THE HARDING LOEVNER GLOBAL CARBON TRANSITION EQUITY FUND

Supplement to the Prospectus dated 30 November 2022
For Harding Loevner Funds plc

This Supplement contains specific information in relation to The Harding Loevner Global Carbon Transition Equity Fund (the **"Fund"**), a Fund of Harding Loevner Funds plc (the **"Company"**) an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **"Central Bank"**).

This Supplement forms part of, may not be distributed unless accompanied by the Prospectus of the Company dated 30 November 2022 (the "Prospectus") (other than to prior recipients of the Prospectus), and must be read in conjunction with, the Prospectus.

The Directors of Harding Loevner Funds plc, whose names appear in the **Directors of the Company** section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Fund is actively managed.

Dated: 30 June 2025

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Definitions

Any words or terms not defined in this Supplement have the same meaning given to them in the Prospectus.

"Annex" means the pre-contractual disclosure for the Fund under Annex II of Commission Delegated Regulation (EU) 2022/1288.

"Sustainability Characteristics" means environmental characteristics including a reduction of greenhouse gas (GHG) emissions and climate change mitigation.

"**Taxonomy Regulation**" means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

Investment Objective and Policies

Investment Objective:

The investment objective of the Fund is to achieve long-term capital appreciation by investing primarily in global equities.

Investment Policies:

The Fund seeks to achieve its objective by investing in equity and equity-related securities on a global basis, including companies in emerging and frontier as well as developed markets.

The Fund will be highly diversified and therefore will not be concentrating on any specific regions, economic sectors, or currencies.

The Fund will primarily invest in common stocks and other securities with equity characteristics, including but not limited to preferred stocks, warrants (not more than 5% of the Fund's Net Asset Value), rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company), convertible securities (which, for the avoidance of doubt, will not include contingent convertible bonds (CoCos)), Depository Receipts, equity-linked notes and participatory notes (such notes will not be bespoke to the Fund), as more particularly set out in the section "Funds" in the Prospectus.

The Fund may also invest (up to 10% of its Net Asset Value) indirectly in such securities through holdings in open-ended collective investment schemes that satisfy Regulation 3(2) of the Regulations which shall be predominantly in the form of exchange traded funds and listed and traded in the United States and Europe.

No more than 25% of the net assets of the Fund may be invested in emerging and frontier markets, in aggregate.

The Fund may hold investments from time to time that are listed or traded in Russia. It is not anticipated that such investments will normally constitute a substantial element of the Fund and shall not in any event exceed 20% of the net assets of the Fund. Investment will only be made in equity securities that are listed or traded on the Moscow Exchange.

Under normal circumstances at least 80% of the Fund's net assets will be invested in the foregoing instruments, i.e., freely transferable equities and equity-related securities on a global basis. It will pursue a policy of active stock selection in the markets in which it operates, as further discussed below.

The Fund shall invest in such equity and equity-related securities which are listed/traded on markets/exchanges as set out in Appendix I of the Prospectus.

The Fund will invest on a long only basis.

Investment Strategy

The Fund will invest in equities and equity-related securities of companies that the Investment Manager regards as possessing competitive advantages, capable management, strong financials, and above-average growth potential, and whose shares are reasonably priced relative to estimates of their value. The Investment Manager undertakes in-depth fundamental research to identify companies that meet these quality-growth investment criteria before making judgments about share prices. This bottom-up research process incorporates qualitative and quantitative data to compare businesses on a global basis and utilises the Investment Manager's proprietary company quality scoring system to evaluate the attractiveness of industries and corporate earnings durability. The Investment Manager gathers qualitative and quantitative data through a variety of means, including due diligence on target companies, assessment of industry structure and the company's position within its industry, and analysis of anticipated growth of a company compared to its peers. The Investment Manager believes such fundamental analysis enables it to recognise when transient market misperceptions (e.g., mispricings) create investment opportunities. It further believes insights gained through this qualitative and quantitative analysis of individual companies is more valuable and reliable in the long term than forecasts of aggregate stock market directions.

The Investment Manager has a single research team organised primarily by global sector, in which analysts study companies worldwide that operate within their industry specialties. In addition, it has regional analysts responsible for companies in emerging markets, frontier markets, Japan, and China. This division of responsibilities encourages development of deep expertise in the global competitive dynamics of industries and facilitates collaboration and cross-border comparisons.

