

**Sciens Group Risk Services Limited
Sciens Capital Limited**

(the “Managers”)

Sustainability Risks Policy

April 2025

1. Introduction

This Sustainability Risks Policy (the “**Policy**”) sets out the UK domiciled Managers’ policy with regard to the integration of sustainability risks in its investment decision-making process within Sciens Water. For both Sciens Capital Limited (“**SCL**”) and Sciens Group Risk Services Limited (“**SGRS**”), this Policy has been drafted in accordance with the UK Sustainability Disclosure Requirements (“**UK SDR**”) that both entities are subject to. In addition, for SGRS, this Policy exists in accordance with the EU sustainability-related disclosures in the financial services sector (the “**SFDR**”). This is relation to SGRS’s management of the sub-funds of the SGAS ICAV and the Sciens Water Opportunities ICAV (collectively the “**Funds**”). The Board of Directors of the Managers’ believe that the Policy is appropriate to the nature, scale and complexity of the Funds as well as covering the Managers’ responsibilities under UK SDR.

2. Background

UK SDR

On 28th November 2023, the FCA announced new rules relating to Sustainability Disclosure Requirements (“**SDR**”) and investment labels which apply to all UK regulated firms which came into effect during 2024.

Located in Policy Statement PS23/16, the FCA has introduced:

- An anti-greenwashing rule for all FCA-authorized firms, ensuring that sustainability claims are fair, clear, and not misleading about products and services within the UK, with accompanying consultation on supporting guidance.
- Naming and marketing rules for investment products to ensure accuracy in the use of sustainability-related terms. This consists of four consumer-friendly labels:
 - Sustainability Impact: Products directly pursuing sustainability objectives, with clear timeframes for meeting standards.
 - Sustainability Focus: Products indirectly pursuing sustainability outcomes with current sustainable investments.
 - Sustainability Improvers: Products with investments on a path to improving sustainability over time, with required evidence and timeframes.
 - Sustainability Mixed Goals: Products combining the above labels, with disclosed asset proportions.

In addition, the FCA measures include:

- Improved consumer-facing information to enhance understanding of key sustainability features.
- Detailed information provision for institutional investors and consumers, covering pre-contractual, ongoing product-level, and entity-level disclosures.
- Distributor requirements to provide product-level information, including labels.

- Marketing practice regulations for funds making sustainability claims, focusing on evidence-based materials and visual accuracy.
- General criteria applying to all labelled products, including sustainability objectives, investment policy, KPIs, resources, governance, and stewardship disclosure.
- The Managers' must disclose stewardship strategies and escalation plans for funds not meeting objectives or KPIs.
- Exclusively institutional funds may still be labelled without consumer-facing disclosure requirements.

The current policy applies exclusively to UK products and managers, subject to potential future expansion.

The Managers' are subject to UK SDR so this Policy will assess any risk related to ensuring compliance with UK SDR.

Sustainability Financial Disclosure Requirement

Pursuant to Article 6 of 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"), SGRS will make certain disclosures to ensure transparency in respect of the integration of sustainability risks into the investment decision-making process in respect of the Funds, where applicable. This shall include descriptions of the following in pre-contractual disclosures where relevant:

- The manner in which sustainability risks are integrated into the investment decisions in respect of the Funds; and
- The results of the assessment of the likely impacts of sustainability risks on the returns of the Funds.

Where SGRS deems sustainability risks not to be relevant, the descriptions referred to above shall include a clear and concise explanation of the reasons therefor.

As of the date of this Policy, SGRS integrates sustainability risks into the investment decision-making process of the Sciens Water Opportunities ICAV (and its sub-funds) and the Sciens Water Opportunities Segregated Fund 1, a sub-fund of SGAS ICAV (the "**Sciens Water Funds**").

3. General Information on the Integration of Sustainability Risks

Sustainability risk is defined in the SFDR as "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".

In relation to SFDR, sustainability risk is one of the factors SGRS considers when carrying out due diligence on the expected returns of the Sciens Water Funds' investments. Sustainability risks may be particularly acute if they occur in an unanticipated or sudden manner.

Assessment of sustainability risk requires subjective judgements, which may include consideration of third-party data that is incomplete or inaccurate. There can be no guarantee that SGRS will correctly assess the impact of sustainability risk on the Sciens Water Funds' investments. All investments are exposed to sustainability risks to a varying degree.

Overall, SGRS has determined that sustainability risks are expected to have a low impact on the returns of the Sciens Water Funds' investments.

4. **Promotion of Environmental and /or Social Characteristics**

As discussed, the Managers' are subject to the "Anti-Greenwashing Rule" (the "**A-G Rule**") under the provisions brought in by UK SDR. This rule applies to a firm (whether it is undertaking sustainability in scope business or not) which:

- Communicates with a client in the United Kingdom in relation to a product or service; or
- Communicates a financial promotion to, or approves a financial promotion for communication to, a person in the United Kingdom.

As at the date of this Policy, there are no Funds which promote environmental and/or social characteristics which would contravene SFDR or UK SDR. SGRS includes a disclaimer in any marketing material which has its name on within the Sciens Group to highlight it abides to the principles set out in the A-G Rule.

In addition, neither of the Funds fall under the criteria for requiring the UK SDR labelling regime (as they are non-UK domiciled Funds, and as disclosed, they are not promoting environmental and/or social characteristics). This may change in the future and this policy will be updated to reflect this.

5. **Principle Adverse Impacts**

SGRS will not consider the adverse impacts of investment decisions on sustainability factors in respect of the Funds as it does not regard sustainability factors to be material to the investment strategy of the Funds.

SCL will not consider the adverse impacts of investment decisions on sustainability factors in respect of the funds it provides investment advice on, as it does not regard sustainability factors to be material to the investment strategy of the Funds.

The Managers' will ensure that any sustainability references made in all communications about financial products or services (where they refer to environmental and/or social characteristics of those products and services) are in accordance with the A-G Rule. This means that any sustainable references made are:

- Correct and capable of being substantiated;
- Clear and presented in a way that can be understood;
- Complete – they should not omit or hide important information and should consider the full life cycle of the product or service;
- Fair and meaningful in relation to any comparisons to other products or services.

6. **Delegate Confirmations / Reports**

The Managers' will liaise with the investment manager and/or sub-investment manager or other relevant entity of each Fund they manage/advise in order to determine to what extent sustainability risks are integrated into the investment decision-making process for each Fund and to ensure that

the Funds are managed in accordance with this Policy.

Any new Fund to be established that is managed by SGRS or advised by SCL will be considered from a sustainability risks perspective and its classification under SFDR/UK SDR will be considered and confirmed.

7. **Review**

This Policy will be reviewed on an annual basis and be updated, as necessary, for any changes or new arrangements.

Date: April 2025