



LEA 02	Disclosures: Mandatory	Reason for Interaction
Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making in a company relevant to ESG issues <input checked="" type="checkbox"/> To encourage corporate transition or identify the need for a transition <input type="checkbox"/> Other: specify	<input type="checkbox"/> We do not engage via internal staff <input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues <input type="checkbox"/> To encourage corporate transition or identify the need for a transition <input type="checkbox"/> Other: specify
Collaborative engagements	<input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues <input type="checkbox"/> To encourage corporate transition or identify the need for a transition <input type="checkbox"/> Other: specify	<input type="checkbox"/> We do not engage via collaborative engagements <input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues <input type="checkbox"/> To encourage corporate transition or identify the need for a transition <input type="checkbox"/> Other: specify
Service provider engagements	<input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues <input type="checkbox"/> To encourage corporate transition or identify the need for a transition <input type="checkbox"/> Other: specify	<input type="checkbox"/> We do not engage via service providers <input type="checkbox"/> To support investment decision-making in a company relevant to ESG issues <input type="checkbox"/> To encourage corporate transition or identify the need for a transition <input type="checkbox"/> Other: specify

# RI TRANSPARENCY REPORT

## 2014/15

Taurus Funds Management Pty Limited

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	-	n/a							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 06	Objectives for engagement activities	🔒	n/a		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Breakdown of investments by strategy	✓	Public							✓
PE 02	Typical level of ownership	✓	Public							✓
PE 03	Description of approach to RI	✓	Public	✓						✓
PE 04	Investment guidelines and RI	✓	Public		✓					
PE 05	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 06	Formal commitments to RI	✓	Public				✓			
PE 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 08	ESG advice and research when selecting investments	✓	Public	✓						
PE 09	ESG issues in investment selection process	✓	Public	✓		✓				
PE 10	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PE 11	Encouraging improvements in investees	✓	Public	✓	✓					
PE 12	ESG issues impact in selection process	✓	Public	✓						
PE 13	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 14	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 15	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Public		✓					
PE 16	Type and frequency of reports received from portfolio companies	✓	Private		✓	✓				
PE 17	Disclosure of ESG issues in pre-exit	✓	Public		✓					
PE 18	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PE 19	Examples of ESG issues that affected your PE investments	-	n/a	✓		✓				
PE 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PE 21	Approach to disclosing ESG incidents	✓	Public							✓

# Taurus Funds Management Pty Limited

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

Taurus Funds Management ('Taurus') is an independent, global fund manager whose clients include institutional and high net worth (wholesale) investors.

Taurus specialises in investment products based on the mined commodities industry. Our team of geologists, mining engineers, mining financiers, metallurgists and portfolio managers provides the skills and experience for successful investing.

Taurus was founded in 2006 and its first private equity fund commenced in July 2007. Taurus' second private fund closed in June 2012.

These funds invest in equity-style instruments issued by both private and publicly-listed companies. In general, however where publicly listed securities are held, the funds generally hold significant positions and the securities tend to be illiquid. While we have completed both the public and private equity components of this report there is no distinction in the way we incorporate ESG-related activities into our investment processes. The response given in either section should be taken to apply to both.

Taurus' third fund commenced in July 2014, this time using debt instruments. This fund's objective is to achieve superior risk-adjusted returns by investing in the debt of emerging public and private mining and metals companies used to finance, or refinance, mining project development or acquisition, via well researched credit opportunities, and applying active management in monitoring investments.

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Australia

**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

20

**OO 03** **Mandatory** **Descriptive** **General**

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 04** **Mandatory** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

30/06/2014

**OO 04.2** Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM			514	000	000
Currency	USD				
Assets in USD			514	000	000

**OO 04.5** Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 06** **Mandatory** **Descriptive** **General**

**OO 06.1**

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	0
Fixed income – corporate	0	0
Fixed income – government	0	0
Fixed income – other	0	0
Private debt	10-50%	0
Private equity	10-50%	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

**OO 08**

**Mandatory to Report Voluntary to Disclose**

**Peering**

**General**

**OO 08.1**

Indicate the breakdown of your organisation’s AUM by market.

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0%
	<input type="radio"/> <10%
	<input checked="" type="radio"/> 10-50%
	<input type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0%
	<input type="radio"/> <10%
	<input type="radio"/> 10-50%
	<input checked="" type="radio"/> >50 %

OO 08.2

Additional information. [Optional]

Companies we have invested in have projects in the following countries:

Algeria  
Australia  
Botswana  
Brazil  
Burkina Faso  
Canada  
Chile  
Cote D'Ivoire  
Democratic Republic of Congo  
Egypt  
Ghana  
Guinea  
Indonesia  
Kenya  
Laos  
Mali  
South Africa  
Spain  
USA  
Zambia

OO 09

Voluntary

Descriptive

General

OO 09.1

Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

The professionals who comprise the Taurus team have a passion for the resources industry and have a clear vision for our funds management company. Taurus' vision is to be:

"A world leader in the provision of resource related investment products for the global investment community."

Taurus is a responsible investor which seeks to generate superior risk-adjusted returns by investing in mining companies and projects globally.

As a responsible investor in the mining sector, Taurus supports the UN Global Compact, the Universal Declaration of Human Rights and the International Labour Organisation's core labour principles and is a signatory to the UN Principles for Responsible Investment.

Accordingly, Taurus will only invest in companies or projects which do, or will in Taurus' belief, undertake environmental, social, and corporate governance practices which are consistent with these documents and principles.

ESG factors have always been a key consideration in our investment decision-making and day to day management. The Taurus team knows from experience that accurately identifying ESG risks and having confidence that ESG matters will be responsibly managed are important factors in successfully investing in projects and securing funding from financiers.

The Taurus team is comprised of a highly skilled group of resource investment professionals; the team has over 200 years of collective mining industry experience that covers the full set of skills required to identify and evaluate mining project risks including ESG risks.

We accept that as an investor in emerging mining companies, we also have a responsibility to bring our influence and expertise to the development of environmentally and socially responsible operations in the projects in which we invest. In the Taurus team, we have the technical expertise to assess ESG risks and opportunities and to consider those assessments in our decision-making.

## Gateway asset class implementation indicators

<b>OO 10</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
--------------	------------------	----------------	----------------

<b>OO 10.1</b>	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
----------------	----------------------------------------------------------------------------------------------------------------------------------------------------

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

<b>OO 10.3</b>	Additional information. [Optional]
----------------	------------------------------------

Value creation in this strategy is about successfully identifying, analyzing and then driving forward projects that we believe have what it takes to clear the multitude of hurdles to come into production, including ESG factors. Our approach is multi-faceted and requires "hands on" active management of the underlying project developments.

Our approach is underpinned by our ESG strategy, which is incorporated into the four phases of our decision-making and investment management:

- Initial due diligence;
- Detailed due diligence;
- Investment proposal and decision-making; and
- Investment management.

<b>OO 11</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
--------------	------------------	----------------	----------------

<b>OO 11.1</b>	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
----------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- Private debt
- Private equity
- None of the above

<b>OO 12</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
--------------	------------------	----------------	----------------

<b>OO 12.1</b>	The modules and sections that you will be required to complete are listed below.
----------------	----------------------------------------------------------------------------------

*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Other asset classes with dedicated modules

- Private Equity

**Closing module**

- Closing module

# Taurus Funds Management Pty Limited

## Reported Information

### Public version

### Overarching Approach

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

**OA 01.1** Indicate if you have a responsible investment policy.

- Yes  
 No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes  
 No

**OA 01.3** Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

The Taurus ESG Policy:

Taurus is a responsible investor which seeks to generate superior risk-adjusted returns by investing in mining companies and projects globally.

As a responsible investor in the mining sector, Taurus supports the UN Global Compact, the Universal Declaration of Human Rights and the International Labour Organization's core labour principles and is a signatory to the UN Principles for Responsible Investment.

Accordingly, Taurus will only invest in companies or projects which do, or will in Taurus' belief, undertake environmental, social, and corporate governance practices which are consistent with these documents and principles. In addition, in our private equity business, Taurus will:

- Actively engage with management of current and future investee companies and work with these people to obtain an appropriate level of disclosure of ESG-related issues,
- Actively promote the International Council for Mining and Metals principles and processes in investee companies, and
- Implement and report on ESG progress to Taurus' investors.

OA 02	Mandatory	Core Assessed	PRI 6
-------	-----------	---------------	-------

**OA 02.1** Indicate if your responsible investment policy is publicly available.

- Yes

**OA 02.2** Provide a URL to your responsible investment policy.

URL

<http://taurusfunds.com.au>

- No



**OA 02.3** Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes
- No

**OA 03** **Mandatory** **Core Assessed** **PRI 1,2**

**OA 03.1** Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**OA 04** **Mandatory** **Core Assessed** **General**

**OA 04.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

- Yes

**OA 04.2** Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

At the individual fund product level procedures for managing conflicts of interest are dealt with extensively in the respective fund's governing documents. In addition, as a standard component of the investment process, our investment committees require formal disclosure and discussion of any potential conflicts of interest at the time an investment proposal is tabled and may require these to be discussed with the respective fund's advisory board (made up of investors).