Portfolio managers choose among analyst-rated companies — considering both analyst recommendations and impact on portfolio risk — to construct a model portfolio for the Fund. Internal risk-control limits applied to geography, sector, and holding weights ensure diversification. Portfolio managers may sell a stock when it is "crowded out" by a more attractive investment opportunity, it appears overvalued, or the company's business fundamentals have deteriorated.

ESG Integration

Information related to environmental or social characteristics is available in the Annex.

When evaluating target companies for investment, the Investment Manager includes an explicit consideration of ESG risk factors. To determine a company's suitability for investment, the Investment Manager's analysts focus on four criteria: competitive advantage, quality management, financial strength, and sustainable growth. ESG risks and opportunities are among the factors that may impact a company's ability to meet these criteria. Analysts therefore consider such risks and opportunities at each stage of their analysis.

Upon commencing research on a company, the analyst reviews its governance using a 15-point checklist to ensure companies with poor governance practices are eliminated from consideration. The analyst also completes a 16-point red flag checklist to determine if the company faces any severe risks in these areas that require closer analysis.

The analyst's in-depth company research includes evaluating 29 distinct ESG factors in its ESG scorecard, like climate change, treatment of customers, labor practices, community relations, cybersecurity, and management-shareholder alignment in order to determine an overall "ESG Score" for a company. For each factor, the analyst assesses the extent to which it represents a risk that could threaten, or an opportunity that could support, the sustainability of the company's profitable growth. This scorecard process provides a consistent framework for comparing companies' ESG risks and opportunities across all industries and geographies. ESG assessments may affect the analyst's long-term forecasts of growth, margins, capital intensity, or competitive position. Further, the Investment Manager uses a company's overall ESG Score in its valuation model, where it affects projected cash flows.

The Investment Manager's portfolio managers consider ESG factors among other factors affecting risk and expected returns in choosing among companies approved by analysts.

Promotion of Sustainability Characteristics

The Fund promotes Sustainability Characteristics by investing in companies that the Investment Manager believes have a viable pathway to achieve ”net zero” greenhouse gas (GHG) emissions by 2050, consistent with the “Paris Agreement”. The 2015 Paris Agreement (the “Paris Agreement”) aims to limit global warming to well below 2 degrees Celsius, preferably limited to 1.5 degrees, compared to pre-industrial levels. “Net zero” is achieved when the amount of GHG emissions produced are cancelled out by those removed from the atmosphere. For an investment by the Fund to be considered to be promoting Sustainability Characteristics, the company must follow good governance practices in accordance with Article 8 of SFDR. The Fund does not have sustainable investment as its investment objective.

The Fund seeks to achieve this through both the exclusion of fossil fuel companies (as defined below) from the portfolio, and through its screening of companies’ emission reduction practices, which must demonstrate a viable pathway to achieve net zero GHG emissions by 2050. The Investment Manager assesses this viability by examining the following factors in respect of each company, among others:

- Historical and projected GHG emissions
- GHG emission reduction targets, including Science Based Targets Initiative (SBTi) validated targets
- Climate-related disclosures, including Task Force on Climate-Related Financial Disclosures (TCFD) reports and CDP (formerly, Carbon Disclosure Project) portal filings (being datasets on climate-related risks and opportunities, emissions, mitigation, adaptation, energy and water in cities, states and regions worldwide), or other relevant company disclosures
- Global Industry Classification Standard (GICS) sub-industry classification and its respective carbon risk-profile
- Third-party data regarding climate-related issues and GHG emissions

The Investment Manager uses publicly available information, its own data and insight, information from relevant industry groups, and third-party data providers to ascertain the carbon emission reduction practices of specific companies.

Through this screening process (which is in addition to the ESG Score assigned to the investee company, as outlined above under “ESG Integration”) the Investment Manager can identify and assess those companies which have committed to reducing their carbon emissions.

Through its own research, as well as engagements with company management, the Investment Manager monitors business practices on an ongoing basis. Consistent with the Company’s Shareholder Engagement Policy, the Investment Manager actively engages with companies and issuers with respect to their carbon emissions by, for example, arranging in-person meetings with senior management of companies to address issues relating to environmental policies and governance practices and exercises its voting rights in accordance with this aim. The Investment Manager may divest of any company which does not make demonstrative progress in aligning itself with the Paris Agreement and specifically with net zero emission targets by 2050.

