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The NT Global Green Bond Index Fund ("The Product")

LEI: 635400EZAVKA6VPYKK62

Sustainability-related Investment Disclosures

SUMMARY

The NT Global Green Bond Index Fund's (the "Product") sustainable investment objective relates to the following environmental objectives under the EU Taxonomy

- Climate change mitigation;
- Climate change adaptation;
- Pollution prevention and control;
- Sustainable use and protection of water and marine resources; and
- Protection and restoration of biodiversity and ecosystems.

The Product commits to having a minimum 90% in sustainable investments. The NT Global Green Bond Index Fund ("the Product") is a passive index tracking strategy whereby it seeks to track the risk and return characteristics of the Bloomberg MSCI Global Green Bond Index (the "Index") by investing directly in assets that are Index constituents. The Index measures the performance of the global market for fixed income securities classified as a 'green bonds' issued to fund projects with direct environmental benefits. Treasury, corporate, government-related and securitised bonds are included.

The Index is calculated and constructed by Bloomberg with the Green Bond Principles used for security selection undertaken by MSCI ESG Research. Securities are independently evaluated by MSCI ESG Research to determine whether they should be classified as a green bond. The eligibility criteria reflect themes articulated in the International Capital Markets Association ("ICMA") Green Bond Principles which require commitments about a bond's: (i) stated use of proceeds; (ii) process for green project evaluation and selection; (iii) process for management of proceeds; and (iv) commitment to ongoing reporting of the environmental performance of the use of proceeds. The eligibility criteria means that the Index excludes companies not considered to meet certain sustainability principles.

The Product considers adverse impacts through the design of the Management of Proceeds assessment requirements evaluated by MSCI Research. The ring-fenced use of proceeds helps to ensure that proceeds are not financing any activities or projects other than the stated seven eligible environmentally sustainable projects. To ensure this is the case, MSCI ESG Research ensures that a formal process to apply net proceeds raised or an amount equal to net proceeds raised to the eligible use of proceeds is disclosed in the bond prospectus or supporting documentation.

Eligible mechanisms to apply net proceeds raised or an amount equal to net proceeds raised include: direct recourse to eligible revenues or assets (e.g., a green securitised bond, green project bond, or green revenue bond); creation of a separate legal entity; creation of a sub-portfolio linked to the issuer's investment operations for eligible projects; or other auditable mechanism whereby the balance of tracked proceeds is reduced periodically by amounts matching investments made in eligible projects during that period.

The MSCI Green Bonds Assessment Methodology incorporates elements of Do No Significant Harm ("DNSH") and Good Governance, in addition, through the issuer level exclusions applied, the Index considers adverse impacts by excluding all issuers identified by MSCI Research as global norms violators or involved in business lines related to thermal coal, and to controversial weapons. In practice, this means that all investee securities are aligned with these minimum safeguards.

The Product intends to be at least 90% invested in securities that with a sustainable investment objective through an eligibility criteria that excludes bonds that do not meet the ICMA Green Bond Principles. In practice that means that at least 90% of proceeds are dedicated to one of seven environmental project categories. The "other" 10%



of the Product may include proceeds allocated by issuers to Operating Expenditure (“Opex”) or Capital Expenditure (“Capex”) outside of the Product’s eligible use-of-proceeds categories. The Product presently intends to invest 0% of its assets in investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation.

For the Bloomberg MSCI Green Bond Index, securities are independently evaluated by MSCI ESG Research along four dimensions to determine whether a fixed-income security should be classified as a green bond. The securities to be excluded from the Index are based on MSCI ESG Research data and is calculated by Bloomberg.

Where possible, the investment guidelines and ESG criteria are coded into our investment management systems to provide pre- and post-trade controls. Certain targets and thresholds, that are relevant to the Product strategy, are monitored by the investment team and independently monitored by the Risk team and reported to the Products board of directors.

