Eiger Capital ESG Policy

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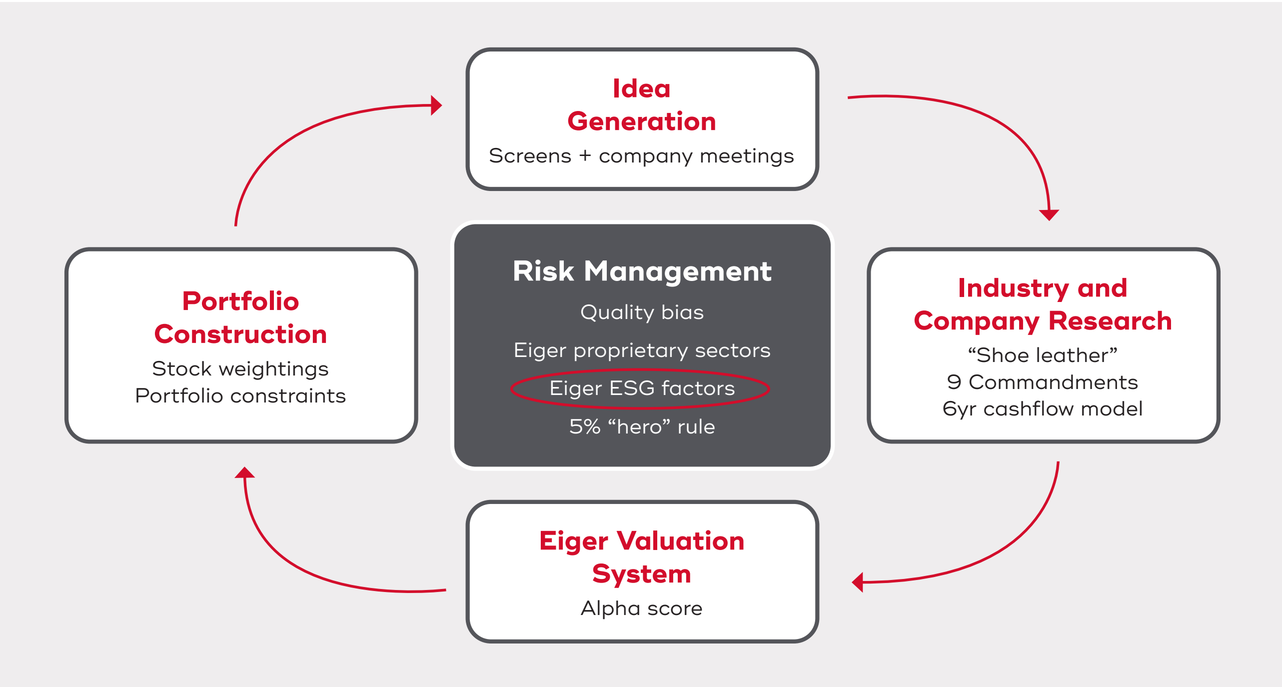
Eiger Capital (Eiger) believe that sustainability factors materially influence the risk-return profile of its investments. As such, Eiger believes that ESG considerations are integral to the investment decision process in order to manage investments for the long term. ESG is explicitly considered and assessed as part of the investment decision-making process.

All companies that Eiger considers for in-depth fundamental research must first pass a qualitative screening process that specifically measures and assesses a company's governance structure and the environmental and social consequences of its business.

Eiger's investment focus is not confined to the short-term financial performance of a company. Eiger believes, over the long term, a company's operations are unsustainable if they cause irreparable damage to the environment, workplace or end consumers, and will not knowingly invest in such companies.

ESG Incorporation in the investment process



Idea generation	This includes an assessment of material ESG factors and their impact on the investment candidates across industry and geography.
Industry and company research	This recognises that different industries face different challenges and companies are assessed individually and within their sector group. Eiger assesses company risk against global indexes such as the Global Slavery Index.
Valuation System	The investment team includes specific adjustments for ESG risks and opportunities. Eiger explicitly score each candidate from 1 (lowest) to 5 (highest) across E, S & G factors.
Portfolio construction	Eiger's ESG score has a direct impact on portfolio inclusion whereby candidates assessed as having a score of 1 (lowest) in any category are excluded from further consideration. Higher scores can be considered when deciding initial position sizing with the best ESG scores representing lower overall investment risk.