In addition to the adoption of the ESG criteria outlined above, the Fund applies additional criteria and does not invest in the following:

Climate Transition Exclusions

The Fund shall not invest in:

(a) companies involved in any activities related to controversial weapons;

(b) companies involved in the cultivation and production of tobacco;

(c) companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;

(d) companies that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;

(e) companies that derive 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;

(f) companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;

(g) companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh;

as such exclusions are set forth in Article 12(1)(a)-(g) of Regulation (EU) 2020/1818 (the "**Climate Transition Exclusions**").

Fossil Fuel Companies

To the extent not already excluded by the Climate Transition Exclusions, the Fund is also prohibited from investing in fossil fuel companies, which shall include (i) companies outside of the financials sector with evidence of owning fossil fuel reserves and (ii) companies which derive at least 25% of its revenues (either reported or estimated) from oil-, gas-, or coal-related activities.

Controversial, Assault-Style, and Nuclear Weapons

To the extent not already excluded by the Climate Transition Exclusions, the Fund is prohibited from investing in "controversial weapons", being companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.

For the avoidance of doubt, this prohibition is extended to companies which produce nuclear weapons components.

The Fund is further prohibited from investing in companies that manufacture or retail automatic ("assault") firearms.

Norges Bank Exclusion List

The above prohibitions are fundamentally consistent with the Guidelines for Observation and Exclusion of Companies from the Government Pension Fund of Norway. The Fund also applies and prohibits ownership of any company on the exclusion list produced by the central bank of Norway, Norges Bank (the "**Norges Exclusion List**"). The application of the Norges Exclusion List is not expected to restrict the Fund from investing in any companies from which it is not already restricted in accordance with the criteria outlined above.

<u>Weighted-Average Carbon Intensity (WACI) Target</u>

The Fund targets a weighted-average carbon intensity (WACI) for the portfolio's Scope 1 and 2 GHG emissions of no greater than that of the MSCI All Country World Climate Paris-Aligned Index. Such target shall be measured quarterly. Further information on the MSCI All Country World Climate Paris-Aligned Index can be found at https://www.msci.com/indexes/index/735619 and information on its WACI is available from the Investment Manager, on request.

Consideration of Adverse Impact

The Investment Manager considers principal adverse impacts of investment decisions on sustainability factors in respect of the Fund. Further details are set out in the Annex.

Investment Restrictions

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply.

Borrowings

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up 10% of its net assets on a temporary basis.

Risk Management Process

The Fund employs a Risk Management Process which enables it to accurately measure, monitor and manage the various risks associated with financial derivative instruments and which is available to investors.

Profile of a Typical Investor

The Fund is suitable for investors seeking capital growth who are prepared to accept a medium to high degree of volatility over a five to seven year market cycle.

Benchmark Index

The Fund's financial performance will be compared to the MSCI All Country World Index and MSCI All Country World Climate Paris-Aligned Index (the "**Comparator Benchmarks**"). The Comparator Benchmarks capture representation across developed markets and emerging markets countries, as further detailed at https://www.msci.com/our-solutions/indexes/acwi. The Comparator Benchmarks are used to compare the financial performance of the Fund but are not used to constrain portfolio composition or as a target for the performance of the Fund.

Neither Comparator Benchmark is a reference benchmark under SFDR or otherwise used to compare the non-financial performance of the Fund.

Risk Factors

The general risk factors are set out in the Prospectus under the heading **RISK FACTORS**. In addition, the following risk factors apply to the Fund:

Market Risk

Investments in the Fund may lose value due to a general downturn in stock markets.

Currency Risk

The Base Currency of the Fund is US Dollars. As the Euro and Sterling Classes are denominated in a currency other than the Base Currency of the Fund, and as currency conversions will take place on subscriptions, redemptions and distributions at prevailing exchange rates, the Euro and Sterling Classes will have a currency risk exposure to US Dollars.

Emerging Market and Frontier Market Risk

Emerging market securities involve unique risks such as exposure to economies less diverse and mature than that of the United States or more established foreign markets. Economic or political instability may cause larger price changes in emerging market securities of issuers based in more developed countries.