- No

At a firm-wide level Taurus has an extensive compliance procedure including a detailed compliance manual as well as a number of policies, controls and procedures in place.

The compliance manual details procedures for preventing, report and handling any conflicts of interest that may arise (including "Chinese Walls" procedures, electronic and physical separation of information) and the firm's compliance committee meets on a quarterly basis to review the firm's compliance with all of its obligations including conflicts of interest. Taurus undertakes a voluntary external compliance review on an annual basis.

Policies are well documented, reviewed regularly and available to investors upon request. Some of our documents, policies and procedures include:

- Compliance manual including AML / CTF / KYC
- Australian Financial Services License compliance
- Internal fund accounting, trade processing and portfolio reporting
- IT policies including internet/email usage policy, restricting access to system and data, IT backup, business continuity and disaster recovery plans
- Staff trading policies
- Staff training program

Annual training is required for all staff and annual declarations and undertakings are collected from all staff.

Importantly Taurus is a holder of an Australian Financial Services License (307723).

Taurus, as a professional investment manager, takes very seriously its fiduciary duty to act in the best interests of its investors and to place these interests ahead of its own. Taurus has formally enshrined this approach in its code of ethics (below) and requires all staff to comply::

"To ensure that Taurus representatives and Responsible Managers conduct themselves appropriately at all times:

- All representatives shall act in accordance with applicable laws, regulations and industry standards, and with due care, skill and diligence in the provision of services.
- All representatives are prohibited from engaging in conduct which is unconscionable or dishonest, or which is or may be misleading or deceptive.
- All representatives shall act to foster trust and respect, and shall not behave in a manner that is prejudiced, discriminatory, or harassing.
- All representatives shall conduct themselves fairly and professionally, and with honesty and integrity at all times.
- Client interests are paramount. All representatives must place clients' interests ahead of company and personal interest at all times.
- All representatives shall provide competent services and maintain the necessary knowledge to undertake the services for which they are engaged.
- All representatives shall not disclose any confidential information without client consent unless compelled by law.
- All representatives shall accept responsibility for their actions and decisions, and for the foreseeable consequences thereof."

Taurus is committed to providing a work environment that is free from harassment and discrimination by managing its operations with a positive awareness of the spirit and intent of equal employment opportunity legislation and has a formal equal opportunity policy and procedures for enforcing it. Taurus' policy on equal employment opportunity is to:

- Hire the best qualified person available for the job without regard to factors that are discriminatory such as race, colour, national origin, gender, age, marital status, pregnancy, family responsibilities, religion, political conviction, disability or sexual preference;
- Appraise and promote employees on the basis of objective assessment of performance and potential;
- Maintain a workplace free of any form of harassment and discrimination;
- At all times comply with the law;
- Conduct all activities in a manner that ensures fairness and equity to all employees.

## Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

**OA 05.1** Indicate if your organisation sets objectives for its responsible investment activities.

Yes

**OA 05.2** Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year  
 Less than once per year

**OA 05.3** Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly  
 Biannually  
 Annually  
 Every two years or less  
 It is not reviewed

No

**OA 05.4** Additional information. [Optional]

Taurus specialises in investment products based on the mined commodities industry. Undertaken responsibly, mining and mineral processing activities can play a central role in sustainable community development promoting positive economic and social change in areas that may otherwise have limited opportunities. They can also influence the equitable distribution of mine-related benefits by ensuring that opportunities are created for vulnerable, marginalized and/or economically displaced groups.

As such, issues related to responsible investment are at the heart of Taurus' investment strategies and so the process of identifying and evaluating ESG risks is very much integrated into our firm-wide investment management process. Performance against responsible investment objectives forms an integral part of our investment process and is interwoven into our due diligence and monitoring procedures. For Taurus, responsible investment is not simply a "bolt on" issue to be addressed in isolation and then set aside till the next time, it is fundamental to what we do. In fact, we have rejected several investment potentially attractive opportunities purely on the basis of ESG issues.

In undertaking due diligence, Taurus must consider the impact of the construction of a project but also its long term impact. Mining investments can contribute to poverty reduction and sustainable development at the community level. Mining can be a positive influence, providing employment and infrastructure and supporting community development such as education and healthcare programs. Taurus has been active in implementing such programs and has published case studies as part of its investor reporting.

Issues related to responsible investing are reported and discussed in the monthly investment committee meetings.

OA 06	Voluntary	Descriptive	General
-------	-----------	-------------	---------

**OA 06.1**

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

Add responsible investment objective 1

Objective 1	Complete UN PRI reporting on time
Key performance indicators	Successfully and completely populate the PRI Online Reporting Tool in a timely manner.
Describe the progress achieved	This template will be completed ahead of the March 31 deadline

Add responsible investment objective 2

Objective 2	Continue to engage with portfolio companies to actively promote responsible investment
Key performance indicators	Engaging with portfolio companies to encourage greater disclosure to investors and increase transparency with the public.
Describe the progress achieved	Our engagement with portfolio companies with regard to responsible investment is described and detailed within our quarterly fund reports.

Add responsible investment objective 3

Objective 3	Continue to be transparent with our investors in our reporting
Key performance indicators	Enhance the ESG focus of quarterly reports.
Describe the progress achieved	We continue to discuss ESG issues for each investment within our quarterly fund reporting.

**OA 06.2**

List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.

Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Complete annual UN PRI reporting in a timely manner.
Key performance indicators	Successfully and completely populate the PRI Online Reporting Tool in a timely manner.

Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Continue to engage with portfolio companies to actively promote responsible investment
Key performance indicators	Engaging with portfolio companies to encourage greater disclosure to investors and increase transparency with the public.

Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Continue to be transparent with our investors in our reporting
Key performance indicators	Continue to enhance the ESG focus of quarterly reports.

<b>OA 06.3</b>	Additional information.
----------------	-------------------------

Taurus is on the board of many of its portfolio companies and is able to provide direction on responsible investment at the highest level and is also able to monitor implementation of ESG programs. For portfolio companies where we are not on the board we nonetheless enjoy a high degree of access to the board and senior management and are able to influence the company's progress with respect to responsible investment and we have been active in having regular communications, attending project site visits and writing to companies.

## Governance and human resources

OA 08	Mandatory	Gateway/Core Assessed	General
<b>OA 08.1</b>	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.		

**Roles present in your organisation**

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- External managers or service providers
- Other role, specify
- Other role, specify

**OA 08.3** Additional information. [Optional]

The Board of Taurus is responsible for setting the responsible investment agenda for the firm including the adoption of our ESG policy.

Our funds hold high-conviction stakes in 10-15 companies. Responsible investment is a critical focus of Investment Committee discussions, both in considering new investments and monitoring the progress of existing investments. Our investment team engages strongly with portfolio companies on an ongoing basis and in many cases take seats on their boards. This allows us to ensure that responsible investment guidelines are being followed through the development of the underlying projects into their operational stages.

An Investment Sub-Committee, populated personally by the Principals of the firm, reviews all aspects of any new investment opportunities of the private equity business prior to final approval, including responsible investment factors.

**Promoting responsible investment**

<b>OA 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
--------------	------------------	----------------------	----------------

<b>OA 10.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
----------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**Select all that apply**

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**OA 11.2**

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

**OA 11.3**

Additional information. [Optional]

Taurus supports the UN Global Compact, the Universal Declaration of Human Rights and the International Labour Organization's core labour principles and continuously promotes responsible investment in the companies it invests in and encourages those companies to formally adopt the principles of the International Council for Mining and Metals. Taurus reports to investors on a quarterly basis on the status of the development and operations of those companies' projects including matters related to responsible investment. Taurus has also prepares a specific ESG report for its investor every ~18-24 months.

**OA 12**

Voluntary

Additional Assessed

PRI 4,5,6

**OA 12.1**

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

- Yes
- No

## ESG issues in asset allocation

**OA 13**

Voluntary

Descriptive

PRI 1

**OA 13.1**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

- Yes
  - Allocation between asset classes
  - Determining fixed income duration
  - Allocation of assets between geographic markets
  - Other, specify



**OA 13.2**

Describe how you apply ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

Mining, by its very nature, is a global industry and the firm invests globally across all its fund products. As we invest internationally we need to be mindful of country/political risk. Some of the ESG-related factors that may influence our allocation of assets between geographic markets include:

- stable political environment with low risk of nationalization/expropriation;
- established mining law especially with respect to mining title;
- established contract law framework;
- fiscal regime that is friendly towards foreign investment;
- reasonable and stable taxation and royalty regimes;
- being remote from political violence;
- low corruption;
- high environmental/social/safety standards;
- skill level of local workforce; and
- availability of infrastructure.

