals. As active owners, we recognise that good practice will differ depending on a company's jurisdiction, size, and ownership structure. These issues may include but are not limited to:

- **Boards and executive leadership:** We build understanding of the quality of leadership teams and boards through assessment of i) board and committee composition, including skills and external time commitments, and independence, ii) board and executive tenure and succession planning, iii) DE&I oversight and actions at board level and throughout an enterprise, iv) oversight and management of corporate culture.
- **Remuneration:** Management incentivisation structures should be aligned with shareholder interests. We consider the performance metrics governing short and long-term incentivisation, as well as the overall quantum, when assessing remuneration packages. We seek to understand how remuneration structures encourage correct behaviours and do not create any perverse incentives, short-term actions, or rewards for failure. We expect companies to provide information on how management compensation decisions are linked to the wider employee and sustainability agenda.
- **Protection of minority shareholder rights and related party transactions:** As global investors we recognise and respect local market practice that may result in differing governance arrangements and levels of shareholder rights. However, where possible we expect companies to comply with the above principles surrounding director independence/alignment and transparency of pay structures, or to explain why these principles do not apply. Within fundamental investment strategies, we will escalate engagement where we believe that the rights of minority shareholders have been compromised. This engagement may be direct or collaborative and extend to regulators and listing authorities. It may also lead to public statements outlining our concerns.
- **Bondholder rights:** We assess the degree of protection afforded to us as bondholders when considering potential fixed income investments. We also look to uphold the rights of our clients in situations such as restructurings and consent solicitations.

- **Systemic risks:** The environment in which companies operate continues to change rapidly and we consider where businesses are exposed to wider systemic risks, including through the assessment of global standards, such as the UN Global Compact.
- **Conduct, litigation and relations with policy makers and regulators:** Poor relations with regulators can severely hamper corporate success and result in value destruction for investors. We seek to understand how management teams engage with regulators and board oversight of regulatory matters. We also seek to understand how a company guards against malpractice.
- **Corporate culture:** We may engage with boards to understand how corporate culture is being led, developed, and monitored and to highlight strengths and areas for development. Where relevant, we seek to understand how management is advancing culture and where and how culture challenges emerge (e.g., expansion into new territories, M&A).
- **Audit and control environment:** We consider quality and independence of auditors to be important in the context of overall governance. We may escalate engagement with Audit Committee chairs where we believe that audit standards are not in line with our expectations.

Proxy Voting

Exercising our shareholder voice through active proxy voting is central to our stewardship approach to represent client interests, hold boards to account, and support investee companies. Jupiter's Proxy Voting Policy sets out our proxy voting approach and guidelines in more detail.

Engagement

Engagement is central to our active ownership approach within our fundamental investment strategies. It advances our responsible investment goals, builds lasting relationships with companies, and provides our investment teams with greater investment insight. Our investment teams maintain a dialogue with companies to inform their investment decisions and carry out strategic engagement, based on ESG materiality. To be effective, engagement must be focused and have well-defined targets, objectives, and outcomes. We do not believe that volume of engagement is a reliable indicator of successful active ownership.

- **Investment-led:** Investment managers are responsible for capital allocation decisions and lead engagement, supported by the stewardship and R&I teams.
- **Monitoring/escalation:** We regularly engage with companies to monitor material ESG issues that will impact the long-term success of an investment. Engagement should be proactive as reactive engagement may not achieve good outcomes for investors. We also use proactive dialogue to discuss our expectations around material ESG issues.
- **Misalignment:** Concerns may arise with investee companies because of a misalignment with shareholder interests or negative impacts for stakeholders. Where appropriate, we will use engagement with company management and boards of directors as an escalation tool to resolve such situations.
- **Time horizon:** Many material ESG issues are complex and interconnected, and outcomes take time. We are committed to long-term engagement goals, however to protect client interests we reserve the right to exit an investment if we conclude that progress is insufficient or does not meet our strategic objectives.
- **Direct and collaborative engagement:** Our primary tool is direct engagement with companies. We also undertake collective engagement where such action aligns with our own objectives. Collective engagement enables us to leverage our influence and is particularly useful when considering systemic risks such as climate and biodiversity. In addition to working with other shareholders, collective engagement can be extended to investor bodies, NGOs, charities, and trade organisations.

- **Regulatory, industry and policy engagement:** We engage with industry bodies, policymakers and regulators where appropriate and we believe there is an opportunity to contribute to the agenda while representing client interests.