Eiger completes all of its company meeting notes electronically. These notes, which could relate to a company announcement, site visit or a meeting with a supplier or customer, are then uploaded to Eiger's Factset based workflow system. On the following page is a screenshot of the tool used to upload Eiger's standard internal research note (IRN).

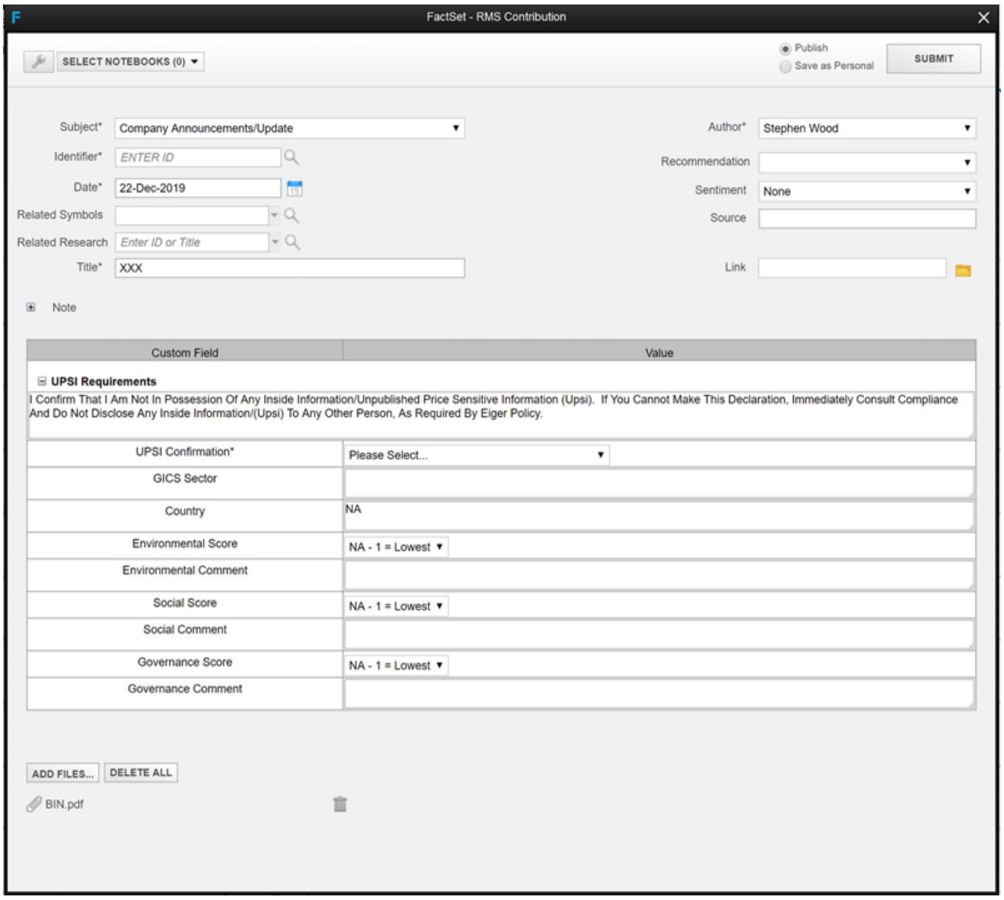
The upload tool attaches the IRN and then requires the author to complete several affirmations and meeting characteristics. These characteristics can then be efficiently screened for a range of compliance, broker ranking and ESG purposes.

Every company is assessed on their exposure, management and approach to material environmental, social and governance issues as part of every IRN, ensuring that ESG is considered systematically throughout the research process.