The Index aims to represent the performance of a strategy that is designed to exclude companies that do not meet the green bond eligibility criteria to ensure that all bonds considered part of the Index, as evaluated by MSCI ESG Research, are securities in which the proceeds will be exclusively and formally applied to projects or activities that promote climate or other environmental sustainability purposes through their use of proceeds. The methodology for the Index can be found [here](#).

NT has agreements in place for the use of third party ESG data from a number of preferred providers. We may use one or more of these providers’ ESG datasets in the construction, reporting, research and analysis process of our products.

The primary limitation to the methodology or data source is the lack of corporate disclosure particularly in relation to companies outside of the EU. We do not expect the corporate reporting landscape to change significantly until the anticipated introduction of Corporate Sustainability Reporting Directive (“CSRD”) in 2025 and even then, we envisage continued challenges in markets outside of the EU.

Specific to green bonds - one of the limitations to the methodology or data source is that the methodology to define “green” bonds is relatively nascent and subject to change based on the evolving areas for use of proceeds, changes in regulatory requirements and standard definitions. In addition, the green bond and green loan reporting is not yet standardised and reports are not always available through standard financial reporting channels which can add additional challenges when confirming a green bond remains eligible for inclusion in the Index.

As part of the due diligence carried out on the underlying assets of the Product, green bond issuers are obliged to either report on projects financed by the instrument’s proceeds or commit to doing so within one year. This reporting obligation continues for the life of the bond or loan or until proceeds have been fully disbursed. MSCI ESG Research reserves an additional three months beyond the 12-month deadline to review an issuer’s green bond or borrower’s green loan report.

The holdings of the Product are subject to investment manager’s engagement program with Hermes Equity Ownership Services (“Hermes EOS”), providing an opportunity to engage with selective companies and to seek ways to improve their performance. Proposals for engagement, whether generated by Hermes EOS or the Product, usually involve risks and concerns relating to strategic, operational, legal, social, environmental, ethical or governance principles, or a breach of the Hermes responsible ownership principles or its regional policies.

Engagements may relate to longer-term strategic, ESG, which may not have immediate stock-specific impacts, for example where the company’s shares are fully valued, and the intent is to preserve that value. Hermes EOS will escalate its engagement according to the nature and severity of the concerns.

Attainment of the sustainable investment objective is ensured through the tracking of the Bloomberg MSCI Global Green Bond Index which incorporates the various criteria to identify the “green” bonds whose proceeds have a clear net environmental benefit. This means that the Product is only able to own a security that meets the green bond eligibility criteria (companies that do not meet the specific criteria will not appear in the universe).



NO SIGNIFICANT HARM TO THE SUSTAINABLE INVESTMENT OBJECTIVE

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Management of Proceeds requirement ensures that bond proceeds are ring-fenced from unsustainable or harmful activities and that proceeds are not used for any purpose other than the stated environmentally sustainable project. To ensure this is the case, MSCI ESG Research ensures that a formal process to apply net proceeds raised or an amount equal to net proceeds raised to the eligible use of proceeds is disclosed in the bond prospectus or supporting documentation. Eligible mechanisms to apply net proceeds raised or an amount equal to net proceeds raised include: direct recourse to eligible revenues or assets (e.g., a green securitised bond, green project bond, or green revenue bond); creation of a separate legal entity; creation of a sub-portfolio linked to the issuer's investment operations for eligible projects; or other auditable mechanism whereby the balance of tracked proceeds is reduced periodically by amounts matching investments made in eligible projects during that period.

As the proceeds of these Green bonds are exclusively and formally applied to projects or activities that promote the transition to a low carbon economy or other environmental sustainability purposes and therefore are at least 90% sustainable investments this meets the definition of positive contribution and DNSH.

In addition to the MSCI Green Bonds Assessment Methodology described above incorporating elements of DNSH and Good Governance, the issuer level exclusions applied by the Index exclude issuers involved in the following business lines:

- thermal coal-related revenues of 15% or more;
- ownership or revenue ties to controversial weapons.

The index also excludes companies identified by MSCI as global norms violators and involved in "very severe" ESG controversies.

How are the sustainable investments aligned with the OECD guidelines for multinational enterprises and the UN guiding principles on business and human rights?

