

Nanuk Asset Management
Climate Change Policy
Updated January 2023

Purpose

This policy specifies how Nanuk’s business and investment activities are aligned with science based climate change targets

Background

Our investment philosophy and approach is centred around the investment implications of sustainability.

We believe the global economy, and society more generally, will inevitably change to become more sustainable and these changes will have a material impact on the structure of the economy and the economics of individual companies.

Climate change is central to the firm’s philosophy. We believe that anthropogenic climate change, caused principally by the emission of greenhouse gases, presents an existential risk for humanity. We believe that current science-based climate change targets (typically suggesting limiting temperature rises to less than 1.5-2 degrees from pre-industrial levels through a reduction to net zero emissions by 2050) represent a minimum aspirational objective to achieve longer term sustainability. We support the approach and goals of the UN Framework Convention on Climate Change and the Paris Agreement.

Our focus as a firm is on delivering excellent investment outcomes to clients and through doing so to contribute to improving global sustainability.

Our approach to climate change aligns with our commitments to a set of broad principles outlined in our Sustainability Policy

- We seek to invest in companies that we believe are contributing to improving global sustainability
- We seek to avoid investing in companies whose activities are unsustainable
- We seek to avoid investing in companies whose relationships with stakeholders are unsustainable
- We consider the governance and sustainability of businesses in our investment analysis and decisions
- Where practical and aligned with our clients’ interests we seek to influence companies to improve both global and intrinsic sustainability
- We seek to operate our own business in a sustainable manner

Approach

Our investment philosophy and approach are specifically directed towards understanding and capitalizing upon transition risks related to climate change. In particular,

- We seek to invest in a manner that is aligned with achieving longer term sustainability within the global economy
- We do not invest in companies that have a material level* of involvement in activities that are contributing to climate change and have not made appropriate commitments to reduce or eliminate their impact in line with science based targets. *(Note - the applicable materiality thresholds vary from 0% to 30% depending on the nature and severity of the relevant activities, as set out in the ESG negative screening framework – please refer to Nanuk’s ESG Policy).*
- We consider the longer term risks of climate change and related transitions risks in our analysis and assessment of investment opportunities
- Where practical we may seek to influence investee companies to align their activities with science based targets, through our voting and engagement

Additionally we seek to operate our own business in alignment with our broader views and science based targets.

As a firm we aim to achieve net zero emissions.

Specific actions related to this policy include

- Where practical, minimisation of Nanuk’s scope 1 and scope 2 carbon emissions through actions such as purchasing renewable energy and minimization of unnecessary travel
- Utilisation of offsets for scope 1 and scope 2 carbon emissions
- Membership of and support for investor groups acting to support the achievement of science based climate change targets
- Where practical, encouraging partners, suppliers and customers to reduce or mitigate emissions and achieve net zero emissions

Responsibility

Responsibility for implementation of the firm’s climate change policy rests with the Managing Director. Implementation of the policy with respect to investment activities will primarily be undertaken by the CIO. Implementation of the policy with respect to Nanuk’s business will be primarily undertaken by the COO.

Monitoring

The implementation of this policy is monitored by the Board.

Review and Amendments

This policy will be reviewed annually by Nanuk’s Managing Director and CIO for subsequent Board ratification.

History

Last reviewed: December 2022

Ratified by the Board in January 2023

Next review: March 2024