Data Science and third-party data resource

Our proprietary desktop tool, known as ESG Hub, allows the investment teams to apply multi-factor ESG screening to their investment universe and to build custom reports. We use third-party data sources as an input into ESG Hub. We continue to evolve and develop ESG Hub as the quality, consistency and accuracy of ESG data and analysis improves.

The data science team also works with third-party ESG data providers to challenge and provide constructive feedback to enhance the quality and integrity of the ESG data sets we use.

Investment exclusions

Jupiter is aligned with the aims of the international conventions on cluster munitions and anti-personnel mines[3]. We operate an exclusion policy towards companies involved in the production of these weapons. Jupiter's Anti-Money Laundering and Counter-Terrorist Financing Policies may also include restrictions on investments with cannabis product involvement and financial sanctions imposed by various regimes, these include but are not limited to the UN, UK, EU and US.

Investment managers may also apply fund-specific exclusions in line with strategy requirements and client mandates. Such disclosures, if applicable, are made in the fund prospectus. Ongoing monitoring occurs through our investment and risk processes to ensure compliance with any stated exclusions.

Sustainability governance

We have created an internal governance structure to provide accountability for sustainability and ESG. The structure also acts to improve information flows across the business.

The Investment Oversight Committee (IOC) reports to the boards of Jupiter Asset Management Ltd and Jupiter Investment Management Ltd, the Group's regulated investment management entities. The IOC has within its remit, accountability for stewardship and active ownership across the investment teams.

We have established the Responsible Investment Forum (RIF) which reports into the IOC and sits alongside the Investment Review Forum (IRF). The RIF, when requested, reviews and opines upon the eligibility of specific investments for mandates which operate restrictions based on frameworks such as the UN Global Compact or controversial business activities. In addition, the RIF will review the use of future proprietary ESG frameworks and methodologies, as applicable to our investment processes to ensure they are fit for purpose.

The IRF, which also reports into IOC, has a broader remit focusing on investment performance and risk management. Within the context of ESG and sustainability, the IRF reviews ESG risk, net zero commitments, UNGC violations as well as monitoring voting and company engagement activities across investment strategies. If required matters are escalated to, and overseen by, relevant Boards and Committees within the Group's governance structure.

Conflicts of Interest

Jupiter recognises the importance of managing potential conflicts of interest and our published Group Conflicts of Interest Policy ensures conflicts of interests, including those between group entities, are appropriately managed.

Conflicts of interest may arise when clients are also companies in which our funds invest. In these circumstances, potential conflicts are discussed with the relevant fund managers and the asset class heads. In addition, there is close engagement with the investee company, including where the issue may relate to a voting matter. In this instance we vote in the best interest of clients, in line with our consumer duty obligation to deliver good customer outcomes. Where applicable, we obtain advance approval from the client prior to voting.

The following considerations are made to ensure we best mitigate conflicts of interest surrounding proxy voting:

- Our funds may not invest in the shares of Jupiter Fund Management PLC
- Where we manage money for a corporate pension scheme and also holds equities in that company across our portfolios, our stewardship team will formulate a voting recommendation based on a best practice evaluation, which will then be approved by the Investment Oversight Committee for additional assurance
- Where we manage a segregated mandate that is part invested in a Jupiter-run listed vehicle, the proxy voting ballot will be transferred to the client rather than being voted by Jupiter employees

Where a Jupiter managed fund invests in a Jupiter-run listed vehicle, the ballot will be reviewed by the stewardship team with reference to this policy and best practice provisions and a voting outcome will be resolved with a recommendation to the Non-Executive Directors of the fund board who will exercise the voting rights as they deem appropriate.

Please see Jupiter's Proxy Voting Policy for further information on how potential conflicts are managed within our voting process.

Stock lending

Jupiter does not engage directly in stock lending. However, our clients are free to enter into such agreements in accordance with their own policies, including the decision to recall stock. These decisions are taken independently of Jupiter.

Political affiliations

Jupiter is an apolitical organisation. We do not endorse or support any political party or candidate. We may from time to time communicate views to policy makers where we believe our input may help formulate a supportive policy environment on sustainability matters. Such engagement may take place via direct engagement or collective statements by industry bodies.

Scope of Policy and Review

This policy relates to all asset classes across Jupiter's Investment universe.

This policy will be reviewed at least annually and approved by the Investment Oversight Committee.

References:

1. *Media Release: Nature's Dangerous Decline 'Unprecedented'; Species Extinction Rates 'Accelerating' | IPBES secretariat.*
2. *Finance for Biodiversity Pledge.*
3. *The 1997 Ottawa Convention (Anti-Personnel Mine Ban Treaty) and the 2008 Convention on Cluster Munitions (CCM)*