The Product ensures that investment proceeds are not used for any purpose other than the stated eligible environmentally sustainable projects. Additionally, MSCI ESG Research screens out all corporate issuers identified as violators of international norms including:

- OECD Guidelines for Multinational Enterprises;
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation ("ILO") on Fundamental Principles and Rights at Work; and
- the International Bill of Human Rights.

In practice, this means that all investee companies are aligned with these minimum safeguards.

In addition, Hermes EOS has been appointed to carry out corporate engagement with carefully selected securities held within the Product. Please refer to the Prospectus for further detail on this appointment.

SUSTAINABLE INVESTMENT OBJECTIVE OF THE FINANCIAL PRODUCT

What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Product relates to the following environmental objectives under the EU Taxonomy:

- Climate change mitigation;
- Climate change adaptation;
- Pollution prevention and control;
- Sustainable use and protection of water and marine resources; and



- Protection and restoration of biodiversity and ecosystems.

The NT Global Green Bond fund Index ("the Product") seeks to achieve these objectives by closely matching the risk and return characteristics of the Bloomberg MSCI Global Green Bond (the "Index") which measures the performance of the global market for fixed income securities classified as a 'green bonds' issued to fund projects with direct environmental benefits. Treasury, corporate, government-related, and securitised bonds are included.

In order to be eligible for the index, the proceeds of these Green bonds are exclusively and formally applied to projects or activities that promote the transition to a low carbon economy or other environmental sustainability purposes. As such the Index targets a minimum 90% asset allocation to environmentally impactful projects in the categories listed below and therefore have over 90% of sustainable investments. Project evaluation against eligible project categories is conducted by MSCI ESG Research analyst team using the methodology available [here](#).

The seven environmental categories are defined by MSCI ESG Research as; Alternative Energy, Energy Efficiency, Pollution Prevention and Control, Sustainable Water, Green Building, Climate Adaptation and 'Other'. Other may include, but is not limited to, the protection and conservation of biodiversity; sustainable forestry and afforestation projects; and sustainable agricultural projects. Any funding to thermal coal extraction or energy generation, agriculture for tobacco or manufacturing of tobacco-based products, or manufacturing of controversial weapons is ineligible. A bond or loan using over 0% proceeds to fund any of these categories is deemed ineligible.

INVESTMENT STRATEGY

What investment strategy used to meet the environmental or social characteristics promoted by the product follow?

The Product is a passive index tracking strategy whereby it seeks to track the risk and return characteristics of the Bloomberg MSCI Global Green Bond Index by investing directly in assets that are Index constituents.

The Index is a global benchmark, calculated and constructed by Bloomberg with the Green Bond Principles used for security selection undertaken by MSCI ESG Research; to measure the performance of the global market for fixed income securities issued to fund projects with direct environmental benefits.

Securities are independently evaluated by MSCI ESG Research to determine whether they should be classified as a green bond. The eligibility criteria reflect themes articulated in the ICMA Green Bond Principles which require commitments about a bond's: (i) stated use of proceeds; (ii) process for green project evaluation and selection; (iii) process for management of proceeds; and (iv) commitment to ongoing reporting of the environmental performance of the use of proceeds.

The eligibility criteria means that the Index excludes companies not considered to meet certain sustainability principles. Amongst other things, the Index is looking to minimise climate related risks and maximise climate related opportunities.

What is the policy to assess good governance practices of the investee companies?

Similar to Good Governance, the ring-fenced use of proceeds is achieved through the set-up of special purpose companies dedicated to the green bond issuance. The Index requires the following for the management of Proceeds:

- A formal process to apply net proceeds raised or an amount equal to net proceeds raised to the eligible use of proceeds must be disclosed in the bond prospectus or supporting documentation.
- Eligible mechanisms to apply net proceeds raised or an amount equal to net proceeds raised include: direct recourse to eligible revenues or assets (e.g., a green securitised bond, green project bond, or green revenue bond); creation of a separate legal entity; creation of a sub-portfolio linked to the issuer's investment operations for eligible projects; or other auditable mechanism whereby the balance of tracked proceeds is reduced periodically by amounts matching investments made in eligible projects during that period.



