Amarillo Investment Solutions Limited
Sustainability Risk Policy
July 2021

1. Scope

This policy document outlines Amarillo Investment Solutions Limited's approach to Sustainability within its risk management framework. It applies as standard to all investments and advice in financial products which it manages and gives advice on.

2. Governance

The Company's Sustainability Risk Policy is one of the factors to consider when the Company provides investment management decisions and advice on investment products. This Policy also ensures that the sustainability risk profile of the Company is fully aligned with its risk appetite.

3. Board of Directors

The Board of Directors sets the tone in terms of what is considered as the desirable level of sustainability risk by setting and monitoring the Company's Risk Appetite. The Board is responsible for the Company's general governance, its proper administration and management, and the general supervision of its affairs. Furthermore, the Board approves and oversees the implementation of strategic objectives and sets the Company's risk tolerance.

The Board is also responsible for the implementation of the Company's risk management and compliance strategy, systems, and policies. The Board ensures that all material risks which might affect the Company are duly identified, monitored, and managed.

The Board also oversees the Environmental risks, Sustainability risks and Governance policies, activities, and practices as part of its risk management.

4. Environmental, Social and Governance Investment Factors

Investment analysis of Environmental, Social and Governance (ESG) factors encompasses whether an investment product may be able to meet its financial obligations in the long term. These ESG related risks will vary, and several factors need to be analysed. Analysis would include country, industry, as well as characteristics specific to the investment product such as size and geographical footprint. Amarillo Investment Solutions Limited considers the following factors in its investment management and advice:

Environmental

- Potential Climate Change Risks
- Protection of biodiversity within the environment
- Sustainable use of land and sea
- The avoidance and reduction of pollution
- The protection of ecosystems
- The promotion of recycling efforts

Social

- Appropriate remuneration, working conditions, diversity, and development opportunities
- Compliance with safety and health regulations
- Compliance with recognised labour standards
- Requesting same requirements to entities in the company's supply chain
- Consideration of the interests of communities and social minorities.

Governance

- Anti-corruption measures
- Data protection measures
- Employee rights
- Facilitation of whistleblowing
- Fiscal morality
- Remuneration based on sustainability criteria
- Transparency

5. ESG Risks

Examples of ESG risks include:

Physical risks

These risks arise as a result of extreme weather events and from long-term changes in climate and environmental conditions. Physical risks may also have indirect consequences on both the environment and society. The perpetrators of environmental damage and climate change may eventually be held legally responsible by society for its consequences.

Transition risks

These risks are linked to the move toward a low-carbon economy. Policies favouring such an economy may lead to significant changes in the prices of resources. These changes may significantly affect investments that are deemed to go against the policies or may increase related costs as a result of the required clean-up and protection of the environment. New technologies may also endanger organisations that have failed to adjust. Physical and Transition risks are also to be assessed by taking into consideration their interdependence.

Social and Governance

Social risks are characterised by the negative effects on the Company's stakeholders as a result of its failure to conduct itself in an ethical and legal manner. Unethical behaviour and lack of governance by the Board of Directors in the Company's conduct may negatively impact the Company's financial stability and may also impact on its stakeholders through the business it conducts.

6. ESG Integration in investment decision making

ESG integration describes an approach where the ESG factors described above are considered as part of the wider investment process. Its purpose is to ensure that the Company is aware of and takes informed investment decisions while considering key ESG risks.

In order to integrate ESG risks the Company's investment management process will undertake the following analysis:

• Top-down ESG analysis:
This involves analysing and evaluating trends and developments at a macroeconomic level in terms of the political, legal and regulatory, environmental and social trends shaping the operating environment of governments;

• Bottom-up ESG investee analysis:
This approach starts at the investee level and this involves an analysis and evaluation of ESG management and performance trends and developments at a microeconomic level.

7. ESG Integration in investment advice

When providing investment advice, Amarillo Investment Solutions Limited will conduct an assessment to determine the ESG preferences of its clients. These ESG preferences will be taken into account in the advice provided. Clients will also be informed of how the Company has assessed their ESG preferences.

8. Breach of Policy

Breaches of this Policy including intentional or unintentional activity is to be reported to the Board of Directors.

9. Frequency of Review

This policy shall be reviewed at least every two years.