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 2024 to 31 December 2024. 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 of 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 2024: €999 million
30 June 2024: €1,005 million
30 September 2024: €1,087 million
31 December 2024: €998 million

The impact figures given below for 2024 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 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	123,254 Tonnes of CO2e	200,599 Tonnes of CO2e	The number disclosed relates to the 85.6% of the portfolio assets for which Scope 1 GHG emissions data was available for the reporting period.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives an 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 data quality, enhanced where possible through continued company research and engagement.
		Scope 2 GHG emissions	98,523 Tonnes of CO2e	137,902 Tonnes of CO2e	The number disclosed relates to the 84.8% of the portfolio assets for which Scope 2 GHG emissions data was available for the reporting period.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives an 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 data quality, enhanced where possible through continued company research and engagement.
		Scope 3 GHG emissions	263,399 Tonnes of CO2e	321,859 Tonnes of CO2e	The number disclosed relates to the 78.2% of the portfolio assets for which Scope 3 GHG emissions data was available for the reporting period.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives an 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 data quality, enhanced where possible through continued company research and engagement.
		Total GHG emissions	473,344 Tonnes of CO2e	660,361 Tonnes of CO2e	The number disclosed relates to the 78.2% of the portfolio assets for which GHG emissions data was available for the reporting period.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives an 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 data quality, enhanced where possible through continued company research and engagement.
	2. Carbon footprint	Carbon footprint	593.87 Tonnes of CO2e per million EUR invested	840.61 Tonnes of CO2e per million EUR invested	The number disclosed relates to the 78.2% of the portfolio assets for which carbon footprint data was available for the reporting period.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives an insight into the degree of potential adverse impacts that could arise due to the activities of the portfolio's underlying investee companies.

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	3. GHG intensity of investee companies	GHG intensity of investee companies	236.76 Tonnes of CO2e per million EUR of revenue generated	515.89 Tonnes of CO2e per million EUR of revenue generated	The number disclosed relates to the 74.4% of the portfolio assets for which GHG intensity data was available for the reporting period.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives an 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 data quality, enhanced where possible through continued company research and engagement.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.8%	0.4%	The number disclosed relates to the 82.1% of the portfolio assets for which fossil fuel activity data was available for the reporting period.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives an 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 data quality, enhanced where possible through continued company research and engagement.
	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 a percentage of total energy sources	61.7%	71.5%	The number disclosed relates to the 74.8% of the portfolio assets for which non-renewable energy production data was available for the reporting period.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives an 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 data quality, enhanced where possible through continued company research and engagement.
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies,	0.88 GWh per million EUR of revenue of investee	1.53 GWh per million EUR of revenue of investee	The number disclosed relates to the 70.0% of the portfolio assets for which energy consumption intensity 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.

		per high impact climate sector	companies, per high impact climate sector	companies, per high impact climate sector	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.	We aim 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. For the next reference period we aim to achieve an improved level of data quality, with enhanced coverage of the portfolio holdings.
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	8.6%	15.5%	The number disclosed relates to the 82.1% of the portfolio assets for which biodiversity-sensitive area activity data was available for the reporting period.	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives an 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 data quality, enhanced where possible through continued company research and engagement.
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	Insufficient data available	The availability of emissions to water data for our portfolio companies is currently extremely limited, with only 1.1% 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. We believe, based on related data and company engagement, that our portfolio companies have high standards in this regard with very few making water emissions to the surrounding environments.	Due to very limited data for this indictor, our research currently delivers an inadequate insight into the impact of the portfolio's underlying positions. We aim 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. For the next reference period we aim to achieve an improved level of data quality, with enhanced coverage of the portfolio holdings.
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 date available	Insufficient data available	While data was collected for 81.1% of the portfolio assets, this was found to be of insufficient quality and consistency to provide a basis for meaningful comparison, analysis or disclosure. For example, while most companies in the portfolio are natural resource companies carrying out similar 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	Due to very limited data for this indictor, our research currently delivers an inadequate insight into the impact of the portfolio's underlying positions. We aim 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. For the next reference period we aim to achieve an improved level of data quality, with enhanced coverage of the portfolio holdings.

					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.	
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
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%	0%	The number disclosed relates to the 88.5% 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 approximately 10% of investments at the end of the reference period in companies 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	20.2%	23.1%	The number disclosed relates to the 82.0% 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	Insufficient data available	The availability of unadjusted gender pay gap data for investee companies is extremely limited, with no consistent disclosure of this metric.	Due to very limited data for this indictor, our research currently delivers an inadequate insight into the impact of the portfolio's underlying positions. 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 improved level of data quality, with enhanced coverage of the portfolio holdings.
	13. Board gender diversity	Average ratio of female to male board	32.7%	36.0%	The number disclosed relates to the 88.5% of the portfolio assets for which	Data collection has provided a comprehensive measure of this indicator which, supported by active company engagement, gives a clear insight into the degree of

		members in investee companies, expressed as a percentage of all board members			relevant gender ratios were available for the reporting period.	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%	0.00%	The number disclosed relates to the 83.9% 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.
OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS						
Water, waste and material emissions	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies	0.64%	10.95%	The number disclosed relates to the 88.0% of the portfolio assets for which water management 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.
Social and employee matters	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	0.70 cases per million hours worked	0.95 cases per million hours worked	The number disclosed relates to the 56.3% of the portfolio assets for which rate of accidents 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 aim 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.

						For the next reference period we aim to achieve an improved level of data quality, with enhanced coverage of the portfolio holdings.

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 polices 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-funds collect, assess and record 52 sustainability indicators and collate 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 adverse impacts relating to an investee company are identified through news media monitoring or our direct engagement with senior management. Any issue would be assessed as appropriate by the investment team in order to gain 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 emissions and rate of accidents) 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 engage with investee companies and monitor options for third-party data providers in order to obtain more comprehensive data for future reporting periods.

Data sources used include Sustainalytics, LSEG Workspace 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 scoring methodology is part of our ongoing monitoring of a company's sustainability performance and progress over time, including regarding PAI indicators. To further strengthen our ESG strategy and integration process, Baker Steel writes an annual ESG engagement letter to most companies within our investable universe to supplement our annual ESG 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 a signatory 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 by LuxFLAG[1], reflecting the comprehensive nature of Baker Steel's screening and scoring process to evaluate sustainability performance and progress across the Funds' investable universe, alongside ongoing 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 52 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.

Baker Steel uses a range of data sources for ESG analysis, including Sustainalytics, LSEG Workspace and Bloomberg, along with company reports and company engagement.

[1]LuxFLAG ESG label valid until 31/3/2028. 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

Between 2023 and 2024, the direction of travel on principal adverse impacts among investee companies was positive, with improvements on the indicators for greenhouse gas emissions and social and employee matters, with the exception of board gender diversity.

Some of the improvements to the indicators on greenhouse gas emissions stem from portfolio decisions, for example towards companies that are less reliant on carbon-intensive national grids and more development-stage companies, and it should be noted that GHG intensity (PAI 3) does not account for changes in underlying commodity prices, for example the significant increase in the gold price in 2024. Regardless of their sub-sector or other individual characteristics, we continuously encourage portfolio companies to develop and implement ambitious decarbonisation strategies and we regularly monitor investee company performance.

We will continue to monitor our principal adverse impacts while exploring avenues to improve data quality with the aim of enabling more meaningful comparisons in future years.