No

OA 14	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

**OA 14.1**

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

No

### Asset class implementation not reported in other modules

OA 15	Voluntary	Descriptive	General
-------	-----------	-------------	---------

**OA 15.1**

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Private debt	<p>All our fund products seek exposure to value accretion through successful project development. Our private equity products invest in the earlier stages of the project development life-cycle by way of equity-type products whereas our private debt strategy invests at a later stage, being post completion of all project studies and receipt of all relevant licensees, approvals and consents, by way of credit investments.</p> <p>As per our private equity strategies the 6 core principles of the UNPRI, the 10 principles (and 6 supporting position statements) of the ICMM and the principles of the ILO (particularly the Codes of Practice and the Decent Work Agenda) retain their relevance to the private debt strategy. Further, financing at a later stage means projects have considerably more detailed technical information available for due diligence as well as detailed management plans related to ESG issues so for the private debt strategy the Equator Principles ("EP") become relevant as they provide a specific set of guidelines applicable to investments of the private debt strategy.</p> <p>The EP is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects and is primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making. They apply globally, to all industry sectors and to the types of products used in the private debt strategy.</p> <p>For projects located in "Non-Designated Countries"*, the assessment process evaluates compliance with the then applicable World Bank Group Environmental, Health and Safety Guidelines: technical reference documents containing examples of Good International Industry Practice, containing the performance levels and measures that are normally considered acceptable for projects in Non-Designated Countries. Two sets of guidelines are used. The General Environmental, Health and Safety Guidelines contain information on cross-cutting environmental, health, and safety issues potentially applicable to all industry sectors. They should be used together with the relevant Industry Sector Guidelines which contain information on industry-specific impacts and performance indicators, plus a general description of industry activities.</p> <p>Generally, for potential investments of the private debt strategy, prior to financing an independent expert will be commissioned to review the ESG aspects of the project to ensure compliance with the EP (or World Bank Guidelines or other applicable standards). We will then use our own technical skills to make our assessment based on the underlying information and independent reporting as a condition precedent to investing.</p> <p>* The EP identifies 31 "Designated Countries" deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment. All other countries are "Non-Designated Countries"</p>

OA 15.2	Additional information.
---------	-------------------------

In February of this year we corresponded with UNPRI team members (Alex Faulkner, Natasha Buckley, Indira Abraham) to advise that the online reporting tool would not allow us to report on our private debt asset class. We were advised that this was due to the lack of availability of a suitable module but that the module is expected to be available in the next reporting cycle.

### Assurance of responses

OA 19	Voluntary	Additional Assessed	General
-------	-----------	---------------------	---------

OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
---------	-----------------------------------------------------------------------------------------------------------------------------

Yes

**OA 19.2**

Indicate who has reviewed, validated and/or assured your reported information.

- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name

**OA 19.3**

Describe the steps you have taken to review, validate and/or assure the content of your reported information.

The reported information has been reviewed by a Principal of the firm and the Compliance Officer.

No

# Taurus Funds Management Pty Limited

## Reported Information

### Public version

### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1
--------	-------------------------------------------	-----------------	-------

### LEI 01.1

Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

#### Strategies

- Passive
- Active – quantitative (quant)
- Active – fundamental and other active strategies

	% of internally managed listed equities
<input type="radio"/>	<10%
<input type="radio"/>	10-50%
<input checked="" type="radio"/>	>50%

## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
--------	-----------	-----------------------	-------

### LEI 03.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	%
	100

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

	Total actively managed listed equities
--	----------------------------------------

100%

<b>LEI 03.2</b>	Describe your primary reasons for choosing a particular ESG incorporation strategy.
-----------------	-------------------------------------------------------------------------------------

We invest in companies that are developing mining projects, often in remote locations in emerging market nations, and so we must carefully assess, monitor and manage the impact on local communities and environments and ensure that these projects are developed in accordance with responsible investment principles.

Screening and integration is therefore the appropriate ESG incorporation strategy.

**Screening:** Taurus screens for those projects that can be developed responsibly while carefully managing ESG issues and will reject opportunities where it feels that ESG matters would not be adequately handled regardless of investment returns - ESG is a threshold issue for us. Where we identify fatal flaws in an investment opportunity resulting from ESG issues then we will decline to invest even if the investment returns appear promising.

**Integration:** We then integrate ESG matters into our investment by investing at multiple stages through project development, taking board seats on many investments and actively engaging the Board and senior executives in these companies to ensure ESG matters are addressed thoroughly.

<b>LEI 04</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
---------------	------------------	----------------------------	--------------

<b>LEI 04.1</b>	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
-----------------	---------------------------------------------------------------------------------------------------------------

**Type of ESG information**

- Raw ESG company data

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Company-related analysis or ratings
- Sector-related analysis or ratings
- Country-related analysis or ratings
- Screened stock list
- ESG issue-specific analysis or ratings
- Other, specify

We take material active positions in companies and our investment team is able to request ESG data directly from the company itself.

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager

<b>LEI 04.2</b>	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
-----------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------

We are generally provided all the relevant information the company has and we will conduct our own assessment. This information may include work carried out for the company by independent engineering and environmental consultants for the benefit of investors and financiers. Based on our industry experience we are able to provide guidance where the work to date may not be up to industry best practice or where further work may be required.

<b>LEI 04.3</b>	Indicate if you incentivise brokers to provide ESG research.
-----------------	--------------------------------------------------------------

- Yes
- No

<b>LEI 05</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
---------------	------------------	----------------------------	--------------

<b>LEI 05.1</b>	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
-----------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- Engagement
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.
- (Proxy) voting

LEI 05.2	Additional information. [Optional]
----------	------------------------------------

Information derived from ESG engagement as part of a project review and due diligence forms a crucial component of the approval process surrounding every investment as each investment paper circulated for approval must include a discussion of ESG-related risks.

For those investments which have proceeded successfully through detailed due diligence, an investment proposal is prepared for internal review and decision. This phase includes review of ESG factors as an integral component to determining investment potential and mitigating associated risks.

**(A) Implementation: Screening**

LEI 06	Mandatory	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 06.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
----------	----------------------------------------------------------------------------------------------------------

**Type of screening**

Negative/exclusionary screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

	Description
--	-------------

We seek to invest in mining and metals companies developing projects around the world. We exclude certain commodity groups and countries where we feel political risks are unacceptable. We also exclude opportunities where we feel the management of ESG matters would not be adequately addressed.

Undertaken responsibly, mining investment can contribute to poverty reduction and sustainable development at the community level. Mining can be a positive influence, providing employment and infrastructure and supporting community development such as education and healthcare programs.

We invest in companies that are developing mining projects, often in remote locations in emerging market nations, and so we must carefully assess, monitor and manage the impact on local communities and environments and ensure that these projects are developed in accordance with responsible investment principles. Where we identify fatal flaws in an investment opportunity resulting from ESG issues then we will decline to invest even if the investment returns appear promising. It is critical to incorporate an analysis of such factors into our investment selection approach.

Below are some examples of ESG issues that have arisen when screening investments.

- **Permitting at risk** - Taurus was invited to invest in the development of an Asian gold project but given the infancy of mining sector in the country and lack of transparency in the permitting process, we felt we would need to see the process more advanced before we could invest.
- **Risk of truck-related injuries and fatalities** - In 2013 Taurus was invited to invest in the development of an Asian iron ore project but a lack of rail infrastructure to service the project would have required substantial ramping up of truck movements through a number of small



villages to transport the finished product to port. Taurus considered there was unacceptable risk of injury and death to villagers, their children and livestock and declined to proceed. In 2014 Taurus declined an investment in an African iron ore project for exactly the same reason.

- **Socio-political factors a key determinant** - We rejected an investment opportunity to invest in a copper project development in an African country due to factors including ongoing civil unrest and a lack of transparency in the permitting process.
- **"Housekeeping" and rehabilitation liabilities important considerations** - Taurus separately considered, and declined to pursue, investments in two different coal projects that were seeking funding to expand and extend existing operations. Existing operations allowed for a site visit during the early stages of our due diligence. Both operations had material environmental rehabilitation liabilities and we were concerned about the companies' ability to fund these. Further, at one of the operations we felt that the apparent sub-standard level of "housekeeping" visible reflected an operational culture that did not align with our values and raised a red flag as potentially leading to health and safety risks for workers.
- **Lack of local indigenous engagement** - Taurus reviewed a base metals development project in North America. The project was fully permitted for construction commencement but continued to face opposition from local indigenous groups. Although statutory requirements to compensate local indigenous groups had been met a number of local indigenous groups were against project development due to environmental concerns and lack of indigenous involvement outside of statutory fiscal compensation. Taurus declined to invest on the basis local indigenous groups had not been properly engaged.
- **Lack of safety oversight** - Taurus reviewed a base metals mine in Africa. The mine had recently been acquired from a private company who had operated the mine with minimal safety oversight. Although Taurus had confidence in the new management teams' ability to implement improved safety standards we declined to invest until such time as industry best practise safety standards had been properly established and fully implemented.

Positive/best-in-class screening

Norms-based screening

**LEI 06.2**

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Screening criteria are generally disclosed in detail in fund documentation. Changes to these require supermajority investor approval. In addition, we apply our Board-approved ESG policy to the screening of opportunities.

