

**Statement on principal adverse impacts of investment decisions on sustainability factors**

**Financial market participant:** Baker Steel Capital Managers LLP (LEI: 213800V7H3IE2C1USM93)

**Summary**

Baker Steel Capital Managers LLP (LEI: 213800V7H3IE2C1USM93) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Baker Steel Capital Managers LLP.  
 This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022. Baker Steel Capital Managers LLP is a specialist fund manager offering a range of long-only equity funds in the natural resources, gold and precious metals sectors.

**Description of the principal adverse impacts on sustainability factors**

The principal adverse impacts on sustainability factors of Baker Steel Capital Managers LLP are listed in the table below. For each indicator, the impact is calculated as the sum of the proportion of the impact of each investee company that is attributable to the size of the investment held in that company. This calculation covers all funds which are portfolio managed by Baker Steel Capital Managers LLP, which consists the following funds:

- Baker Steel Resources Trust Limited (“BSRT”), a Guernsey registered closed-ended investment company, listed on the London Stock Exchange (Main Market);
- Baker Steel Precious Metals Fund (“BSPM”), a sub-fund of the BAKERSTEEL Global Funds SICAV, a Luxembourg UCITS umbrella fund;
- Baker Steel Electrum Fund (“BSEF”), a sub-fund of the BAKERSTEEL Global Funds SICAV, a Luxembourg UCITS umbrella fund;
- ES Baker Steel Gold & Precious Metals Fund (“UKGPM”), a UK Open Ended Investment Company (OEIC);
- UK Electrum Fund (“UKEF”), a UK Open Ended Investment Company (OEIC);
- Baker Steel Gold Fund (“BSGF”), an Australian domiciled Unit Trust; and
- Baker Steel Australian Electrum Fund (“AUEF”), a small Australian domiciled Unit Trust

The total AUM of these funds as at the four reference dates was as follows:

- 31 March 2022: €1.16 billion
- 30 June 2022: €907 million
- 30 September 2022: €835 million
- 31 December 2022: €967 million

The impact figures given below for 2022 are the average of the impacts calculated for each of the four reference dates given above.

**Indicators applicable to investments in investee companies**

Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
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**CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS**

Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	151,210 Tonnes of CO2e	N/A <sup>1</sup>	The number disclosed relates to the 95.4% of the portfolio assets for which Scope 1 GHG emissions data was available for the reporting period.	<p>Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.</p> <p>We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.</p> <p>For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.</p>
		Scope 2 GHG emissions	114,754 Tonnes of CO2e	N/A	The number disclosed relates to the 95.4% of the portfolio assets for which Scope 2 GHG emissions data was available for the reporting period.	<p>Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.</p> <p>We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.</p> <p>For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.</p>
		Scope 3 GHG emissions	249,350 Tonnes of CO2e	N/A	The number disclosed relates to the 94.5% of the portfolio assets for which Scope 3 GHG emissions data was available for the reporting period.	<p>Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.</p> <p>We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.</p> <p>For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.</p>
		Total GHG emissions	515,314 Tonnes of CO2e	N/A	The number disclosed relates to the 95.4% of the portfolio assets for which GHG emissions data was available for the reporting period.	<p>Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.</p> <p>We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.</p>

<sup>1</sup> 2022 is the first year in which the underlying data was broadly available and has been collected and analysed in a systematic fashion that would allow for comparison. We expect to be able to provide the required comparative data for the most recent and the previous year from the annual disclosure for the calendar year 2023 onwards, which is due to be published in June 2024.

