

GOLDEN LEAVES TRUST

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) POLICY

There is now a growing opinion within the investment industry that companies that fit ESG criteria are well equipped to manage risk and operate in a sustainable manner in the future, so therefore are attractive investments in their own right.

As a result, investment managers (including the managers currently appointed by the Trustees) are now integrating ESG criteria into their asset selection in varying degrees, with many managers building their entire research and selection process from the bottom-up to ensure that the companies in which they invest operate to these standards.

The underlying premise is that there are certain ESG factors that actually impact business performance. As a result, investors are increasingly applying these non-financial factors as part of their analysis process to identify material risks and growth opportunities and which are becoming increasingly important in determining financial success. In turn, the demand for ESG investing continues to grow.

The 'traditional' view of Trustees was that their fiduciary duties restricted them from preferring ESG investments over the more traditional investments. Whilst it remains the case that trustees' primary duties are to act in their beneficiaries' best interests, there is growing evidence that ESG factors have a material financial impact on investments as it is now generally accepted that companies with poor ESG ratings are at considerably higher risk of financial losses.

After careful consideration, the Trustees feel that investing into companies that are, at a minimum, ESG aware, is in the best interests of the trust and is entirely consistent with their duties and responsibilities as Trustees.