LEI 07	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

<b>LEI 07.1</b>	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
-----------------	-------------------------------------------------------------------------------------------------------

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

<b>LEI 07.2</b>	Additional information. [Optional]
-----------------	------------------------------------

See detailed response in LEI 10

<b>LEI 08</b>	Voluntary	Additional Assessed	PRI 1
---------------	-----------	---------------------	-------

<b>LEI 08.1</b>	Indicate which processes your organisation uses to ensure that fund criteria are not breached
-----------------	-----------------------------------------------------------------------------------------------

- Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:
  - Systematic
  - Occasional
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- Audits of fund holdings are undertaken regularly by internal audit function
- Other, specify
  - Compliance with criteria is a systematic focus of the initial investment approval
- None of the above

<b>(C) Implementation: Integration of ESG issues</b>			
------------------------------------------------------	--	--	--

<b>LEI 10</b>	Voluntary	Descriptive	PRI 1
---------------	-----------	-------------	-------

<b>LEI 10.1</b>	Describe how you integrate ESG factors into investment decision making processes.
-----------------	-----------------------------------------------------------------------------------

We receive many approaches to participate in investments and we use a rigorous process to screen opportunities at this stage. Many investments are screened on the basis of ESG-related risks, taking into consideration the spectrum of socio-political, approvals, environmental, and social issues.

We integrate ESG factors into the investment decision making processes via four main phases:

**Fatal Flaw Analysis**

We start with a fatal flaw analysis to screen for investments that are worth pursuing. Our disciplined approach means that we do not proceed past initial due diligence with investments where we consider ESG risks to be unmanageable.

Projects which proceed beyond the fatal flaw analysis are subject to desktop analysis which involves detailed review of available documentation and technical data. A detailed financial model is constructed so valuation and return analysis can be undertaken under various scenarios. During this time we would also be speaking regularly and at length with the board of directors and senior management in the company of interest.

Only a small number of projects progress through the initial due diligence phase. Examples exist where we considered that project finance would not be available in a particular country, even where the geological resource would have otherwise warranted our attention. The table below provides examples of our ESG screening process in action and describes certain opportunities that we declined to pursue further due to various ESG-related issues.

### **Detailed Due Diligence**

The detailed due diligence phase includes ESG assessment in considerable depth. Each year detailed due diligence is conducted on 12-15 opportunities, of which around four could translate into actual investments.

At the centre of the detailed due diligence is a site visit and review: a thorough, robust assessment by our specialist staff to establish matters that could materially affect business value or prevent investments from being realized. We consider factors including the following:

- Socio-political and country risks such as country governance, threats of civil unrest or civil war, unstable royalty and tax regimes, potential for title ownership to be arbitrarily amended or removed by government, or other sovereign risks which could adversely impact investment returns. We also consider concerns from NGOs, community groups or other stakeholder groups which, if not sufficiently addressed and managed, could create material risks.
- Approval or tenure risks such as potential barriers to land acquisition, possibility for delays in acquiring tenure, or other permitting risks within our investment timeframe; government or other limitations on acquiring necessary land (e.g. due to agriculture or gas tenement conflicts) and other reasons that may result in an inability to obtain or retain approvals such as government unwillingness to convert exploration titles to mining leases.
- Environmental risks which may not be manageable such as substantial losses of groundwater or loss of water from rivers/streams impacting people or plants and animals; impacts through tailings disposal, acid drainage or potential discharges of process water containing chemicals, or impacts to the marine environment; loss of endangered plants or animals; impacts to or loss of good quality or scarce agricultural land; or impacts to national parks and protected areas.
- Ethical and corruption risks including inappropriate payments to governments for land access or to obtain approvals; inappropriate payments to suppliers or local government bribes concealed as community donations; lack of transparent distribution of taxes and royalties to governments (local, regional, national).
- Social risks such as lack of consultation and engagement with local communities on issues that affect them; lack of a suitable process to manage issues raised by the community members or lack of willingness to minimize impacts to the community or respond to community concerns; resettlements undertaken or planned without adequate consideration of international standards or without suitable compensation; inadequate labour and working conditions including minimum age and fair remuneration consistent with national and international conditions, forced labour, child labour, and/or lack of freedom of association; safety or health risks to employees or contractors without a suitable plan to manage and limit the risks.

In undertaking due diligence, Taurus must also consider the long term impact of a project. We need to carefully consider the impact of the operations on the local environment and community, not only after we have exited our investment but also once operations have ceased.

The projects we invest in can play a central role in sustainable community development by acting as a catalyst for positive economic and social change in areas that may otherwise have limited opportunities. They can also influence the equitable distribution of mine-related benefits by ensuring that opportunities are created for vulnerable, marginalized and/or economically displaced groups.

Mining can be a positive influence, providing employment and infrastructure and supporting sustainable community development such as education and healthcare programs all of which contribute to poverty reduction and improving living standards. It is important to ensure such benefits last beyond closure of the mine. Mining companies are increasingly expected to be able demonstrate the effectiveness and value of such investments including alignment to long-term community development.

What happens at a site after it is closed ultimately defines its long-term environmental impact and contribution to an area's social, economic and institutional development so planning for closure is something that is done prior to commencement of operations and continually refined over time. Many jurisdictions around the world have legislation in place related to financial assurance to cover mine reclamation and environmental rehabilitation costs however provisions related to the socio-economic impact of mine closure are not always dealt with explicitly. It is up to the industry bodies and individual owners to act responsibly to minimize any adverse impact of mine closure.

Sustainable community development programs must strengthen long-term community viability. Often, the most sustainable beneficial legacies that community development programs may leave are in the skills and capacities that training, employment and education programs for local people provide. The essential element is that the community development program can survive without input from a mining and metals company upon mine closure. Thus, community sustainability can be supported by mining practices that help convert one local asset, namely non-renewable natural resource capital, into other local assets, namely sustainable social, economic and environmental capital so that communities are able to develop independently of the mine and survive the exhaustion of the ore reserves and the closure of the operation..

Particularly for mines in remote regions, the construction and operation of a mine can be a significant source of employment and can also have a major impact on the local economy; to manage employment participation upon mine closure it is important to generate other economic activities, training and employment opportunities so that when operations cease the community has alternate employment opportunities and other ways to sustain itself. In some cases a percentage of a mine's profits may be set aside each year for the benefit of local communities, however simply providing a cash sum may tempt corruption so "on the ground" measures are preferable and the mine owner companies should act as a catalyst for broader projects that provide alternative livelihood benefits for a wide range of people, and not only for mine related businesses.

We raise and discuss ESG issues with senior management and talk to government and local community representatives to understand potential concerns and issues that these external stakeholders may have.

Taurus prepares a brief report which includes a summary of the results of the ESG evaluation for inclusion in the investment application paper. Once a project review and due diligence is finalized, the ESG report is included for consideration in the investment proposal and decision-making phase.

### **Investment Proposal and Decision-Making**

For those investments which have proceeded successfully through detailed due diligence, an investment proposal is prepared for internal review and decision. This phase includes review of ESG factors as an integral component to determining investment potential and mitigating associated risks. Each investment paper circulated for decision includes a discussion of ESG-related risks.

### **Management Phase**

Once a decision is made to proceed, Taurus actively manages its investments. Taurus understands that the global socio-political environment is complex and dynamic and as a result, effectively managing ESG risks at both project and company levels is vital to ensuring that investment value is delivered. The focus is on contributing to investment value by meeting legislative and other commitments, developing operations in line with relevant international standards, and avoiding unnecessary or difficult-to-manage issues.

LEI 11	Mandatory	Core Assessed	PRI 1
LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.		

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

**LEI 11.2** Additional information. [Optional]

ESG matters are a crucial part of the detailed due diligence we undertake on each and every investment we make as well as our ongoing monitoring.

<b>LEI 12</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
---------------	------------------	----------------------------	--------------

**LEI 12.1** Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Company information and/or ratings on ESG are updated regularly
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

**LEI 12.2** Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

<b>LEI 13</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Core Assessed</b>	<b>PRI 1</b>
---------------	--------------------------------------------------	----------------------	--------------

**LEI 13.1** Indicate into which aspects of investment analysis you integrate ESG information.

- (Macro) economic analysis
- Industry analysis
  - Systematically
  - Occasionally
- Analysis of company strategy and quality of management
  - Systematically
  - Occasionally
- Idea generation
  - Systematically
  - Occasionally
- Portfolio construction
- Fair value/fundamental analysis
  - Systematically
  - Occasionally

**LEI 13.2** Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

- Adjustments to income forecasts (sales, earnings, cash flows)
- Adjustments to valuation tools (discount rates, return forecasts, growth rates)
- Other adjustments to fair value projections, specify
- Other, specify
 

Analysis of ESG factors is a potential "deal-breaker" issue leading to a binary outcome with respect to valuation.

  - Systematically
  - Occasionally

**LEI 13.3** Additional information.

In the space in which Taurus invests, failure to adequately address ESG issues can potentially cause an investment lose almost all of its value and bring about significant reputational damage.

**Outputs and outcomes**

<b>LEI 16</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
---------------	------------------	----------------------------	--------------

<b>LEI 16.1</b>	Indicate whether your organisation measures how your approach to ESG issues in Listed Equity investments has affected financial and/or ESG performance.
-----------------	---------------------------------------------------------------------------------------------------------------------------------------------------------

- We measure whether our approach to ESG issues impacts funds' financial performance
- We measure whether our approach to ESG issues impacts funds' risk or volatility
- We measure whether our approach to ESG issues impacts funds' ESG performance
- None of the above

## Communication

<b>LEI 18</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
---------------	------------------	----------------------	----------------

<b>LEI 18.1</b>	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
-----------------	-------------------------------------------------------------------------------------------------------------------------

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

<b>LEI 18.5</b>	Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.
-----------------	------------------------------------------------------------------------------------------------------------------------------------------

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

<b>LEI 18.6</b>	Indicate how frequently you typically report this information.
-----------------	----------------------------------------------------------------

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- We do not proactively disclose it to the public and/or clients/beneficiaries

<b>LEI 18.7</b>	Additional information. [Optional]
-----------------	------------------------------------

The firm's ESG Policy is available on our secure website; we report quarterly to investors updating project development progress including ESG issues that have been incorporated and we prepare a specific ESG report to our investors every 18-24 months.

