

### Introduction

This document describes how Guinness Global Investors ("Guinness") assesses the governance practices of investee companies in accordance with the EU's Sustainable Finance Disclosure Regulation ("SFDR"). All funds classified as Article 8 or Article 9 products under SFDR are required to invest solely in companies which follow good governance practices, and this policy applies to all such funds.

### Defining Good Governance

Guinness believes that a company following good governance practices should follow the corporate governance laws and listing requirements required of a typical company of its size, maturity, region, and industry. These corporate governance practices would cover management structures, disclosure, compensation, and compliance.

As regards practices that deviate from non-binding norms/guidelines/codes, Guinness believes that the company may deviate for good reason. In these cases, they would be expected to explain such deviations to the relevant stakeholders via public disclosures, outreach programmes, or direct engagement.

### Assessing Good Governance

Investment teams are responsible for the assessment of good governance for the companies held within their respective Funds. Such an assessment is subjective and is made qualitatively or quantitatively using both internal analysis and external information. This document provides guidance relating to what the investment team may take into account when assessing good governance.

In assessing good governance, among other factors, we consider management structures, employee relations, staff remuneration, and tax compliance covering some or all of the following factors:

- **Sound management structures** - board composition having regard to ownership structure, protection of minority interests, and knowledge of the company's industry.
- **Employee relations** - workforce disclosures, third party employee review data, and controversies relating to labour rights and human capital management.
- **Remuneration of staff** - executive remuneration policies, controversies relating to pay practices, and ratio between top management remuneration and average remuneration.
- **Tax compliance** - instances of illegal or high-risk tax practices.

### Additional Considerations

As part of our wider assessment of corporate governance we may also consider further elements including, but not limited to, capital allocation, shareholder rights, risk management, bribery and corruption, related party transactions, stakeholder management, community engagement and voting outcomes.

## Important Information

Issued by Guinness Global Investors. Guinness Global Investors is a trading name of Guinness Asset Management Limited which is authorised and regulated by the Financial Conduct Authority.

This document is provided for information only. All the information contained in it is believed to be reliable but may be inaccurate or incomplete; it should not be relied upon. It is not an invitation to make an investment, nor does it constitute an offer for sale.

The documentation needed to make an investment, including the Prospectus, the Key Investor Information Document (KIID) and the Application Form, is available from our website [www.guinnessgi.com](http://www.guinnessgi.com)

The funds invest mainly in shares, and the value of these may fall or rise due to a number of factors, including the performance of the company and general stock market and exchange rate fluctuations. The value of your investment may rise or fall, and you could get back less than you invest. Past performance is not a guide to future performance. Further information about risks can be found in the Prospectus.

The Investment Manager, Guinness Asset Management Ltd, is domiciled in the United Kingdom and is authorised and regulated by the Financial Conduct Authority.

Guinness Asset Management Funds plc, the umbrella fund with the Guinness sub-funds, is domiciled in Ireland and is authorised and supervised by the Central Bank of Ireland as a UCITS fund. It is also recognised by the Financial Conduct Authority for distribution in the United Kingdom. The sub-funds may also be distributed in various other countries – please contact us for details.

TB Guinness Investment Funds, the umbrella fund with the TB Guinness sub-funds, is domiciled in the United Kingdom and is authorised and regulated by the Financial Conduct Authority as a UCITS fund.