




# ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT

Coal LSL is committed to considering environmental, social and governance (ESG) risks and opportunities in its selection and performance monitoring of investment managers and advisers. The investment managers and advisers are expected to do the same where possible and, where not possible, advise Coal LSL as to why.

Coal LSL invests in pooled investment trusts. It is therefore acknowledged that explicit mitigation of specific ESG risks is difficult. It is also likely that approaches and outcomes may differ across the different investment trusts in which Coal LSL is invested.

Coal LSL's focus cluster around the broad categories is identified below, but the areas of perceived risks and opportunities will evolve over time. Coal LSL will aim to work with its service providers to manage such risks and capture opportunities on an active basis.

| <br><b>ENVIRONMENTAL</b> | <br><b>SOCIAL</b> | <br><b>GOVERNANCE</b> |
|---|--|--|
| Climate change  | Human rights – modern slavery  | Gender pay gap   |
| Resource scarcity and efficiency  | Labour standards   | Bribery and corruption   |
| Waste and pollution   | Population growth and demographics   | Political lobbying and donations   |
| Deforestation and biodiversity  | Supply chain management  | Organisational diversity and structure   |
| Food security and sustainable agriculture   | Health and safety  | Taxation practices   |
| Energy security   | Stakeholder engagement and communities   | Cyber security   |

**All of Coal LSL's investment managers are signatories to the Principles for Responsible Investment (PRI), which means they will adhere to:**

**PRINCIPLE 1**

We will incorporate ESG issues into investment analysis and decision-making processes.

**PRINCIPLE 2**

We will be active owners and incorporate ESG issues into our ownership policies and practices.

**PRINCIPLE 3**

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

**PRINCIPLE 4**

We will promote acceptance and implementation of the Principles within the investment industry.

**PRINCIPLE 5**

We will work together to enhance our effectiveness in implementing the Principles.

**PRINCIPLE 6**

We will each report on our activities and progress towards implementing the Principles.