

## SFDR – Sustainable Finance Disclosure Regulation

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11 March 2021

*CASTELLAIN CAPITAL LLP acting as Investment Manager in respect of CASTELLAIN ICAV*

### **Sustainable Risk Policies**

Pursuant to SFDR, the ICAV is required to disclose the manner in which sustainability risks are integrated into the investment decisions of each Fund and the results of the assessment of the likely impacts of sustainability risks on the returns of each Fund. Such risks are principally linked to climate-related events resulting from climate change (the so-called physical risks) or to the society's response to climate change (the so-called transition risks), which may result in unanticipated losses that could affect the Fund's investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into sustainability risks.

The Investment Manager integrates sustainability risks into the investment process of each Fund where this is possible and appropriate. The Investment Manager undertakes detailed analysis of each potential investment and sustainability risks form part of this analysis, where appropriate. The Investment Manager does not exclude any securities solely on sustainability grounds. However, sustainability risks will be considered and the Investment Manager will then make a reasoned judgement about whether or not to proceed further with the security as a potential investment. In particular, the Investment Manager is focused on governance aspects of sustainability and may engage with its investee companies to improve overall governance.

The Funds may be exposed to certain potential sustainability risks as outlined above. The Investment Manager has determined that the potential impact on returns from sustainability risks is not material. The ICAV does not currently consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR. The ICAV does not currently do so because, 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 the European Commission. The ICAV's position on this matter will be reviewed in due course.