# Taurus Funds Management Pty Limited

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Engagement

### Overview

LEA 01	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 01.1 Provide a brief overview of your organisation's approach to engagement.

We work closely with our investee companies, and can add value by exerting significant influence with our specialist skills. We aim to take board positions on many of our investments.

Our approach to engagement can be summarised according to the following areas:

- **Governance** - Taurus currently sits on the Board of around half its investee companies. Through these roles, Taurus works with Boards and senior management so that companies will comply with appropriate levels of corporate governance and to effectively manage material ESG and other risks. We also seek to be actively involved in risk and other committees such as safety and social responsibility committees.
- **Strategy** - Taurus is involved in setting, focusing and, if appropriate, changing the investee company's corporate strategy. This may include strategic approaches to ESG risks where Taurus considers this is needed.
- **Technical** - Taurus personnel help where appropriate by direct technical input or by sourcing technical assistance - either directly in the business or for peer reviews - in geology/ exploration, mining engineering, metallurgical engineering, community, environmental, or governance within the investee company.
- **Development** - Development of projects occurs through a number of stages. Taurus assists by monitoring the company's internal processes and advising where needed to develop the project at least cost and with minimal re-working. This involves liaison with technical and finance providers.
- **Personnel** - Taurus assists by sourcing and reviewing candidates for employment at investee companies. Where appropriate, Taurus personnel sit on interview panels. Selection factors for senior management where Taurus are involved will include commitment to environmental and social responsibility.
- **Financial** - Taurus monitors cash and expenditure positions so that investee companies do not get into difficult financial positions. Overseeing appropriate budgets and expenditure for ESG-related activities is a component of this work.
- **Capital** - Taurus provides capital in a number of ways such as equity and equity hybrids. Taurus works with investees to optimize the overall financing strategy.

LEA 02	Mandatory	Gateway	PRI 1,2,3
--------	-----------	---------	-----------

LEA 02.1 Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input checked="" type="checkbox"/> Other, specify Management of ESG risks that can affect operations and impact on local communities and environments <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

<b>LEA 03</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	----------------------	--------------

**LEA 03.1** Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

**LEA 03.2** Describe how you identify and prioritise engagements.

Monthly investment committees identify areas that require engagement and allocate the necessary activities.

No

<b>LEA 04</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	----------------------	--------------

**LEA 04.1** Indicate if you define specific objectives for your engagement activities.

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- No

**LEA 04.2** Indicate if you monitor the actions that companies take following your engagements.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases

**LEA 04.3** Describe how you monitor and evaluate the progress of your engagement activities.

Our investment team members are continuously interacting and communicating with company management (often together with a board seat on the company), making recommendations, providing guidance and advice, promoting responsible investment practices and monitoring company progress.

- No

**General processes for all three groups of engagers**

<b>LEA 10</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	------------------------------	--------------

**LEA 10.1** Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<ul style="list-style-type: none"> <li><input checked="" type="radio"/> Yes, we track the number of our engagements in full</li> <li><input type="radio"/> Yes, we partially track the number of our engagements</li> <li><input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers</li> <li><input type="radio"/> No, we do not track and cannot estimate our engagements</li> </ul>

**LEA 10.2** Additional information. [Optional]

We engage with all our portfolio companies and, with relatively small number of stocks, we are able to track this engagement continuously allowing us to monitor and report to investors on project development progress.

**Outputs and outcomes**

LEA 11	Mandatory to Report Voluntary to Disclose	Core Assessed	PRI 2
--------	-------------------------------------------	---------------	-------

**LEA 11.1** Indicate the number of companies with which your organisation engaged during the reporting year.

	<b>Number of companies engaged</b> (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	11

**LEA 11.2** Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

<b>Type of engagement</b>	<b>% Comprehensive engagements</b>
Individual / Internal staff engagements	<input checked="" type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 12	Voluntary	Additional Assessed	PRI 2
--------	-----------	---------------------	-------

**LEA 12.1** Indicate if your engagements in the reporting year covered E, S and/or G issues.

<b>Type of engagement</b>	<b>Coverage</b>
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

**LEA 12.2** Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

% Environmental only

20

% Social only

20

	% Corporate Governance only
--	-----------------------------

20

	% Overlapping ESG issues
--	--------------------------

40

**100%**

<b>LEA 13</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

<b>LEA 13.1</b>	Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.
-----------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Yes

<b>LEA 13.2</b>	Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.
-----------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	Number of company changes or commitments to change
Individual / Internal staff engagements	4

No

<b>LEA 14</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

<b>LEA 14.1</b>	Provide examples of the engagements that your organisation carried out during the reporting year.
-----------------	---------------------------------------------------------------------------------------------------

Add Example 1

Topic or ESG issue	Charitable donations to fight ebola
Conducted by	<input checked="" type="checkbox"/> Individual / Internal
Objectives	To assist in the fight against ebola within local communities
Scope and Process	Taurus has a team member on the board of this particular portfolio company based in Guinea, and who was able to exert his influence to promote and approve a \$10,000 charitable donation to the Red Cross for the benefit of local communities.  The board also approved the provision of transport for Guinea Government staff involved in the implementation of the Ebola Safety Programme.
Outcomes	The Red Cross Guinea handled funerals and tracking Ebola dead bodies in communities. They set up chlorine washing facilities at Mosques, and conducted educational campaigns on Ebola awareness and provided assistance to families post Ebola infection.

Add Example 2

Topic or ESG issue	Environmental compliance and community engagement
Conducted by	<input checked="" type="checkbox"/> Individual / Internal
Objectives	To influence the board of this portfolio company to ensure that they closely monitored their project's environmental compliance and maintained a positive relationship with the local community.
Scope and Process	We were able to exert influence to ensure that the company's budget included sufficient allowance to undertake all the necessary environmental compliance monitoring work. Management were urged to consult with local state government officials.
Outcomes	Improved reporting by the company of environmental compliance matters, along with improved compliance. Improved relationships between the company and local communities with a higher level of dialogue between both parties, facilitated by more positive interactions.

Add Example 3

Topic or ESG issue	The delivery of sustainable community advantage
Conducted by	<input checked="" type="checkbox"/> Individual / Internal
Objectives	To ensure that the project of this portfolio company provided sustainable benefit to the community.
Scope and Process	Through our networks we were able to recommend international community consultants to the business, and ensure that they were contacted by the portfolio company in order to advise and facilitate the progress of this engagement
Outcomes	A higher level of reporting and a tangible improvement in community engagement.

Add Example 4

Topic or ESG issue	Governance - Transparency of lost time injury (LTI) events
Conducted by	<input checked="" type="checkbox"/> Individual / Internal
Objectives	To improve the reporting and transparency of LTI events at all portfolio companies
Scope and Process	<p>We wrote to portfolio companies as a responsible investor in the mining sector, and stressed our support of the UN Global Compact, the Universal Declaration of Human Rights and the International Labor Organisation's core labour principles and our signatory to the UN Principles for Responsible Investment (PRI). As part of our commitment to the PRI, we explained that we were seeking to actively engage with management to enhance disclosure of ESG issues allowing us to report on ESG progress to our investors.</p> <p>As a shareholder, and as part of our current reporting cycle to our Investors, we asked to be advised on a number of matters including disclosure of any LTI events during the year, including all the details, and subsequent action taken (if any) to address the incident(s).</p>
Outcomes	Our portfolio companies replied to the letter and provided all the necessary information, and included the information within Board reporting going forward, ultimately assuring the improvement of workplace safety.

- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

## Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA 15.1

Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

LEA 15.5

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.



**Engagement information disclosed**

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

**LEA 15.6** Indicate how frequently you typically report engagements information

- Disclosed continuously (prior and post engagements)
  - Disclosed quarterly
  - Disclosed annually
  - Disclosed every two years or less
  - Other, specify
- We do not proactively disclose it to the public and/or clients/beneficiaries.

**LEA 15.8** Additional information. [Optional]

Quarterly reports to investors plus a dedicated ESG report every 18-24 months.

**(Proxy) voting and shareholder resolutions**

**Process**

<b>LEA 17</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

**LEA 17.1** Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

**Approach**

© We use our own research or voting team and make our own voting decisions without the use of service providers.

Based primarily on

- our own voting policy
- our clients requests or policy
- other, explain

We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

We hire service provider(s) which make voting decisions on our behalf.