						For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.
	2. Carbon footprint	Carbon footprint	560.20 Tonnes of CO2e per million EUR invested	N/A	The number disclosed relates to the 94.5% of the portfolio assets for which carbon footprint data was available for the reporting period.	<p>Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.</p> <p>We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.</p> <p>For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.</p>
	3. GHG intensity of investee companies	GHG intensity of investee companies	356.82 Tonnes of CO2e per million EUR of revenue generated	N/A	The number disclosed relates to the 91.6% of the portfolio assets for which GHG intensity data was available for the reporting period.	<p>Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.</p> <p>We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.</p> <p>For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.</p>
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	2.85%	N/A	The number disclosed relates to the 94.2% of the portfolio assets for which fossil fuel activity data was available for the reporting period.	<p>Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.</p> <p>We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.</p> <p>For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.</p>
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as	73.68%	N/A	The number disclosed relates to the 84.3% of the portfolio assets for which non-renewable energy production data was available for the reporting period.	<p>Data collection has provided an adequate measure of this indicator, supported by active company engagement, yet limited data availability has provided only a partial insight into the impact of the portfolio's underlying positions.</p> <p>We plan to work to improve data collection, and we are engaging with investee companies on this point to obtain more comprehensive data for future reporting periods. Furthermore we are engaging with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio, and will also continue to exercise voting rights in line with the Fund's ESG objectives.</p>

		a percentage of total energy sources				For the next reference period we aim to achieve an improved level of data quality, with enhanced coverage of the portfolio holdings.
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	1.23 GWh per million EUR of revenue of investee companies, per high impact climate sector	N/A	<p>The number disclosed relates to the 92.7% of the portfolio assets for which energy consumption intensity data was available for the reporting period.</p> <p>As the investee companies are all in the mining sector, we consider all of these investments to be in the same high impact climate sector.</p>	<p>Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.</p> <p>We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.</p> <p>For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.</p>
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	11.80%	N/A	<p>The number disclosed relates to the 93.8% of the portfolio assets for which biodiversity-sensitive area activity data was available for the reporting period.</p>	<p>Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.</p> <p>We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.</p> <p>For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Insufficient data available	N/A	<p>The availability of emissions to water data for our portfolio companies is currently extremely limited, with only 3.5% of portfolio assets disclosing this data. We are engaging with portfolio companies on this point to try to obtain this data for future reporting periods.</p> <p>We believe our portfolio companies have high standards in this regard with very few making water emissions to the surrounding environments.</p>	<p>Due to extremely limited data for this indicator, our research currently delivers an inadequate insight into the impact of emissions to water in connection to the portfolio's underlying investee companies.</p> <p>We plan to work to significantly improve data collection, and we are engaging with investee companies on this point to obtain more comprehensive data for future reporting periods. Furthermore, we are also engaging with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio, and will continue to exercise voting rights in line with the Fund's ESG objectives.</p> <p>For the next reference period we aim to achieve an adequate level of data quality, with enhanced coverage of the portfolio holdings.</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	Insufficient data available	N/A	<p>While data was collected for 77.9% of the portfolio assets, this was found to be of insufficient quality and consistency to provide a basis for meaningful comparison, analysis or disclosure.</p> <p>For example, while most companies in the portfolio are natural resource companies carrying out similar</p>	<p>Due to extremely limited data for this indicator, our research currently delivers an inadequate insight into the impact of the portfolio's underlying positions.</p> <p>We plan to work to significantly improve data collection, and we are engaging with investee companies on this point to obtain more comprehensive data for future reporting periods. Furthermore we are also engaging with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio, and will continue to exercise voting rights in line with the Fund's ESG objectives.</p>

					activities, in some cases ostensibly similar companies have disclosed numbers which differ by a factor of a thousand, and in some cases by a factor of up to a million. Further work will be undertaken to ascertain the basis on which these numbers have been calculated and disclosed by each company and to ensure a consistent methodology for comparison.	For the next reference period we aim to achieve an adequate level of data quality, with enhanced coverage of the portfolio holdings.
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	N/A	The number disclosed relates to the 96.0% of the portfolio assets for which violations data was available for the reporting period.  As a part of our ongoing monitoring of investee companies, we maintain a watchlist of companies at risk of violation of UN Global Compact Principles, with, 14.82% of investee companies currently being on the watchlist.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.  We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.  For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	35.52%	N/A	The number disclosed relates to the 95.3% of the portfolio assets for which relevant policy data was available for the reporting period.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.  We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.  For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	Insufficient data available	N/A	The availability of unadjusted gender pay gap data for investee companies is extremely limited, with no consistent disclosure of this metric. We are engaging with portfolio companies on this point to try to obtain this data for future reporting periods.	We are engaging with investee companies on this point to obtain this data for future reporting periods. Furthermore we are also engaging with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio, and will continue to exercise voting rights in line with the Fund's ESG objectives.  For the next reference period we aim to achieve an adequate level of data quality, with enhanced coverage of the portfolio holdings.