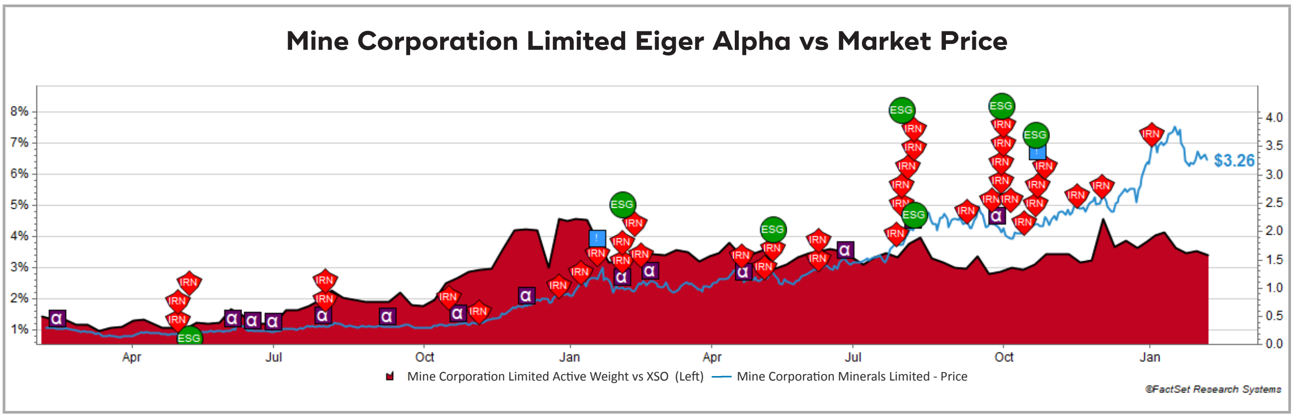
The company is then scored using Eiger's designated 1-5 ranking for environmental, social and corporate governance considerations. These scores can be tracked over time for both the individual company and for the ever-increasing universe since the inception of Eiger in 2019. Eiger can therefore efficiently see how a company's ESG scores trend against its history, its sector and against the Eiger investment universe. The scale used for the 1-5 ranking for each ESG pillar is detailed below.

Along with the investment case, the ESG scoring can influence investment decisions by flagging the company as one to avoid, engage or consider for investment. While we deeply believe that ESG outlines clear risks for the investment case, we also believe that ESG can be harnessed to provide some positive input for future opportunities.

Eiger's Internal Research Note (IRN) template



This is then captured in the company's profile within Factset and can be used for long term monitoring of ESG progress.



ESG scores

Eiger Capital rates each ESG pillar from 1 to 5 based on the following definitions:

Industry leader	**5**	Managing exposure to ESG issues very well and taking positive steps to address industry challenges from an ESG perspective. ESG factors are expected to have a positive impact on investment returns.
Upward trend	**4**	Managing exposure to ESG issues well with improving trends e.g. improving practices and procedures, early adoption of enhanced regulatory measures or labour standards.
Undifferentiated average	**3**	Managing exposure to ESG issues broadly in line with industry peers.
Downward trend	**2**	Management of ESG issues trending downward e.g. LTIFR, OH&S issues etc.
Careless indifference	**1**	Showing careless indifference. Exposure to ESG risks not being competently managed and with little focus.

A **score of 5** signals strong characteristics to consider for portfolio inclusion if th rest of the inevestment case stacks up.

A **score of 1** is considered uninvestable and Eiger will avoid companies with such an ESG rating.

A **score of 2** signals emerging concerns that require company engagement and a commitment to acknowledge and address material issues of concern. If ESG factors continue to deteriorate then the score is changed to 1 (uninvestable).

A **score of 3** **and 4** does not cause concerns and would be considered for investment alongside the rest of the investment case.

ESG Factors

ESG factors that may be taken into consideration by Eiger Capital in its investment process include, but are not limited to, the following:

Environmental	Social	Governance
▲ Climate change ▲ Impact on local environment and risk management ▲ Carbon intensity and consequent exposure to carbon pricing ▲ Water supply and management ▲ Waste disposal, pollution and contamination ▲ Natural resource use and degradation ▲ Energy use and renewable energy generation ▲ Recycling	▲ Supply chain management ▲ Human rights ▲ Corporate culture and conduct ▲ Occupational health and safety ▲ Working conditions ▲ Community impact and engagement ▲ Workplace diversity management ▲ Underpayment of staff ▲ Treatment of socially vulnerable groups	▲ Board Structure ▲ Board diversity ▲ Executive and employee remuneration ▲ Bribery and corruption ▲ Shareholder rights ▲ Conflicts of interest ▲ Corporate accountability and compliance.