**LEA 17.2** Additional information.[Optional]

Once notified of new voting decisions (via *ProxyEdge*, see 19.2) we address all proxy voting decisions to the members of the Investment Committee via email. The Investment Committee will discuss the voting decisions and advise administrative staff of its recommendations which are then cast the vote online (see 19.2)

<b>LEA 19</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

**LEA 19.1** To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.

- Obtain confirmation that votes have been received by the company:
  - for a majority of votes
  - for a minority of votes
- Participate in projects to improve the voting trail and/or to obtain vote confirmation
- None of the above

**LEA 19.2** Provide additional information on your organisation’s vote confirmation efforts.

To effectively manage our proxy voting to ensure all votes are cast accurately and in a timely manner we use a web-based system called *ProxyEdge*. This is an electronic voting service that manages the process of meeting notifications, voting, tracking, mailing, reporting, record maintenance and even vote disclosure rules enacted by the SEC.

*ProxyEdge* allows the users to manage, track, reconcile and report their proxy voting through electronic delivery of ballots and online voting by providing proxy information through an automated electronic interface based on share positions provided directly by the user's custodian.

<b>LEA 21</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	----------------------	--------------

<b>LEA 21.1</b>	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

<b>LEA 21.2</b>	Additional information. [Optional]
-----------------	------------------------------------

As an active owner we need to make clear our vision for the direction of the portfolio company and act accordingly to drive change. In some case we may be the ones that call for matters to be voted upon by all shareholders.

## Outputs and outcomes

<b>LEA 22</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	----------------------	--------------

<b>LEA 22.1</b>	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

100

	Specify the basis on which this percentage is calculated
--	----------------------------------------------------------

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

<b>LEA 23</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

<b>LEA 23.1</b>	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.
-----------------	------------------------------------------------------------------------------------------------------------

- Yes, we track this information
- No, we do not track this information

<b>LEA 24</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

<b>LEA 24.1</b>	Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.
-----------------	-------------------------------------------------------------------------------------------------------------------------------------------

- Yes
- No

## Communication

<b>LEA 26</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
---------------	------------------	----------------------	----------------

<b>LEA 26.1</b>	Indicate if your organisation proactively discloses information on your voting activities.
-----------------	--------------------------------------------------------------------------------------------

- We disclose it publicly
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

<b>LEA 26.8</b>	Additional information. [Optional]
-----------------	------------------------------------

Our active management strategy is generally disclosed and reported in our quarterly reporting to investors. Our voting is made in accordance with the strategy.

# Taurus Funds Management Pty Limited

## Reported Information

### Public version

### Direct – Private Equity

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

PE 01

Mandatory to Report Voluntary to Disclose

Peering

General

PE 01.1

Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.

Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Growth capital	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
(Leveraged) buy-out	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
<b>Total</b>	<b>100%</b>

PE 01.2

Additional information. [Optional]

Taurus provides capital to develop mining and metals projects. Some of the companies are listed however they tend to be very illiquid and we invest through private opportunities similar to "PIPE" strategies.

PE 02

Mandatory to Report Voluntary to Disclose

Peering

General

**PE 02.1**

Indicate the level of ownership you typically hold in your private equity investments.

- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

**PE 02.2**

Additional information. [Optional]

We aim to take significant but non-controlling stakes and work with management to deliver successful project development.

**PE 03****Voluntary****Descriptive****PRI 1-6****PE 03.1**

Provide a brief overview of your organisation's approach to responsible investment in private equity.

Taurus is a responsible investor which seeks to generate superior risk-adjusted returns by investing in mining companies and projects globally.

As a responsible investor in the mining sector, Taurus supports the UN Global Compact, the Universal Declaration of Human Rights and the International Labour Organisation's core labour principles and is a signatory to the UN Principles for Responsible Investment.

Accordingly, Taurus will only invest in companies or projects which do, or will in Taurus' belief, undertake environmental, social, and corporate governance (ESG) practices which are consistent with these documents and principles.

**PE 04****Mandatory****Core Assessed****PRI 2****PE 04.1**

Indicate if your organisation's investment guidelines for private equity refer to responsible investment.

- Our investment guidelines do refer to responsible investment

**PE 04.2**

Describe how your organisation's investment guidelines outline your expectations on staff and portfolio companies' approach towards ESG issues [Optional].

Our ESG policy provides the framework for responsible investment on a firm-wide level and articulates the following investment guidelines that apply to the private equity business:

- Actively engage with management of current and future investee companies and work with these people to obtain an appropriate level of disclosure of ESG-related issues;
- Actively promote the International Council for Mining and Metals principles and processes in investee companies; and
- Implement and report on ESG progress to Taurus' investors.

- Our investment guidelines do not refer to responsible investment
- We do not have investment guidelines

## Fundraising of private equity funds

PE 05	Mandatory	Core Assessed	PRI 1,4,6
-------	-----------	---------------	-----------

**PE 05.1** Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

- Yes
- No
- Not applicable as our organisation does not fundraise

**PE 05.5** Additional information. [Optional]

Taurus has a firm-wide ESG policy that applies to all of its products. This is often an area of due diligence for investors who investigate this aspect of our investment management in addition to the terms of the relevant PPMs which are primarily disclosure documents discussing product terms and risk factors.

PE 06	Voluntary	Additional Assessed	PRI 4
-------	-----------	---------------------	-------

**PE 06.1** Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment when requested by clients.

- We always make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- In a majority of cases we make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- In a minority of cases we make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- Our clients do not request us to make formal commitments to responsible investment in private equity

**PE 06.2** Additional information.

Taurus' commitment to responsible investment is enshrined in our firm-wide ESG policy. In addition certain institutional investors may have requirements that reflect their internal guidelines for responsible investment and request that we adopt these in our investment guidelines for a particular fund product and we have done so via side letters. These guidelines then bind the investment strategy of that fund for the benefit of all other investors.

## Pre-investment (selection)

PE 07	Mandatory	Gateway	PRI 1
-------	-----------	---------	-------

**PE 07.1** Indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

- Yes



PE 07.2

Describe your organisation's approach to incorporating ESG issues in private equity investment selection. [Optional]

Undertaken responsibly, mining investments can contribute to poverty reduction and sustainable development at the community level. Mining can be a positive influence, providing employment and infrastructure and supporting community development such as education and healthcare programs.

We invest in companies that are developing mining projects, often in remote locations in emerging market nations, and so we must carefully assess, monitor and manage the impact on local communities and environments and ensure that these projects are developed in accordance with responsible investment principles. Where we identify fatal flaws in an investment opportunity resulting from ESG issues then we will decline to invest even if the investment returns appear promising. It is critical to incorporate an analysis of such factors into our investment selection approach.

Below are some examples of ESG issues that have arisen when selecting private equity investments.

- **Permitting at risk** - Taurus was invited to invest in the development of a gold project in a South-East Asian country but given the infancy of mining sector in the country and lack of transparency in the permitting process, we felt we would need to see the process more advanced before we could invest.
- **Risk of truck-related injuries and fatalities** - Taurus was invited to invest in the development of an Asian iron ore project but a lack of rail infrastructure to service the project would have required substantial ramping up of truck movements through a number of small villages to transport the finished product to port. Taurus considered there was unacceptable risk of injury and death to villagers, their children and livestock and declined to proceed.
- **Socio-political factors a key determinant** - We rejected an investment opportunity to invest in a copper project development in an African country due to factors including ongoing civil unrest and a lack of transparency in the permitting process.
- **"Housekeeping" and rehabilitation liabilities important considerations** - Taurus separately considered, and declined to pursue, investments in two different coal projects that were seeking funding to expand and extend existing operations. Existing operations allowed for a site visit during the early stages of our due diligence. Both operations had material environmental rehabilitation liabilities and we were concerned about the companies' ability to fund these. Further, at one of the operations we felt that the apparent sub-standard level of "housekeeping" visible reflected an operational culture that did not align with our values and raised a red flag as potentially leading to health and safety risks for workers.

No

PE 08	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

PE 08.1

Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the private equity investment selection process.

Internal staff

Specify role

Investment team

External resources

No use of internal or external advice on ESG issues

PE 08.2	Additional information.
---------	-------------------------

We are generally provided all the relevant information the company has and we will conduct our own assessment. This information may include work carried out for the company by independent engineering and environmental consultants for the benefit of investors and financiers.

Based on our industry experience we are able to provide guidance where the work to date may not be up to industry best practice or where further work may be required.

PE 09	Mandatory	Core Assessed	PRI 1,3
-------	-----------	---------------	---------

PE 09.1	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.
---------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**ESG issues**

Environmental

List up to three typical examples of environmental issues

Water - substantial losses of groundwater or loss of water from rivers/streams through abstraction impacting people or plants and animals

Waste management - impacts through tailings disposal, acid drainage or potential discharges of process water containing chemicals, or impacts to the marine environment

Impact on land - loss of endangered plants/animals; impacts on good quality or scarce agricultural land; or impacts to national parks and protected areas.

Social

List up to three typical examples of social issues

Community health and safety - ensuring that logistics movements do not create a safety hazard for local communities eg trucks travelling too close to villages

Community development - strengthen long-term community viability through training, employment and education programs for local people, establishing agricultural projects, integrating local vendors into supply chain

Mine closure planning - to ensure that benefits generated during operations last beyond closure of the mine by developing agriculture and industry, providing training, education, healthcare.

Governance

List up to three typical examples of governance issues

Permitting - potential barriers to land acquisition, possibility for delays in acquiring tenure, or other permitting risks; inability to obtain or retain approvals.

