Sustainability-related disclosures

The below disclosures apply with respect to Albemarle Funds plc, (the "**Company**"), their respective sub-funds (the "**Funds**") and their obligations under Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "**Disclosure Regulation**").

Albemarle Asset Management Limited (the "**Investment Manager**") considers environmental, social or governance factors as part of the investment decision-making and process of each of the Funds. The relevant Supplement of a Fund demonstrates that the sub-fund explicitly promotes environmental or social characteristics (or a combination of these) as outlined under Article 8.

Integration of Sustainability Risks

Pursuant to the Disclosure Regulation, the Fund is required to disclose the manner in which sustainability risks are integrated into the investment decision of the Fund and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Fund.

Such risks are principally linked to climate-related events resulting from climate change (the so-called physical risks) or to the society's response to climate change (the so-called transition risks), which may result in unanticipated losses that could affect the Fund's investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

The Investment Manager integrates Sustainability Risks into its investment decision making and risk monitoring of the Fund to the extent that they represent potential or actual material risks and/or opportunities to maximising the long-term risk-adjusted returns.

The Investment Manager assesses information relevant to Sustainability Risks and takes such information into account when forming an investment thesis and making an investment decision.

By taking Sustainability Risks into consideration during its investment decision making process, the intention of the Investment Manager is to manage such Sustainability Risks in a way that Sustainability Risks do not have a material negative impact on the performance of the Fund over and above the risks in relation to the investments.

While the Investment Manager's assessment is that the potential impact of Sustainability Risks on the returns of the Fund is limited there can be no guarantee that losses will not arise.

No consideration of sustainability adverse impacts

Taking due account of the nature and scale of its activities and the types of financial products we make available, the Investment Manager has elected not to consider (in the manner specifically contemplated by Article 4(1)(a) of the Disclosure Regulation) the principal adverse impacts ("**PAIs**") of investment decisions on sustainability factors for now. The Company considers this an appropriate and proportionate approach to compliance with its obligations under the Disclosure Regulation.

The Company may in the future look to consider the PAIs of its investment decisions on sustainability factors within the meaning of Article 4(1)(a) of the Disclosure Regulation, if the Company considers that the results of such an assessment would prove meaningful to investors in the financial products it makes available.

In addition to the entity level disclosure above, for the purposes of Article 7(1)a) of the Disclosure Regulation, the Investment Manager, in consultation with the Manager, does not currently consider the PAIs of investment decisions being made in respect of the Funds on sustainability factors. The

Investment Manager has made this determination at this time due to the size, nature and activities of the Funds. The Investment Manager, in consultation with the Manager, will keep this determination under review and may over time consider the PAIs where it considers that the results of such assessment would prove meaningful to investors in the relevant Fund. The relevant Supplement of the Fund would be updated as appropriate in such circumstances.

Description of the promotion of environmental and social characteristics

The characteristics promoted by the Fund consist of investing in instruments with acceptable environmental, social and governance ratings determined in accordance with the Investment Manager's ESG assessment methodology. Investments within the Fund's investment universe are selected by the Investment Manager in accordance with the following process with respect to ESG characteristics:

1. The investment or potential investment is subjected to ESG analysis per the Investment Manager's proprietary ESG assessment methodology;
2. Companies are screened in accordance with the Investment Manager's exclusion policy;
3. Portfolio holdings are monitored on a regular basis; and
4. ESG issues that have been identified during the research and monitoring process are considered at the Investment committees.

For each potential and existing investment within this financial product's investment universe, the Investment Manager assesses and assigns a weighted "ESG Score" by evaluating both objective and subjective data using a combination of third party ESG ratings (primarily Bloomberg ESG Data Service), public information and the Investment Manager's proprietary research. To assign ESG Scores to investments within this financial product's investment universe, the Investment Manager analyses factors such as (without limitation): (i) a country's rule of law, democratic stability, reputation, and levels of corruption and similar factors, and (ii) an industry's and/or issuer's emissions, innovation, energy/resource output and consumption, human rights record, product safety and responsibility, labour relations and workplace standards, community/social welfare, standards of leadership and ethics, shareholder engagement and activism, and implementation of sustainable business practices and any sector's or issuer's stated objectives and achievement thereof, in its determination of the relevant ESG Score.

Investments are also subjected to the Investment Manager's exclusion screening process to prevent long positions in issuers (i) involved in coal, gambling or controversial weapons industries (including group companies deriving 10% or more of their revenues from these industries); (ii) who are categorically involved in other non-ESG compliant activities such as child labour, environmental damage, predatory lending or pornography; (iii) who are in unremedied breach of normative standards, namely the United Nations Global Compact Principles, or (iv) who otherwise have unacceptably weak ESG Scores in accordance with data points determined by the Investment Manager.

Remuneration Policies

The Company has updated their remuneration policy to meet the requirements of the Disclosure Regulation. The Company's remuneration policy seeks to ensure that the remuneration of key decision makers is aligned with the management of short and long-term risks, including the oversight and where appropriate the management of sustainability risks in line with the Disclosure Regulation. The Company's remuneration policy is reviewed regularly or as required by regulations.

Review of disclosures (how often they will be reviewed)

The Investment Manager, in consultation with the Manger, will review and update the relevant disclosures for SFDR prior to 1 January 2023 to reflect additional updates required by that date. Thereafter, the website disclosures will be updated at least annually.