

Information Statement
on our Policy on
the Consideration of Principal Adverse Impacts of Investment Decisions on Sustainability
Factors

Issued by Independent Franchise Partners, LLP

In respect of:

- Independent Franchise Partners Variable Capital Company plc (the "**VCC**")
- Independent Franchise Partners Common Contractual Fund (the "**CCF**")

This Information Statement is accurate as at: 4 March 2021

Sustainable Finance Transparency

The European Union has introduced a series of legal measures (the primary one being the Sustainable Finance Disclosures Regulation (Regulation (EU) 2019/2088), "**SFDR**") requiring financial market participants to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage.

Both the VCC and Carne Global Fund Managers (Ireland) Limited, as manager of the CCF ("**Carne**"), have appointed Independent Franchise Partners, LLP ("**Franchise Partners**") as investment manager of the VCC and the CCF respectively.

This Information Statement has been prepared by Franchise Partners on behalf of the VCC and on behalf of Carne in respect of the CCF (each of the VCC and Carne being the "financial market participants" under SFDR) for the purpose of meeting the disclosure requirements in Article 4 of SFDR, that is, specifically, the disclosure requirements applicable to the VCC and Carne with regard to whether and how principal adverse impacts of investment decisions on sustainability factors are considered in respect of the VCC and the CCF.

It is noted that the regulatory technical standards ("**RTS**") to specify the details of the content, methodologies and presentation of the information to be disclosed under Article 4 of SFDR have been delayed and will not be issued when the relevant disclosure obligations in SFDR become effective.

It is noted that the European Commission has recommended that from the effective date of SFDR, financial market participants are recommended to comply with the specific disclosure obligations in SFDR that are reliant on RTS on the basis of a high-level, principles-based approach.

We therefore seek to comply on a best efforts basis with the relevant disclosure obligations and issue this Information Statement as a means of achieving this objective.

It is expected that this Information Statement will be reviewed and updated once the relevant RTS come into effect, noting, in particular, that the RTS are expected to contain details on the content, methodologies and presentation of the information to be disclosed and this could therefore require a revised approach to how we seek to meet the SFDR disclosure obligations.

The Information Statement may also be updated to take account of the Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation EU/2020/852, the "**Taxonomy Regulation**") once it comes into effect (1 January 2022).

Our Approach to Sustainable Investment

We consider it important to incorporate Environmental, Social, and Governance ("**ESG**") factors into our investment and risk processes. We believe that this increases the likelihood that our investments can compound our investors' wealth and deliver attractive long-term results. We aim to invest in

companies with durable franchises and to be responsible long-term owners of those businesses. These two goals are central to Franchise Partners' mission. We focus on the long-term risks and opportunities that matter, and we have a keen interest in how sustainably companies are managed and how effectively they allocate capital.

What is a Sustainability Risk?

In this context a sustainability risk is considered to be an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

Information Regarding the Consideration of Principal Adverse Impacts of Investment Decisions on Sustainability Factors

As per Article 4(1)(b) of SFDR (Explain Option)

We currently do not consider the adverse impacts of investment decisions on sustainability factors. This is because, as outlined above, the RTS which will set out the content, methodology and information required in the PAI statement remain in draft form and have been delayed. We intend to consider the principal adverse impacts of investment decisions on sustainability factors once the RTS come into effect.

Further Information

This Information Statement is issued for information purposes only.

This Information Statement is not intended as investment advice and is not 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 the date of issuance and is subject to change without notice.

We do not make any express or implied warranties or representations as to the completeness or accuracy or accept responsibility for errors.

No risk management technique can guarantee the mitigation or elimination of risk in any market environment.

Past performance is not a guarantee or a reliable indicator of future results and an investment could lose value. All investments involve risk, including the possible loss of capital.

Independent Franchise Partners, LLP is authorised and regulated by the Financial Conduct Authority in the United Kingdom.