Corruption - inappropriate payments for land access or to obtain approvals; bribes concealed as community donations; lack of transparent distribution of taxes and royalties to governments.

Socio-political and country risks - country governance, civil unrest/war, unstable royalty and tax regimes, potential for title ownership to be arbitrarily amended/removed by government

We typically considered following factors as part of our investment selection process:

- **Socio-political and country risks** such as country governance, threats of civil unrest or civil war, unstable royalty and tax regimes, potential for title ownership to be arbitrarily amended or removed by government, or other sovereign risks which could adversely impact investment returns. We also consider concerns from NGOs, community groups or other stakeholder groups which, if not sufficiently addressed and managed, could create material risks.
- **Approval or tenure risks** such as potential barriers to land acquisition, possibility for delays in acquiring tenure, or other permitting risks within our investment timeframe; government or other limitations on acquiring necessary land (e.g. due to agriculture or gas tenement conflicts) and other reasons that may result in an inability to obtain or retain approvals such as government unwillingness to convert exploration titles to mining leases.
- **Environmental risks** which may not be manageable such as substantial losses of groundwater or loss of water from rivers/streams impacting people or plants and animals; impacts through tailings disposal, acid drainage or potential discharges of process water containing chemicals, or impacts to the marine environment; loss of endangered plants or animals; impacts to or loss of good quality or scarce agricultural land; or impacts to national parks and protected areas.
- **Ethical and corruption risks** including inappropriate payments to governments for land access or to obtain approvals; inappropriate payments to suppliers or local government bribes concealed as community donations; lack of transparent distribution of taxes and royalties to governments (local, regional, national).
- **Social risks** such as lack of consultation and engagement with local communities on issues that affect them; lack of a suitable process to manage issues raised by the community members or lack of willingness to minimize impacts to the community or respond to community concerns; resettlements undertaken or planned without adequate consideration of international standards or without suitable compensation; inadequate labour and working conditions including minimum age and fair remuneration consistent with national and international conditions, forced labour, child labour, and/or lack of freedom of association; safety or health risks to employees or contractors without a suitable plan to manage and limit the risks.

In undertaking due diligence, Taurus must also consider the long term impact of a project. We need to carefully consider the impact of the operations on the local environment and community, not only after we have exited our investment but also once operations have ceased.

The projects we invest in can play a central role in sustainable community development by acting as a catalyst for positive economic and social change in areas that may otherwise have limited opportunities. They can also influence the equitable distribution of mine-related benefits by ensuring that opportunities are created for vulnerable, marginalized and/or economically displaced groups.

Mining can be a positive influence, providing employment and infrastructure and supporting sustainable community development such as education and healthcare programs all of which contribute to poverty reduction and improving living standards. It is important to ensure such benefits last beyond closure of the mine. Mining companies are increasingly expected to be able demonstrate the effectiveness and value of such investments including alignment to long-term community development.

What happens at a site after it is closed ultimately defines its long-term environmental impact and contribution to an area's social, economic and institutional development so planning for closure is something that is done prior to commencement of operations and continually refined over time. Many jurisdictions around the world have legislation in place related to financial assurance to cover mine reclamation and environmental rehabilitation costs however provisions related to the socio-economic impact of mine closure are not always dealt with explicitly. It is up to the industry bodies and individual owners to act responsibly to minimize any adverse impact of mine closure.

Sustainable community development programs must strengthen long-term community viability. Often, the most sustainable beneficial legacies that community development programs may leave are in the skills and capacities that training, employment and education programs for local people provide. The essential element is that the community development program can survive without input from a mining and metals company upon mine closure. Thus, community sustainability can be supported by mining practices that help convert one local asset, namely non-renewable natural resource capital, into other local assets, namely sustainable social, economic and environmental capital so that communities are able to develop independently of the mine and survive the exhaustion of the ore reserves and the closure of the operation..

Particularly for mines in remote regions, the construction and operation of a mine can be a significant source of employment and can also have a major impact on the local economy; to manage employment participation upon mine closure it is important to generate other economic activities, training and employment opportunities so that when operations cease the community has alternate employment opportunities and other ways to sustain itself. In some cases a percentage of a mine's profits may be set aside each year for the benefit of local communities, however simply providing a cash sum may tempt corruption so "on the ground" measures are preferable and the mine owner companies should act as a catalyst for broader projects that provide alternative livelihood benefits for a wide range of people, and not only for mine related businesses.

<b>PE 10</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1,3</b>
--------------	------------------	----------------------------	----------------

<b>PE 10.1</b>	Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.
----------------	--------------------------------------------------------------------------------------------------------------------------------------

- Raw data from target company
- Benchmarks against other companies
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. customers and suppliers)
- Advice from external resources
- Other, specify
- We do not track this information

<b>PE 10.2</b>	Additional information.
----------------	-------------------------

We are generally provided all the relevant information the company has and we will conduct our own assessment. This information may include work carried out for the company by independent engineering and environmental consultants for the benefit of investors and financiers.

Based on our industry experience we are able to provide guidance where the work to date may not be up to industry best practice or where further work may be required.

<b>PE 11</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
--------------	------------------	----------------------------	----------------

<b>PE 11.1</b>	During deal structuring, indicate if your organisation typically encourages continuous improvements from potential investees with regard to their management of ESG issues.
----------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- Yes
  - In writing
  - Verbally/through dialogue
  - Other, specify

PE 11.2

Describe the nature of these improvements and their ESG coverage.

Since we often have a significant stake in investee companies we are in continuous contact with the board and senior management of these companies and are able to influence the direction of ESG coverage.

For example for many of our portfolio companies we have required improvements in workers' health and safety reporting, community consultation reporting, community development initiatives and environmental protection initiatives.

No

PE 12	Voluntary	Additional Assessed	PRI 1
-------	-----------	---------------------	-------

PE 12.1

Indicate if ESG issues impacted your private equity investment selection processes during the reporting year.

- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- We do not track this potential impact

PE 12.2

Additional information.

In some instances we will identify threshold ESG issues that will cause us to decline to proceed further with the opportunity such as lack of community support for the project or unacceptable risk of injury and death to villagers, their children and livestock due to high frequency of heavy vehicle movements. Should we choose to proceed further we will delve into ESG matters in much more detail and advise the company if changes need to be made to satisfy our criteria. Usually the companies appreciate our input and are pleased to adopt our recommendations. However if our requirements are not met we are quite prepared to decline any further involvement despite sound project economics.

ESG issues, for us, need to be dealt with appropriately or we will not invest. We will not accept substandard ESG management or use it as a bargaining chip to haggle on price or to achieve better investment terms.

### Post-investment (monitoring and active ownership)

PE 13	Mandatory	Gateway/Core Assessed	PRI 2
-------	-----------	-----------------------	-------

PE 13.1

Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

Yes

**PE 13.2**

Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

(in terms of total number of portfolio companies)

**PE 13.3**

Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

**ESG issues**

- Environmental

List up to three example targets of environmental issues

Water - substantial losses of groundwater or loss of water from rivers/streams through abstraction impacting people or plants and animals

Waste management - impacts through tailings disposal, acid drainage or potential discharges of process water containing chemicals, or impacts to the marine environment

Impact on land - loss of endangered plants/animals; impacts on good quality or scarce agricultural land; or impacts to national parks and protected areas.

- Social

List up to three example targets of social issues

Community health and safety - ensuring that logistics movements do not create a safety hazard for local communities eg trucks travelling too close to villages

Community development - strengthen long-term community viability through training, employment and education programs for local people, establishing agricultural projects, integrating local vendors into supply chain

Mine closure planning - to ensure that benefits generated during operations last beyond closure of the mine by developing agriculture and industry, providing training, education, healthcare.

- Governance

List up to three example targets of governance issues

Permitting - potential barriers to land acquisition, possibility for delays in acquiring tenure, or other permitting risks; inability to obtain or retain approvals.

Corruption - inappropriate payments for land access or to obtain approvals; bribes concealed as community donations; lack of transparent distribution of taxes and royalties to governments.

Socio-political and country risks - country governance, civil unrest/war, unstable royalty and tax regimes, potential for title ownership to be arbitrarily amended/removed by government

- We do not set and/or monitor against targets

- No

Our funds have high conviction portfolios with a small number of stocks and we monitor ESG progress on all of them. Many of the same issues that we investigate during the screening process must be monitored throughout the development and operation of the underlying projects.

Below are some examples of how Taurus incorporates ESG issues in investment monitoring of portfolio companies:

#### **Sought improved reporting of workers health and safety information**

Through our regular site visits and discussions with management we knew the company was very serious about ensuring the health and safety of its employees and contractors however we felt that this was not being reflected in the reporting. We wrote to the company requesting greater detail on existing measures and suggesting other statistics commonly measured and reported industry-wide. We requested these for both quarterly and annual reporting to investors and received an immediate written response from the Managing Director and the company improved reporting as requested.

#### **Sought improved reporting of community relations activities**

Again, through regular site visits and discussions with management we knew the company was undertaking a comprehensive community relations program however, while this was discussed in detail in the annual report, we believed that reporting on matters that affected the company's "licence to operate" were as important as the technical and financial reporting and we encouraged a more expansive discussion on community relations in quarterly reports and received an immediate written response from the Managing Director and improved reporting as requested.

