

INDOS Environmental, Social, Governance (“ESG”) Services

INTRODUCTION

Environmental, Social, Governance (“ESG”) issues and associated risks are now key considerations within the financial services sector. As climate change, social/corporate accountability and responsible governance assume increasing importance within the economic and political debate, there is increasing demand from investors and regulators for asset managers and asset owners to embrace and develop their own ESG initiatives. This demand is, in turn, helping to channel more investment capital into sustainable investments, which creates challenges as well as opportunities for asset managers.

INDOS ESG SERVICES

With increasing importance being placed on ESG accountability and transparency, asset managers need to demonstrate to investors and other stakeholders how they embrace and apply ESG within their business and investment process. Through our parent company, JTC, we offer three key services which enable asset managers to implement ESG within their business, providing transparency and assurance to their investors and other stakeholders. These are ESG Consultancy Services, ESG Assurance Services and ESG Transparency Reporting, which are detailed in this brochure.

ESG CONSULTANCY SERVICES

We offer a range of ESG consultancy services to asset managers, spanning the preparation of ESG policies, provision of ESG training and enabling firms to become carbon neutral.

ESG Policies

Having clear ESG policies within an organisation is increasingly viewed by investors and other stakeholders as a 'must have' requirement. We work with managers to articulate and document their approach to ESG at both the manager and investment fund level.

Policies are tailored to a firm's operational practices and will address common investor requirements as well as industry best practice and relevant regulations. A typical policy will cover the following key areas:

- Purpose & Scope
- Legal & Regulatory Considerations
- Responsibilities
- Implementation
- Engagement
- Reporting & Review

ESG Training

Firms often need to raise awareness of ESG within the organisation, and training is viewed favourably by investors and employees alike. We provide two types of ESG training depending on your specific requirements.

- **General ESG Training**
This training explores the key principles of responsible investment, explains key ESG definitions and highlights some common approaches to ESG, as well as practical ideas for implementation. This training is best suited to firms seeking to ensure there is a common, basic understanding of ESG across the business.
- **Bespoke ESG Training**
Bespoke training, where content is tailored to meet specific business objectives or projects. Examples of bespoke training conducted include: responding to Investor ESG due diligence questions, completion of PRI signatory submission and subsequent reporting.

All training is delivered in person or via remote video conference. A training certificate will be issued to participants for CPD purposes.

Carbon Neutral

Becoming Carbon Neutral is an excellent way for asset managers to demonstrate to investors, employees and other stakeholders they are embracing ESG within their organisation. We conduct an analysis of your carbon footprint and then work with its verification partner enabling your firm to become Carbon Neutral.

Carbon neutrality requires the measurement of an organisation's carbon footprint through the direct and indirect emissions of greenhouse gases, and by taking action to offset and reduce those emissions. Offsetting involves removing the equivalent amount of carbon from the air by sequestering or preventing that emission from another place through the purchase of carbon offset credits.

Upon completion of the process, a Carbon Neutral Certificate will be issued and remains valid for 12 months. The knowledge gained through this process will enable your firm to identify ways to reduce its carbon footprint.

Your firm will be able to use the Carbon Neutral logo on its website and business marketing materials.



Carbon
Neutral
Organisation



CO₂e
Reduced
Organisation

Our value proposition

Whether you require assistance with policies, training or Carbon Neutral, our qualified ESG team have the breadth of experience to meet your needs. We keep abreast of the rapidly developing ESG landscape, regulations and best practices and will be pleased to share our knowledge and insights with you.

ESG ASSURANCE SERVICES

External Assurance is the strongest, most impartial and most credible confidence-building measure an asset manager can undertake.

We utilise International Auditing and Assurance Standards Board guidance – ISAE 3000 (Revised) to provide limited assurance reports. Example engagements include, but are not limited to:

- Readiness reviews. Recommendations will result in enhancements to ESG internal controls, governance and processes.
- Independent assurance of selected processes and/or data related to an asset manager's ESG processes, resulting in a formal assurance conclusion which can be shared with stakeholders.
- For signatories specifically, independent verification of PRI Transparency Reports increasing your firm's rating.

Reporting tailored to your needs

We offer bespoke reports, tailored to meet the specific objectives of your firm and its stakeholders.

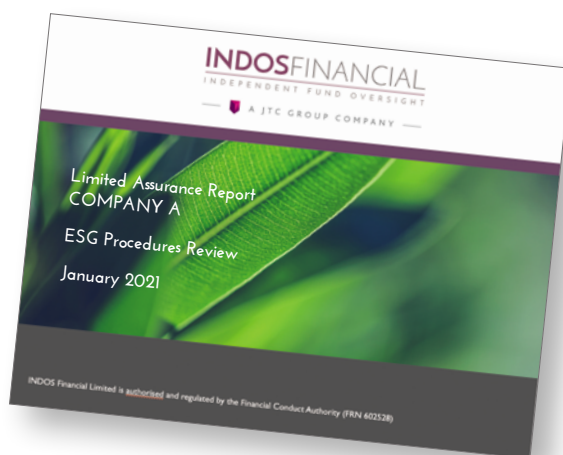
The reports set out the scope, any limitations and opinion of the assurance review performed.

Our value proposition

Our team of qualified ESG and assurance professionals adopt a consultative approach to these engagements and share practical recommendations to improve your ESG processes.

Reporting frequency

Assurance reporting can be provided as a readiness review in the first instance, then at agreed subsequent intervals.



ESG TRANSPARENCY REPORTING

We provide independent ESG transparency reports over a fund portfolio, including periodic screening and reporting against recognised ESG data sets.

Our ESG transparency reports provide a valuable insight into the ESG profile of a fund including:

- Overall ESG score
- Individual ESG component scores
- Portfolio carbon footprint
- Controversial activities
- Energy transition rating
- ESG restriction compliance
- Summary of top positions
- Investment manager commentary

Reporting tailored to your needs

We offer bespoke reports, tailored to meet the specific objectives of your firm and its stakeholders.

Our value proposition

We combine a deep background in independent oversight of investment funds with our ESG knowledge. We are skilled at sourcing and analysing portfolio data and maintain relationships with specialist ESG data providers.

Reporting frequency

Typically, reporting is provided on a quarterly basis, but other frequencies can be accommodated.



THOUGHT LEADERSHIP

INDOS Financial is a respected thought leader in the fund oversight space, and our ESG team has also been widely published in the industry media.



We share relevant ESG news with a growing subscriber base via our ESG newsletters. Past newsletters can be found at indosgroup.com/esg-archives



About INDOS Financial

INDOS Financial, a JTC Group company, is a leading provider of independent oversight and assurance services to the funds industry. We provide a range of fund oversight services to over 80 clients, covering the hedge fund, private equity, real estate and investment trust sectors.

INDOS Financial is authorised and regulated by the Financial Conduct Authority and is a Service Provider signatory of the PRI (www.unpri.org).

Since 2019, INDOS Financial has been a Carbon Neutral organisation.

Your INDOS Financial contacts

To find out more about how we can help your business, please contact esgservices@jtcgroup.com

For the latest news on ESG, please view or download our newsletter by registering via our website www.indosgroup.com/services/esg



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More information can be found at: www.indosgroup.com/services
Information on JTC Group, including regulatory notices, can be found at: JTCGroup.com