

# Thornbridge Nissay Japan Contrarian Value Equity Fund

## Summary

This disclosure is made by Thornbridge Investment Management LLP (the “Investment Manager”) on behalf of the Thornbridge Nissay Japan Contrarian Value Equity Fund (the “Fund”) –a sub-fund of Harrington Cooper UCITS Funds ICAV Plc - pursuant to Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“SFDR”).

The Fund promotes the following environmental and social characteristics through the application of its investment strategy:

- Diverse board composition
- Response to climate change

The initial stage of the research process involves a SWOT analysis and intensive research into multiple ESG factors for each target investment. Both financial and non-financial information is assessed and considered by the analyst team in modelling long term corporate value scenarios.

## Does this Fund have a sustainable investment objective?

No, this financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

## What environmental or social characteristic does the Fund promote?

The Fund seeks to invest in companies within the Japanese equity universe that promote the following characteristics:

- In order to measure the social characteristic of diverse board composition promoted by the Fund, the Investment Advisor will periodically review the number of female director(s) appointed to the board of directors of each investee company. Those numbers are compared on an individual stock basis, rather than on a portfolio-aggregate basis, and such comparisons can be disclosed as an indication of improvements in the investee companies over time. The Investment Advisor engages with diversity-poor target companies for improvement, primarily through purposeful constructive dialogue and proxy voting.
- In order to measure the environmental characteristic of response to climate change promoted by the Fund, the Investment Advisor will use an external scoring framework, such as CDP’s global environmental disclosure system. CDP scoring is performed annually through its independent and transparent methodologies. In addition, the Investment Advisor engages with investee companies and encourages them towards taking an effective approach over environmental challenges, such as reduction of carbon intensity and carbon transition risk. Scores are compared on an individual stock basis, rather than on a portfolio-aggregate basis, and such comparisons can be disclosed as an indication of improvements in the investee companies over time. In addition, exclusions are applied by the Fund (as described below) to further promote this environmental characteristic.

## What indicators are used to measure the attainment of these characteristics?

- From the outset, the Investment Advisor is supported by an internal broad analyst team which includes a number of dedicated ESG specialists. The initial stage of the research process involves a SWOT analysis and intensive research into multiple ESG factors for each target investment. Examples of ESG factors considered by the Investment Advisor are:

<b>Environmental Issues</b>	<b>Social Issue</b>	<b>Corporate Governances Issues</b>
<i>Response to climate change</i>	<i>Workplace safety</i>	<i>Business model</i>
<i>Waste &amp; Hazardous Materials Management</i>	<i>Working conditions</i>	<i>Risk management capabilities</i>
<i>Water pollution</i>	<i>Employee health</i>	<i>Capital policy</i>
<i>Material Sourcing &amp; Efficiency/ management</i>	<i>Social value creation</i>	<i>Corporate vision</i>
<i>Biodiversity / habitat protection</i>	<i>Child labour ban</i>	<i>Governance structure</i>

- Both financial and non-financial information is assessed and considered by the analyst team in modelling long term corporate value scenarios. The list of ESG factors considered by the Investment Advisor for each investment will differ according to the sector, industry and business activity the issuer is engaged in.

- The Investment Manager uses third party data and market standard risk management tools to support its considerations of the stock recommendations put forward by the Investment Advisor when choosing stocks for the Fund. The Investment Manager also uses data obtained from third party data providers to monitor the exclusions applicable to the Fund's portfolio, as outlined in the next section. This monitoring is conducted on an ongoing basis and adjustments are made to the Fund's portfolio as the Investment Manager deems appropriate.

## Description of the investment strategy of the Fund

The Fund seeks to invest up to 100% of its Net Asset Value in a diversified portfolio of equity and equity related securities (common stocks, stapled securities, preferred stocks and American, European or Global Depositary Receipts) of Japanese companies. The Fund will invest at least 80% of its Net Asset Value in these securities and may invest the remaining 20% of its Net Asset Value in ancillary liquid assets. When deemed appropriate by the Investment Manager, the Fund may invest in money market instruments such as certificates of deposits and commercial paper, cash and near-cash instruments which may comprise fixed term deposits, fixed and floating rate instruments including but not limited to banker acceptances, debentures, and money market funds which may be acquired for ancillary liquid asset purposes.

### Negative Screening Process

The Investment Advisor assigns a target company with an ESG rating as described above. In circumstances where the analysts determine that a company's ESG practices significantly detract from the corporate value, the Investment Advisor assigns an ESG rating of 4 and the relevant company is not included in the Investment Advisor's list of recommendations to the Investment Manager.

