

PENGANA INTERNATIONAL EQUITIES LIMITED

RESPONSIBLE INVESTMENT POLICY

INTRODUCTION AND PURPOSE

Pengana Investment Management Limited ACN 063 081 612 (“PIML”) is a fully owned subsidiary of Pengana Capital Group Limited (“PCG” or “Pengana”), an ASX-listed investment management company, and Investment Manager of Pengana International Equities Limited (“PIA”, ASX: PIA).

PIML has appointed New Jersey-based Harding Loevner LP (“Harding Loevner”) as the investment team for PIA.

This Policy outlines the approach to responsible investment for Pengana International Equities Limited and should be read in conjunction with the following:

- How Harding Loevner Invests Responsibly (Harding Loevner Environmental, Social, and Governance policy)
- Harding Loevner Engagement Policy

SCOPE

This Policy applies to PIA and is subject to local laws and regulations in applicable foreign jurisdictions.

Local laws and regulations may be stricter than the practices set out in this Policy and may impose additional limitations or requirements on a local business unit. Where local requirements are more stringent than those set out in this Policy, the local legislation will prevail.

RESPONSIBLE INVESTMENT PROCESS

The Investment Manager has adopted a Responsible Investment and Environmental, Social and Governance (“ESG”) policy, implemented by the Investment Team with oversight by Pengana.

The Investment Manager is committed to responsible investing and seeks to avoid investing in businesses that are, in its opinion, currently involved in activities that are unnecessarily harmful to people, animals or the environment.

PIA does not invest in producers of tobacco, manufacturers of nicotine alternatives and tobacco-based products, or companies involved in the development and production of controversial or nuclear weapons.

Utilising a monitoring service provided by Sustainalytics, the Investment Manager monitors the portfolio for negative screen compliance, portfolio ESG risk, consideration of new and ongoing controversies, review of voting records and engagement and monitoring the sustainability and carbon risk of the portfolios against peers and appropriate benchmarks.

NEGATIVE SCREENS

The Investment Manager seeks to avoid investing in businesses that are, in its opinion, currently involved in activities that are unnecessarily harmful to people, animals or the environment.

The Investment Manager utilises a negative screening process which seeks to avoid investment in companies that derive significant operating revenues from direct and material business involvement in these sectors.

Screened activities	Pengana International Equities Limited
Adult content	5% or more revenue from the production of adult content 15% or more aggregate revenue from the production, distribution and retail of adult content
Alcohol	5% or more revenue from the production of alcohol 15% or more aggregate revenue from the production, distribution and retail of alcohol
Non-medical, non-regulatory animal testing	Excludes companies involved in animal testing for non-medical products where there is no legal requirement
Fossil fuels (GICS 101020)	Nil investment in companies with the global industry classification standard (GICS) 101020 "Oil, Gas and Consumable Fuels" 15% or more aggregate revenue from Thermal Coal, Conventional Oil & Gas Febeffin, Unconventional Oil & Gas Febeffin
Gambling	5% or more revenue from ownership of operation of gambling-related business activities 15% or more aggregate revenue from gambling-related business activities
Genetically modified organisms (agriculture)	5% or more revenue from the development or growth of Genetic Engineering - agriculture 15% or more aggregate revenue from the consumption, use or retail of Genetic Engineering - agriculture
Human rights abuses and exploitation	Serious or systematic controversies relating to human rights violations
Mining (GICS 151040)	Companies with the global industry classification standard (GICS) 151040 "Metals and Mining"
Nuclear	5% or more of revenue classified as Nuclear Power Supplier 15% or more aggregate revenue from nuclear power related activities
Severe Impact on Ecosystems	Companies with Severe and Very Severe Operational Impacts on Ecosystems Controversies
Securities from issuers on UN sanctions list	
Tobacco	Nil revenue from growers, producers or licensors of tobacco products, nicotine alternatives and tobacco-based products 15% or more aggregate revenue from the distribution and retail of tobacco products, nicotine alternatives and tobacco-based products
Weapons	Nil revenue from the manufacture, development and/or production of controversial weapons (being biological and chemical weapons, depleted uranium ammunition/armour, anti-personnel mines or cluster munitions/submunitions and their key components). Nil revenue from the development, production and maintenance of nuclear weapons. 15% or more aggregate revenue from the production, distribution and retail of firearms and ammunitions.

REVIEW AND ASSESSMENT

This Policy is reviewed and updated from time to time to ensure that it remains relevant, current and compliant with all applicable laws, and guidance notes.

DATED: JULY 2023