Materiality

Eiger Capital acknowledges that not all ESG factors will be relevant to all investments. As such, Eiger Capital incorporates material ESG factors into the fundamental analysis of each company it includes, or is considering for inclusion in, its portfolio.

Eiger Capital determines materiality by considering which ESG risks and opportunities the industry is most exposed to as well as any ESG risks and opportunities specific to the company itself. A material ESG risk is one which can have a significant impact on the valuation of a company, if not well managed.

An example of specific ESG risks in an industry is the retirement living industry. Eiger sees opportunities in the aging population tailwind and identified several specific opportunities in this space. However, ESG is an important consideration in this space and Eiger has successfully avoided a number of companies that have advertently neglected 'social' aspects around the treatment of vulnerable groups.

Specific ESG considerations

Climate Change

Eiger Capital subscribes to the scientific consensus that carbon dioxide in the atmosphere, predominantly as a result of human activity, has led to global warming with consequent changes in our climate. There has been a global move to reduce carbon emissions worldwide. The Paris Agreement, ratified by 195 countries, outlines country-specific targets for reducing carbon emissions. Eiger Capital believes that uncertainty surrounding both the physical changes in our climate as well as the policy response around the transition to a low carbon economy can pose a risk to our investments across all industries to varying degrees. Equally, there will be companies that benefit from such a transition. As such, Eiger Capital considers the physical and transition risks and opportunities of climate change as part of our fundamental analysis.

Physical risks can involve the increased frequency and severity of extreme weather events such as drought, flooding, hurricanes, heatwaves and rising sea levels. Transition risks include the risk of regulation around carbon emissions such as the introduction of a carbon tax, both within Australia and globally, which may affect demand for exports, the development of new technologies which are more aligned with a low carbon world as well as changing consumer preferences for low emission/ energy efficient products.

Opportunities arise out of companies that develop technologies or solutions to deal with the physical aspects of climate change as well as those companies that are better prepared and less exposed to the negative effects of a transition to a low carbon economy. We consider all investee companies through this lens in our fundamental analysis.

We encourage the companies we invest in, or are considering for investment, to assess and disclose their exposure to climate-related financial risks, adopting where possible the framework set by the Taskforce for Climate-Related Financial Disclosures (TCFDs).

Modern Slavery

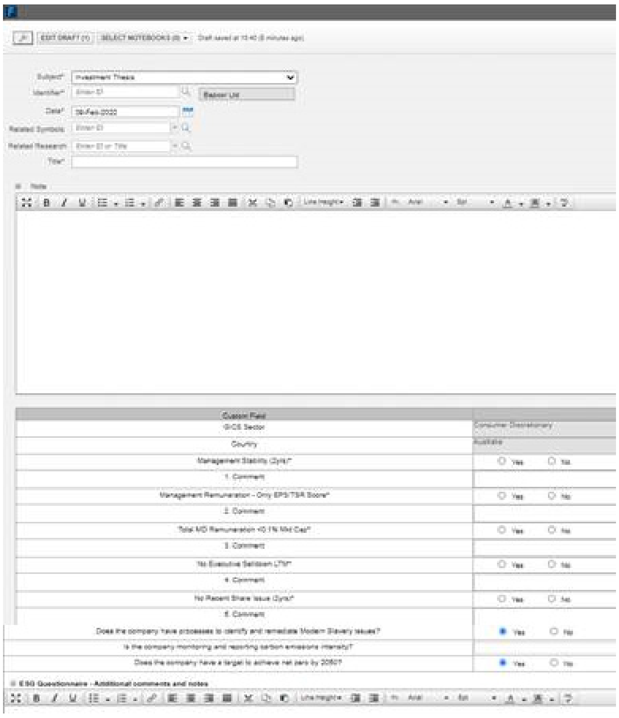
Eiger Capital recognises that modern slavery, as well as being a serious ethical concern, can also pose a financial risk to businesses both from both a reputational perspective and from a disruption to their supply chains. Eiger Capital recognises that, although less common, there are still instances of modern slavery within Australia, particularly in high risk industries such as textiles, financial services (through their supply chains), mining, construction, property, food and beverages, agriculture, and healthcare. When analysing companies in these higher risk industries Eiger Capital will do additional due diligence to ensure the company has appropriate policies in place to manage these risks and treats its employees fairly. With companies that have supply chains in high risk regions overseas we take a similar approach, ensuring that the investee company has awareness of the risks of modern slavery within its supply chains and has policies in place to mitigate these risks.