- Additionally, the index screening process ensures removes all issuers involved in “very severe” ESG controversies and global norms violations, thermal coal operations and controversial weapons.

PROPORTION OF INVESTMENTS

What is the asset allocation and the minimum share of sustainable investments?

The Product intends to be at least 90% invested in securities that with a sustainable investment objective. This allocation is achieved through an eligibility criteria that excludes bonds that do not meet the ICMA Green Bond Principles. In practice that means that at least 90% of proceeds are dedicated to one of seven environmental project categories. As such the Index targets a minimum 90% asset allocation to environmentally impactful projects and therefore has over 90% of sustainable investments. This also includes companies aligned with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

The Product presently intends to invest 0% of its assets in investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation.

What investments are included under “#2 not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The “not sustainable” 10% of the Product may include proceeds allocated by issuers to OpEx or CapEx outside of the Product’s eligible use-of-proceeds categories. The allocation is monitored and ensured through the bond reporting obligation which continues for the life of eligible bonds until proceeds have been fully disbursed.

MONITORING OF SUSTAINABLE INVESTMENT OBJECTIVE

How is the sustainable investment objective and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

Where possible, the Product is coded into our investment management system to enable pre and post trade monitoring. Certain targets and thresholds, that are relevant to the Product strategy, are monitored by the investment team and independently monitored by the risk team and reported to the Products board of directors.

METHODOLOGIES

What are the methodologies to measure how the sustainable investment objective promoted by the financial product is met?

The Index aims to represent the performance of a strategy that is designed to exclude bonds that do not meet the ICMA eligibility criteria, and investing in green bonds’ issued to fund projects with direct environmental benefits. The Product uses research and data from our third party data provider.

The methodology for the Index can be found [here](#). Please refer to the Product supplement and annex for the methodology used to meet the sustainable objective found [here](#).

DATA SOURCES AND PROCESSING

What are the data sources used to attain the sustainable investment objective? Describe the measures taken to ensure data quality, describe how data are processed and describe the proportion of data that are estimated.

The investment manager’s dedicated ESG integration team, which is part of our Sustainable Investment and Stewardship team assists in identifying the most relevant and suitable data sources needed to attain the sustainability characteristics of the strategies. The selection of the data provider goes through an extensive due diligence process evaluating them on various parameters including, but not limited to, robustness of data providers research process, methodological approach, quality assurance, coverage.



The investment manager has agreements in place with multiple third party ESG data providers to ensure we have access to diverse views and utilising the best available options. We may use one or more of these providers as deemed fit to attain the sustainable investment objective in the portfolio construction, reporting, research and analysis process of our products.

Company reported data may not be available for all securities in the investible universe or may not be in a format that allows comparability or aggregation at the portfolio level. As such the investment manager and/or our ESG data provider(s) may use estimated or modelled data as a proxy. It is currently complex to report sufficiently accurate yet broad metrics on the proportion of data that is estimated. The share of modelled data will vary over time and across funds based on the investible universe. We continue to monitor developments in data availability and regularly review the datasets and tools available vis-à-vis new and emerging alternatives in terms of data coverage and quality.

LIMITATIONS TO METHODOLOGIES AND DATA

The primary limitation to the methodology or data source is the lack of corporate disclosure particularly in relation to companies outside of the EU. We do not expect the corporate reporting landscape to change significantly until the anticipated introduction of Corporate Sustainability Reporting Directive ("CSRD") in 2025 and even then, we envisage continued challenges in markets outside of the EU.

Specific to green bonds - one of the limitations to the methodology or data source is that the methodology to define "green" bonds is relatively nascent and subject to change based on the evolving areas for use of proceeds, changes in regulatory requirements and standard definitions. In addition, the green bond and green loan reporting is not yet standardised and reports are not always available through standard financial reporting channels which can add additional challenges when confirming a green bond remains eligible for inclusion in the Index.

