

POLICY ON ENGAGEMENT POLICY

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Responsible: Chief Investment Officer
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1. ENGAGING WITH EMERGING MARKET ISSUERS

Global Evolution Asset Management A/S (hereafter “Global Evolution”) is committed to leaving a legacy of impact investing, which assists in the process of lifting nations out of poverty. Our approach is one of positive engagement, choosing the carrot rather than the stick: We believe engagement is a more valuable approach to encourage emerging market issuers to act in the most beneficial way to improve environmental, social or governance (“ESG”) issues.

We pursue **sovereign** engagement directly, via ongoing individual relationships with governments, or indirectly, via the community of like-minded EM investors and international financial institutions such as the International Monetary Fund (“IMF”) and the World Bank. We systematically use ESG factors to assess sovereign debt risk focusing on the direction of change rather than relative levels.

We pursue **corporate** issuer engagement directly or indirectly as an important part of our investment process and integration of ESG factors in our analysis. The integration of ESG-related criteria in the assessment of companies aims to enhance our ability to identify likely outperformers and underperformers in each of the sectors. We believe that well-governed companies are more likely to provide better results over the long term. As part of our commitment to positively impact the companies, we are fully committed to encouraging companies to improve their management of ESG issues. The corporate analysis builds on the sovereign ESG framework, augmented with a corporate ESG analysis. In addition, government regulations play an important part in setting corporate governance standards for each country.

2. LEGAL BASIS

EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”) form the legal basis for the requirement to have an engagement policy. Whilst SFDR, referring to an engagement policy in line with the Shareholders Rights Directive, speak directly to engagement from equity investors rather than fixed income investors, bondholders do regularly engage with sovereign and corporate leadership during earnings calls, capital raising meetings, or due diligence visits, to better understand and assess credit risk.

Historically, due diligence engagement has focused on business strategy, cash flow generation, financial leverage, investment, and dividend policies. Recognition that ESG factors affect credit risk has made them increasingly important to due diligence engagement. As recognition grows that poor ESG practices can generate potential increase in sovereign and corporate liabilities, due diligence engagement on these issues will continue to grow in importance.

3. SOVEREIGN ENGAGEMENT CHANNELS

Global Evolution aims to positively impact the countries in which we invest. We provide development finance to governments of the world's poorest countries. By lending money to the governments of developing nations, we are providing essential finance to build the physical and human infrastructure necessary to lift millions of their citizens out of absolute poverty.

We believe engagement with the governments of emerging countries delivers better outcomes and encourages governments to act in a manner which we believe will be beneficial for the majority of its population.

Through relationships and ongoing meetings with policy makers we aim to wield influence over policy in so far as we, along with the broader EM sovereign debt investor community, influence the conditions at which they raise debt.

Our engagement with policy makers is divided into four settings: direct engagement individually, direct engagement as part of an investor group, engagement via a third-party advocacy group such as the Emerging Market Investor Alliance or interaction with official sector institutions, such as the IMF or the World Bank.

Direct Engagement

Most policy maker engagement occurs in investor groups often hosted by investment banks or advisory companies. Interactions usually involve issuers visiting investors on issuance or non-issuance roadshows, or investors visiting issuer countries. The attendance of policy makers at the IMF annual meetings has meant that these have become a focus place for emerging market investors to meet with issuers. Interactions have in recent years become increasingly virtual. The importance of ESG advocacy among the emerging market investor community make these meetings an increasingly important forum to discuss ESG issues.

Indirect Engagement

Global Evolution is a member and active participant in the Emerging Market Investor Alliance ("EMIA"). EMIA was created to help "institutional emerging market investors support good governance, promote sustainable development, and improve investment performance in the governments and companies in which they invest." EMIA works in many areas and Global Evolution participates in various committees, such as the sovereign transparency committee. One of EMIA's more innovative strategies is to provide pre-issuer ESG engagement notes designed to focus discussion during interaction.

We actively engage with the IMF through meetings and joint visits to the countries, and we share a mutual interest in seeing governments improve their ESG policy mix of policies. The IMF and other IFIs also clearly have policy influence, usually via financing conditions. In addition, our work with the UN Principles of Responsible Investments ("PRI"), UN Global Compact ("UNGC"), and the Task Force on Climate-Related Financial Disclosures ("TCFD") are indirect channels through which we aim to influence prudent decision-making in government bodies in the countries where we invest.

Global Evolution believes our engagement with country authorities has positively influenced reform and we aim to continue to engage in and promoting the importance of broad-based socio-economic developments, with inclusive growth and prudent incentives at the government level. We aim in all investment cases to make sure that the principal adverse impacts of investments are properly considered.

4. CORPORATE ENGAGEMENT CHANNELS

Global Evolution aims to positively impact the companies in which we invest. We provide development finance to companies in the world's poorest countries. By lending money to the companies of developing nations, we are providing essential finance to build the physical and human infrastructure necessary.

We believe engagement with the companies of emerging countries deliver better outcomes and encourage companies to act in a manner which we believe will be beneficial to improve their management of ESG issues.

Our engagement with companies can be divided into three settings: direct engagement in small meetings (individually or as part of a small group), direct engagement in a public forum and indirect engagement via intermediaries.

Direct Engagement

Many company engagements occur in investor groups often hosted by investment banks or advisory companies. Direct engagements with companies on a bilateral basis are infrequent given the efficiencies that companies can achieve by meeting with groups of investors instead. When bilateral meetings do arise, they allow us to spend more time on matters that are of specific interest to us.

Interactions usually involve issuers visiting investors on issuance or non-issuance roadshows, or investors visiting issuer companies. Interactions have in recent years become increasingly virtual. The importance of ESG advocacy among the debt investor community makes these meetings an increasingly important forum to discuss ESG issues. It provides a platform for companies to clarify their strategy and the relationship between ESG factors, their business model and financial performance.

Engagements in public forums usually occur during an earnings update call, a business update call (such as to announce a major acquisition) or during a capital raising exercise for the company. As these meetings are made public, they can include both equity and debt investors. Depending on the jurisdictions and the nature and size of the business activities, most companies conduct quarterly performance updates which include the opportunity for investors to ask questions.

Indirect Engagement

Investment banks frequently seek out investors' opinions on behalf of issuers, either in direct relation to an issuance or to solicit investor feedback in relation to a proposed issuance. This engagement channel, as well as direct engagement with issuers in small group meetings, represents most of our engagement with issuers.

5. MANAGING CONFLICTS OF INTEREST

Global Evolution's engagement with issuers is subject to our general Conflicts of Interest Policy. Global Evolution is solely an investment manager and does not provide other financial services to issuers. As such Global Evolution does not have significant business relationships with the issuers in which it invests.

6. REVIEW AND APPROVAL OF THIS POLICY

The review and approval of this policy and the related documents are the responsibility of the Board of Directors of the Company, with the input and advice of Executive Management, Legal & Compliance, and the external auditor. Any amendments or revisions to this policy and the related documents are communicated to all staff.

This policy and its appendices are reviewed and approved by the Board of Directors on an annual basis.

Version	Approval Date	Revision details	Made by	Approved by
1.	8 March 2021		SBS/ZK/OJ	BoD
2.	November 2023	Date update	AMH	BoD
3.	14 November 2024	Template update	MKT	BoD