#### **Strengthening existing community engagement programs**

A Taurus team member, in the capacity of Non-Executive Director of a portfolio company and Chairman of the company's Safety and Environmental Committee, arranged for the company to invite a member of the UN Human Rights Working Group on the issue of human rights and transnational corporations, to visit the company's project site as part of a study of supply-chain human rights impact and risk management standards. Following the site visit and meetings with the board and management the representative was able to provide the company with a report which included practical suggestions for further enhancing the company's community engagement strategy.

#### **Monitoring ESG issues as part of ongoing investment management phase.**

Taurus conducted a site visit to a portfolio company's in a West African country and observed a marked improvement to the care and attention taken to "housekeeping" around the site compared to the previous site visit in 2012 at a time when the project had just commenced commissioning. This could be seen in general tidiness of plant and pit areas, improved fencing and sign posting. The visit provided evidence of the Company's commitment to ensuring that all its employees were aware of the company's Environmental, Community and OH&S policies, with copies of the policies displayed at a number of locations around the site including the accommodation village and dining room. Also evident were monthly updates on environmental and safety performance and areas of focus. The progressive rehabilitation work of tree and grass planting was granted to small groups from surrounding villages with payment made for every hectare of area rehabilitated. Given the tropical climate, plantings take quickly with good cover of waste dumps quickly established.

#### **Enhancing sustainability of existing community development program**

A Taurus team member, in the capacity of Non-Executive Director of a portfolio company has supported the ongoing development of its existing active community engagement regime which includes providing a health care clinic for island communities. The portfolio company is trying to steer its development program towards a sustainable arrangement rather than the "pastoral" role it has played so far so that when operations start in earnest then the company's engagement should become more of a partnership which leads to autonomous action by the community in its engagement with the outside world. The Taurus team member introduced consultants specialising in sustainable advantage for mine communities to help develop ways to better prepare communities for life after mining which would include such activities as establishing self-sustainable production for off-island consumption and connecting producers with markets for their produce.

#### **Monitoring progress of environmental management as part of ongoing investment.**

Taurus conducted a site visit to a portfolio company's gold in a West African country. The project has received final permitting for developing. Taurus observed that housekeeping at the project site was in good order, particularly at the mine camp. Environmental and community policies were clearly displayed around site. Taurus inspected the rehabilitation of decommissioned tailings dams that had been used in previous mining operation and observed that the quality of the rehabilitation was good, with vegetation well established both on the walls and top of the tailings dams, some of which will be converted into fish farms post mining which will provide a source of food and income for local communities. Taurus also noted that the site visit induction briefing referred to the expected obligations of all visitors to comply with the company's ESG policies and made copies of the various policies available to visitors who requested them.

PE 14	Mandatory	Core Assessed	PRI 2
-------	-----------	---------------	-------

PE 14.1	Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).
---------	---------------------------------------------------------------------------------------------------------------------------------------------------------

Yes

PE 14.2	Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).
---------	----------------------------------------------------------------------------------------------------------------

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

No

PE 14.3	Additional information. [Optional]
---------	------------------------------------

The companies we invest in generally have detailed management plans for addressing ESG issues at an operational level including criteria for measuring and reporting performance. Many of them also have publicly available policies. Taurus encourages its portfolio companies to increase transparency in reporting and disclosure.

PE 15	Voluntary	Additional Assessed	PRI 2
-------	-----------	---------------------	-------

PE 15.1	Indicate the types of actions taken by your portfolio companies to incorporate ESG issues into operations and what proportion of your portfolio companies have implemented these actions.
---------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

#### Types of actions taken by portfolio companies

Allocate responsibility for ESG issues to board/senior management

#### Implemented by percentage of portfolio companies

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

Composition of board ensure ESG expertise



**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Consider ESG issues in risk management processes

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Define performance targets for applicable ESG issues in operations

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Define when engagements with stakeholders should be carried out to discuss ESG issues

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Other actions, specify
- None of the above

**PE 15.2**

Describe how your organisation contributes to the portfolio's management of ESG issues.

As an active investor we contribute to the management of ESG issues through the following factors:

- **Board Membership and Governance** -Taurus currently sits on the Board of over half of its T1 and T2 investee companies. Through these roles, Taurus works with Boards and senior management so that companies will comply with appropriate levels of corporate governance and to effectively manage material ESG and other risks. We also seek to be actively involved in risk and other committees such as safety and social responsibility committees.
- **Strategy** - Taurus is involved in setting, focusing and, if appropriate, changing the investee company's corporate strategy. This may include strategic approaches to ESG risks where Taurus considers this is needed.
- **Technical** - Taurus personnel help where appropriate by direct technical input or by sourcing technical assistance - either directly in the business or for peer reviews - in geology/ exploration, mining engineering, metallurgical engineering, community, environmental, or governance within the investee company.
- **Development** - Development of projects occurs through a number of stages. Taurus assists by monitoring the company's internal processes and advising where needed to develop the project at least cost and with minimal re-working. This involves liaison with technical and finance providers.
- **Personnel** - Taurus assists by sourcing and reviewing candidates for employment at investee companies. Where appropriate, Taurus personnel sit on interview panels. Selection factors for senior management where Taurus is involved will include commitment to environmental and social responsibility.
- **Financial** - Taurus monitors cash and expenditure positions so that investee companies do not get into difficult financial positions. Overseeing appropriate budgets and expenditure for ESG-related activities is a component of this work.
- **Capital** - Taurus provides capital in a number of ways such as equity and equity hybrids. Taurus works with investees to optimize the overall financing strategy.

**PE 17**

Voluntary

Additional Assessed

PRI 2

**PE 17.1**

Indicate whether your organisation discloses information on ESG issues to potential buyers prior to exit for private equity investments.

- We always include ESG issues in pre-exit information
- We include ESG issues in pre-exit information in the majority of cases
- We include ESG issues in pre-exit information in the minority of cases
- We do not include ESG issues in pre-exit information

**PE 17.2**

Apart from disclosure, describe how your organisation considers ESG issues at exit.

ESG issues are a key consideration for any incoming purchaser in the mining industry and so the company we are exiting will need to make sure ESG issues are not only fully disclosed but that the company has detailed management plans in place. Further, we need to ensure that the company retains sufficient provisions or financial assurance for environmental rehabilitation and has in place a robust mine closure plan so that local communities continue to enjoy the benefits accrued during operations long after we have exited and operations have ceased.

Planning for cessation of operations is a key part of due diligence so even before we invest ourselves we are required to consider ESG issues at exit. In undertaking due diligence, Taurus must also consider the long term impact of a project. We need to carefully consider the impact of the operations on the local environment and community, not only after we have exited our investment but also once operations have ceased (see PE 09.2 for a detailed description).

## Outputs and outcomes

PE 18	Voluntary	Additional Assessed	PRI 1,2
-------	-----------	---------------------	---------

PE 18.1

Indicate if your organisation measures whether your approach to ESG issues in Private Equity investments has affected financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' financial performance
- We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Impact
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

- None of the above

PE 18.2

Describe how you are able to determine these outcomes.

ESG performance in our context relates to the development of our portfolio companies' projects in a responsible manner. This is a threshold issue with a binary outcome (see PE 07.2 for details of screening in action) so the impact on financial performance is not quantifiable. We do however carefully monitor the progress of project development and in this way changes in ESG performance can be measured (see PE 13.04 for examples of monitoring changes in ESG performance).

## Communication

PE 20	Mandatory	Core Assessed	PRI 6
-------	-----------	---------------	-------

PE 20.1

Indicate whether your organisation proactively discloses ESG information on your private equity investments.

- Disclose publicly
- Disclose to investor clients (LPs)/beneficiaries only

PE 20.5

Indicate the type of ESG information that your organisation proactively discloses to your clients (LPs)/beneficiaries.

- ESG information in relation to our pre-investment activities
- ESG information in relation to our post-investment monitoring and ownership activities
- Information on our portfolio companies' ESG performance
- Other, specify

**PE 20.6**

Indicate your organisation's typical frequency of disclosing ESG information to your clients(LPs)/beneficiaries.

- Quarterly or more frequently
- Semi annually
- Annually
- Every two years or less frequently
- Ad-hoc, specify

**PE 20.7**

Describe the ESG information and how your organisation proactively discloses it to your clients (LPs)/beneficiaries. [Optional]

Our quarterly reports include updates on project development including ESG issues and we prepare a dedicated ESG report every 18-24 months.

- No proactive disclosure to the public or to clients (LPs)/beneficiaries

**PE 21**

**Voluntary**

**Descriptive**

**PRI 6**

**PE 21.1**

Describe your organisation's approach to disclosing ESG incidents in private equity investments to your investor clients (LPs).

A key aspect of our culture as a manager is to be open with our investors when it comes to matters that could affect their investments. In the spirit of transparency we disclose material ESG issues whether good or bad as well as advising how we responded. This is part of our regular quarterly reporting process. In addition we will always make ourselves available to have discussions with, or provide further details to, individual LPs that require more information.

In our dedicated ESG report to investors we also outline any incidents for each of our portfolio companies.