	13.Board diversity gender	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	33.17%	N/A	The number disclosed relates to the 92.0% of the portfolio assets for which relevant gender ratios were available for the reporting period.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.  We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.  For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.
	14.Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00%	N/A	The number disclosed relates to the 95.6% of the portfolio assets for which controversial weapons involvement data was available for the reporting period.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.  We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.  For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.
<b>Other indicators for principal adverse impacts on sustainability factors</b>						
Water, waste and material emissions	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies	1.004%	N/A	The number disclosed relates to the 98.2% of the portfolio assets for which controversial weapons involvement data was available for the reporting period.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.  We plan to continue effective data collection, alongside engagement with investee companies through management meetings and site visits to encourage a reduction in negative impact of the portfolio. Notwithstanding this, we will continue to exercise voting rights in line with the Funds' ESG objectives.  For the next reference period we aim to achieve a similar level of high data quality, enhanced where possible through continued company research and engagement.
Social and employee matters	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	1.39 cases per million hours worked	N/A	The number disclosed relates to the 59.7% of the portfolio assets for which controversial weapons involvement data was available for the reporting period.	Data collection has provided an adequate measure of this indicator, supported by active company engagement, yet limited data availability has provided only a partial insight into the impact of the portfolio's underlying positions.  We plan to work to improve data collection, and we are engaging with investee companies on this point to obtain more comprehensive data for future reporting periods. Furthermore, we are engaging with investee companies through management

						<p>meetings and site visits to encourage a reduction in negative impact of the portfolio, and will also continue to exercise voting rights in line with the Fund's ESG objectives.</p> <p>For the next reference period we aim to achieve an improved level of data quality, with enhanced coverage of the portfolio holdings.</p>
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**Description of policies to identify and prioritise principal adverse impacts on sustainability factors**

The Firm's UCITS ESG Policy was last approved by the Governing Body in March 2023. This is the policy that governs the ESG and sustainability practices and approach taken by BSPM and BSEF which are the Firm's two funds that are classified as Article 8 funds under SFDR. This includes the approach to identifying and prioritising principal adverse impacts on sustainability factors. Responsibility for the implementation of these policies lies with the Responsible Investment Committee (the "RIC") of Baker Steel Capital Managers LLP, with oversight from the firm's Executive Committee.

With regard to methodology, the sub-fund collects, assesses and records 45 sustainability indicators and collates these into a consolidated ESG score for each investee company. These indicators include measures similar to the principle adverse impact indicators set out in Annex I of the Regulatory Technical Standards (the "PAI indicators"), as listed above. In order to qualify for inclusion in the portfolio as a sustainable investment, an investee company must meet certain specific environmental or social criteria.

Manual checks are also undertaken and where any significant harm is identified to any environmental or social sustainable investment objective the investment would not qualify for inclusion in the portfolio as a sustainable investment. This may be necessary for example where there is any negative publicity relating to an investee company, as a result of press releases made by the company or where issues are identified through our direct engagement with senior management. The nature of any assessment here would depend on the nature of the issues identified, but would consist of the investment team assessing the issue and gaining sufficient comfort that no significant harm is being caused by our investment.

With regard to selected PAI indicators the sub-fund targets positive impact (e.g. by targeting high standards for GHG and carbon emissions, and energy consumption intensity) and with respect to the remaining PAI indicators the sub-fund seeks to mitigate or minimise any adverse impacts by identifying where these are occurring and excluding the companies to which they relate from the portfolio.

