

**GMO Netherlands B.V. (the “GMO Netherlands”) information in relation to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “SFDR”)**

**Definitions:**

“**Sustainability Factors**” mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters;

“**Sustainability Risk**” means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;

**1. Transparency of Sustainability Risks**

GMO Netherlands provides investment advice only in relation to pooled investment vehicles offered by Grantham, Mayo, Van Otterloo & Co. LLC and its affiliates (“GMO”). GMO Funds plc, GMO Investment Management Company (Ireland) Limited and Grantham, Mayo, Van Otterloo & Co. LLC integrate relevant Sustainability Risks in their investment decision making processes as described in the Framework adopted by those entities in relation to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “GMO SFDR Framework”). A copy of the GMO SFDR Framework is available at [www.gmo.com](http://www.gmo.com)

GMO Netherlands integrates Sustainability Risks in its investment advice through consideration of its clients’ needs in light of the integration or otherwise of Sustainability Risks within the pooled investment vehicles offered by GMO. In addition, GMO Netherlands participates, where relevant, in the organisational, risk management and governance processes set out in Section 3 of the GMO SFDR Framework.

**2. Transparency of Adverse Sustainability Impacts**

GMO Netherlands does not consider the adverse impacts of investment decisions on Sustainability Factors in its investment advice. It does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of “principal adverse impacts” and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. GMO Netherlands’ position on this matter will be reviewed at least annually.

**3. Transparency of Remuneration Policies in Relation to the Integration of Sustainability Risks**

GMO Netherlands has a remuneration policy (the “Remuneration Policy”) in place which applies the remuneration rules of the Dutch Financial Supervision Act (Wet op het financieel toezicht, “DFSA”) to the business of GMO Netherlands. The aim of the Remuneration Policy is to ensure that GMO Netherlands has a controlled remuneration policy and practice, which are consistent with, and promote, effective risk management and do not expose GMO Netherlands or its clients to excessive risk.

The Remuneration Policy is consistent with the integration of Sustainability Risks. In accordance with the Remuneration Policy, variable remuneration of each GMO Netherlands employee is based on criteria that include, amongst others, how the individual employee demonstrated:

- that they acted in the best interest of GMO Netherlands, including compliance with GMO Netherlands policies;
- their commitment to GMO Netherlands; and
- their focus on GMO Netherlands’ directions and goals

These criteria encompass relevant organisational, risk management and governance policies and processes of GMO NL and GMO, which may integrate relevant Sustainability Risks.