DUE DILIGENCE

Describe the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.

Due diligence is carried out on the underlying assets throughout the life cycle of the product. Starting from product development, ESG objectives and criteria are determined from the outset with due diligence carried out on the investment universe. As part of its due diligence the investment manager assesses to ensure compliance with these requirements. ESG metrics of third-party data providers will typically be used to conduct this due diligence, based on the product offering documentation. The selection of the data provider goes through an extensive due diligence process evaluating them on various parameters including, but not limited to, robustness of data providers research process, methodological approach, quality assurance etc.

During the life of the product, ESG criteria is monitored through the review of ESG data published by the selected data providers to determine whether the product and its investments remain in line with its sustainable investment objective.

Product level ESG exclusions and screens are coded into our investment management system to enable pre and post trade monitoring (where applicable) as well as on-going independent oversight so as to seek to avoid or reduce the risk of breaches. You can find out more about our sustainability risk policy [here](#).

ENGAGEMENT POLICIES

Describe the engagement policies implemented where engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies

The holdings of the Product are subject to investment manager's engagement program. In addition to our direct engagements in EMEA, we appointed Hermes EOS to act as agent of the majority of our pooled funds in EMEA. Hermes EOS' engagements are focused on ensuring companies are responsibly-governed and well



managed to deliver sustainable long-term value as well as improving the lives of employees, promoting diversity and supporting communities.

Proposals for engagement, whether generated by Hermes EOS or the Product directly, usually involve risks and concerns relating to strategic, operational, legal, social, environmental, ethical or governance principles, or a breach of the Hermes responsible ownership principles or its regional policies.

Engagements may relate to longer-term strategic, ESG issues, which may not have immediate stock-specific impacts, for example where the company's shares are fully valued, and the intent is to preserve that value. Hermes EOS will escalate its engagement according to the nature and severity of the concerns.

Hermes EOS conducts engagements with companies that are constituents of the Product to seek positive change for investors, the companies and the societies in which they operate. Hermes EOS adopt their three-year engagement plans to explain their short-and-medium-term priorities and the links to the United Nations' Sustainable Development Goals.

Hermes EOS shall undertake portfolio company-specific engagements where it is believed that:

- Engagement will lead to an increase in the value of a company's shares over the long term; or
- Engagement will prevent or limit a decrease in the value of a company's shares over the long term.

Our engagement policy is available [here](#) for the EMEA pooled funds.

ATTAINMENT OF THE SUSTAINABLE INVESTMENT OBJECTIVE

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the sustainable investment objectives? If yes, how that index is aligned with sustainable investment objective promoted by the financial product, and where can one find information with regards to input data, methodologies used to select those data, the rebalancing methodologies and index calculations?

The Product has reference benchmark, the Bloomberg MSCI Green Bond Index, an index calculated by Bloomberg and whose securities are independently evaluated by MSCI ESG Research for inclusion in the index based on the Green Bond Principles. Treasury, corporate, government-related, and securitised bonds are included.

Alignment of the investment strategy is ensured through the tracking of the Bloomberg MSCI Global Green Bond Index which incorporates the various criteria to identify the "green" bonds whose proceeds have a clear net environmental benefit. This means that the Product is only able to own a security that meets the green bond eligibility criteria (companies that do not meet the specific criteria will not appear in the universe). To the extent possible, the investment guidelines and ESG criteria are coded into our investment management systems to provide pre and post-trade controls.

The Bloomberg MSCI Green Bond Index is rebalanced on the last business day of each month. New issues are not added to the Projected Universe until after the Green Bond Evaluation Date. The formal list of green bonds evaluated and identified by MSCI ESG Research is updated on the 25th calendar day of each month. MSCI evaluations must be completed by the Green Bond Evaluation Date to qualify for index inclusion at the next index rebalancing.

IMPORTANT INFORMATION

This Information Statement is issued for information purposes only and is not intended as legal or investment advice, an offer or a recommendation about managing or investing assets and should not be used as the basis for any investment decision.

The information contained herein is current as of December 2022 and is subject to change without notice.

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