Gender Diversity

Research has shown that companies with higher gender diversity on their boards had higher financial performance and were associated with lower variability of stock market returns. Eiger Capital believes that greater gender diversity (as well as other forms of diversity), reduces the risk of groupthink and leads to greater diversity of thought. This can reduce risks and boost performance in investee companies. As such we consider the number of females on boards as part of our governance assessment. Through our engagement activity, we also encourage our investee companies to improve the gender balance of their boards.

Eiger also prepares an Investment Thesis on each company in its portfolios.

This document sets out some of the key qualitative criteria including features of management stability and remuneration. In 2021 Eiger also enhanced corporate summary to include the answers to 3 key questions which are asked of management typically in a 1-on-1 meeting. These questions, detailed at the bottom of the following example request management verify that they are monitoring and setting carbon emission targets and has a policy on modern slavery.



Custom Field	
GICS Sector	Consumer Discretionary
Country	Australia
Management Stability (3yrs)*	Yes No
1. Comment	
Management Remuneration - Only EPS/TSR Score*	Yes No
2. Comment	
Total MD Remuneration <0.1% Mkt Cap*	Yes No
3. Comment	
No Executive Selldown LTM*	Yes No
4. Comment	
No Recent Share Issue (3yrs)*	Yes No
5. Comment	
Does the company have processes to identify and remediate Modern Slavery issues?	Yes No
Is the company monitoring and reporting carbon emissions intensity?	
Does the company have a target to achieve net zero by 2050?	Yes No

ESG Questionnaire - Additional comments and notes

Engagement

Company engagement is a key part of Eiger's investment process as it is an opportunity to raise concerns and influence the ESG practices of a company. Clearly this can have a direct impact on company value. ESG issues are raised with boards and management at company meetings, and through phone and email interactions. As a rule, any company in which we are considering investment that receives an environmental, social or governance score of 2 must be engaged on its critical ESG issues. A satisfactory response and commitment to resolve material issues of concern must be received by Eiger before an investment can be made. If no response or an unsatisfactory response is received from company engagement, the E, S or G score is downgraded to a 1 (uninvestable) and the investment will be avoided.

Voting

As an investment manager, Eiger Capital takes its ownership responsibilities seriously as it believes the right to vote as proxy is an important asset. Eiger's primary objective when voting will be maximising the value of its funds and our client's investments. This will include voting on material ESG issues that may affect company value.

Sources of ESG information

Eiger obtains information relevant to ESG factors from the following sources:

- Eiger proprietary research
- Broker research
- Company sustainability reports
- Direct engagement with companies
- Media

Ongoing monitoring of investments

Companies within Eiger's portfolios are reviewed on an ongoing basis but at a minimum once year, or as needed based on new information. This ongoing assessment involves review of material existing or emerging ESG factors that may affect the value of the company.

Responsibility for ESG integration

Eiger Capital believes that ESG is fully integrated when key investment decision-makers are strongly involved in ESG research. ESG research is embedded in Eiger's fundamental analysis, with each member of the investment team researching each company comprehensively both from a financial and an ESG perspective.

More information

To find out more, contact your local Fidante Partners BDM or Adviser Services on **1800 195 853.**

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