While sufficient data is typically available to allow for comprehensive research of the Fund's investee companies, across the PAI indicators, we recognise that certain areas lack adequate data at present. In these cases, we typically engage with investee companies to obtain more comprehensive data for future reporting periods.

Data sources include Sustainalytics, Refinitiv and Bloomberg, along with company reports and company engagement.

**Engagement policies**

Baker Steel's UCITS ESG Policy (Section 4.4) details the ongoing monitoring of investee companies by Baker Steel's team. Baker Steel is an active investment manager, in line with Principle 2 of the UN PRI, and undertakes site visits to portfolio companies during which verification of compliance with the ESG principles are typically undertaken. In accordance with Principle 3 of the PRI, Baker Steel will engage each of our portfolio companies on ESG issues and encourage adherence to best practice.

The annual ESG data collection screening and scoring methodology will result in regular on-going monitoring of a company's sustainability performance and progress over time, including regarding PAI indicators. To further optimize our ESG strategy and integration process, Baker Steel writes an annual ESG engagement letter to every company within our investible universe to supplement our annual ESG screening and scoring process. The intention of this engagement is to communicate to companies how they score in our annual ESG scoring process and areas for follow up.

Baker Steel has a Shareholder Engagement Policy in place that complies with the requirements of the Shareholders Rights Directive II ("SRD2") and COBS 2.2B. This Policy sets out how Baker Steel engages with investee companies with a view to enhancing shareholder value, as well as furthering sustainability and ESG objectives, and covers methods and nature of engagement, exercise of voting rights, management of conflicts of interest, cooperation with other shareholders and public disclosure.

If the management of Baker Steel deem a portfolio company is not sufficiently meeting the standards outlined throughout this Policy then Baker Steel requires the portfolio company to take action to address such deficiencies and for the investee company's management to maintain direct contact with Baker Steel whilst doing so. In the event that the response from the investee company is inadequate, Baker Steel would divest within a reasonable timeframe. The situation may arise where Baker Steel would choose to divest immediately and then re-engage with a view to encouraging change, depending on the specific circumstances and alternative investment opportunities.

**References to international standards**

Baker Steel's ESG Policy draws from international best practice and builds upon the principles and processes outlined in the United Nations Principles for Responsible Investment ("PRI"). As signatories of the UN PRI, Baker Steel commits to reporting annually on our responsible investment activities.

Baker Steel's Precious Metals Fund and Electrum Fund, both UCITS sub-funds of BAKERSTEEL Global Funds SICAV, are funds which promote ESG characteristics in accordance with Article 8 of the EU Sustainable Finance Disclosure Regulation ("SFDR").

Furthermore, both UCITS sub-funds have been awarded an ESG label from LuxFLAG<sup>1</sup>, reflecting the comprehensive nature of Baker Steel's annual screening and scoring process to evaluate sustainability performance and progress across the Funds' investible universe, alongside on-going monitoring and engagement reporting.

With regard to methodology, Baker Steel has developed its own in-house ESG screening and scoring system. After the initial pre-screening across the investable universe, the ESG scoring process covers 45 ESG metrics, including PAI indicators, to assess company performance and calculate an ESG score. ESG scores are used by Baker Steel's Investment Team within the investment decision-making process, while individual metrics are used for evaluation of companies' progress with regard to PAI indicators.

For climate scenario analysis, and broader ESG analysis Baker Steel uses a range of data sources including Sustainalytics, Refinitiv and Bloomberg.

*<sup>1</sup>LuxFLAG ESG label valid until 31/3/2024. Note, investors must not rely on the LuxFlag label with regard to investor protection issues and LuxFlag takes no liability in this regard.*

#### **Historical comparison**

The first historical comparison will be provided in June 2024, which will compare the principal adverse impacts data for the calendar years 2022 and 2023.