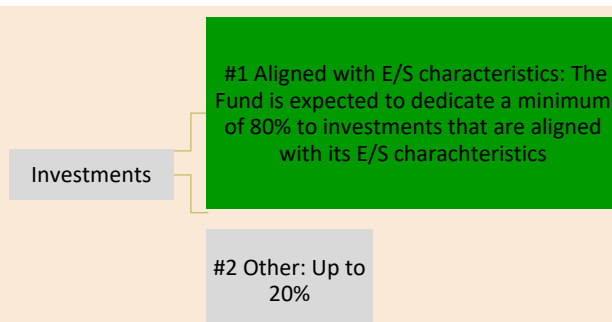
The Investment Advisor applies exclusions to the list of stocks that it recommends to the Investment Manager including companies involved in the manufacture of biological weapons, chemical weapons, anti-personnel mines and cluster munitions, which are considered to be of great humanitarian concern and whose manufacture is banned under international treaties ratified by Japan.

### Positive Inclusion Process

The Investment Advisor assigns a target company with an ESG rating as described above. A target company to which the Investment Advisor assigns an ESG rating of 1 or 2 is considered to have low-neutral Sustainability Risk where the Investment Advisor has a high degree of confidence in business sustainability of such company, which enables a stronger projection in the long-term earnings forecast. A target company to which the Investment Advisor assigns an ESG rating of 3 is considered to have high Sustainability Risk where the Investment Advisor is concerned about business sustainability, resulting in weak earnings forecasts.

Prior to recommending stocks to the Investment Manager, the Investment Advisor's analyst team also assesses the governance practices of issuers through direct and active engagement with the issuer on ESG issues (with the aim of driving improvements at both the company and industry level) and by conducting analysis on the relevant issuer in order to satisfy itself that the relevant issuers follow good governance practices, in particular with respect to sound management structures, employee relations, stakeholder relations, remuneration of staff and tax compliance.

### Portion of the Investments



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

## Description of how the Environmental or Social characteristics are monitored

In order to measure the social characteristic of diverse board composition promoted by the Fund, the Investment Advisor will periodically review the number of female director(s) appointed to the board of directors of each investee company. Those numbers are compared on an individual stock basis, rather than on a portfolio-aggregate basis, and such comparisons can be disclosed as an indication of improvements in the investee companies over time. The Investment Advisor engages with diversity-poor target companies for improvement, primarily through purposeful constructive dialogue and proxy voting.

In order to measure the environmental characteristic of response to climate change promoted by the Fund, the Investment Advisor will use an external scoring framework, such as CDP's global environmental disclosure system. CDP scoring is performed annually through its independent and transparent methodologies. In addition, the Investment Advisor engages with investee companies and encourages them towards taking an effective approach over environmental challenges, such as reduction of carbon intensity and carbon transition risk. Scores are compared on an individual stock basis, rather than on a portfolio-aggregate basis, and such comparisons can be disclosed as an indication of improvements in the investee companies over time. In addition, exclusions are applied by the Fund (as described below) to further promote this environmental characteristic

## Description of data sources and how they are used

As part of this research process, the Investment Advisor assigns a target company with an ESG rating as the basis for a long term earnings forecast of the relevant company. When determining a stock's overall ESG rating, the Investment Advisor considers how well the company incorporates ESG factors into its business and how this enhances its long-term corporate value. The ESG evaluation carried out by the Investment Advisor aims to recognise the ESG factors that affect a company's corporate value and to identify its corporate sustainability.

The Investment Manager also uses data obtained from third party data providers to monitor the exclusions applicable to the Fund's portfolio, as outlined in the next section. This monitoring is conducted on an ongoing basis and adjustments are made to the Fund's portfolio as the Investment Manager deems appropriate.

## Description of the limitations of the methodology and data

Limitations of the methodology and data are a result of, but are not limited to:

- (i) the quality and accuracy of the information available;
- (ii) the timeliness of dissemination of information (especially for companies that have recently undergone an initial public offering);
- (iii) differing levels of acceptance and adherence of ESG standards globally;
- (iv) transparency levels of the companies reporting;
- (v) consistency and standardisation of policies, measurements and targets;
- (vi) third party data and research providers' ability to identify the correct information and standardise their approach across investment universes;
- (vii) the size and maturity of companies;
- (viii) companies' understanding of third-party data providers' requirements and methodologies; and
- (ix) keeping pace of the rapidly evolving regulatory and reporting requirements on a country-by-country basis.

These limitations contribute to making direct comparisons on an absolute basis challenging.

## Due diligence:

The Investment Advisor's analyst team also assesses the governance practices of issuers through direct and active engagement with the issuer on ESG issues (with the aim of driving improvements at both the company and industry level) and by conducting analysis on the relevant issuer in order to satisfy itself that the relevant issuers follow good governance practices, in particular with respect to sound management structures, employee relations, stakeholder relations, remuneration of staff and tax compliance.

## Does the Fund use an external benchmark to measure the achievement of its sustainability characteristics?

No, the Fund does not use a reference benchmark for the purpose of measuring the achievement of its characteristics.