Investments in frontier markets involve risks similar to investments in emerging markets but to a greater extent since frontier markets are even smaller, less developed and less accessible than emerging markets. Frontier markets may also experience greater political and economic instability and may have less transparency, less ethical practices, and weaker corporate governance compared to emerging markets. The countries that comprise frontier markets include the lesser developed countries located in Africa, Asia (including countries in the Commonwealth of Independent States, formerly the Soviet Union), the Middle East, Eastern Europe and Latin America.

Investing through Stock Connect

There are various means of the Fund creating exposure to Chinese securities, including using American depositary receipts and H shares (which are shares of a company incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange). A Fund may also invest in certain eligible securities ("Stock Connect Securities") that are listed and traded on the Shanghai Stock Exchange ("SSE") through the Hong Kong – Shanghai Stock Connect program or the Shenzhen Stock Exchange ("SZSE") through the Hong Kong - Shenzhen Stock Connect program ("Stock Connect"). The Stock Exchange of Hong Kong Limited ("SEHK"), SSE, Hong Kong Securities Clearing Company Limited ("HKSCC") and China Securities Depository and Clearing Corporation Limited ("China Clear") originally developed Stock Connect as a securities trading and clearing program to establish mutual market access between SEHK and SSE. For further details on the potential risks with investing in China - please refer to the Risk Factor section of the Prospectus and in particular the section entitled "Hong Kong-Shanghai and Shenzhen Stock Connect Risk Factors".

Russian Markets

As the Fund may invest in Russia, investors should note that Russia has different corporate governance, auditing and other financial standards to developed markets, which could result in a less thorough understanding of the financial condition, results of operations and cash flow of companies in which the Fund invests. Accordingly, an investment in shares of a Russian corporation may not afford the same level of investor protection as would apply in more developed jurisdictions. For further details on the potential risks with investing in Russia - please refer to the Risk Factor section of the Prospectus and in particular the section entitled "Emerging Market Risk".

Russia-Ukraine

Russia launched a large-scale invasion of Ukraine on February 24, 2022 which has significantly disrupted global financial systems, trade and transport, among other things. In response, the European Union and several other nations have imposed economic sanctions on certain Russian individuals and Russian corporate and banking entities. These sanctions will impair the Fund's ability to buy Russian securities and/or assets for the duration of the military action and imposition of the sanctions. Such duration of the military action, sanctions and resulting market disruption (including declines in stock markets and the value of the Russian ruble) are not possible to predict but may be significant and long-lasting. The Fund does not intend to invest in Russian securities and/or assets where doing so would be inconsistent with sanctions in effect.

The Investment Manager will continue to monitor developments related to this military action, including current and potential future interventions of the European Union and national governments and economic sanctions against Russia, in order to assess their impact on any potential investment in Russia, including their potential impact on the liquidity of Russian Securities.

Dividend Policy

There are no dividend entitlements for Euro and US Dollar Shares.

The Directors intend to declare a dividend in respect of the Sterling Class I Shares such that substantially all of the net income relating to such Classes shall be distributed on a semi-annual basis (on or about 15 January and 15 July in each calendar year). Such dividends shall be paid to Shareholders in accordance with the terms of the Prospectus.

Key Information for Buying and Selling

Base Currency

US Dollars

Business Day

Any day on which banks are open for business in London, New York and Dublin and/or such other place or places as the Directors may, with the consent of the Depositary, determine.

Dealing Day

Each Business Day and/or such other day or days as the Directors may in their absolute discretion determine and notify in advance to Shareholders provided that there shall be at least two Dealing Days in each month (with at least one Dealing Day per two week period).

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline is 3.00pm (Irish time) on each Dealing Day.

Investors should note that share purchase and repurchase requests received prior to the Dealing Deadline may not be withdrawn prior to the relevant Dealing Day.

Minimum Amounts

Class	Minimum Shareholding	Minimum Initial Investment Amount	Minimum Additional Investment Amount
Euro Class I	$1,000,000 or currency equivalent	$1,000,000 or currency equivalent	€100
US Dollar Class I	$1,000,000	$1,000,000	$100
Sterling Class I	$1,000,000 or currency equivalent	$1,000,000 or currency equivalent	£100
US Dollar Class X	$20,000,000	$20,000,000	$100
US Dollar Class X1	$20,000,000	$20,000,000	$100

(subject to the discretion of the Directors in each case to allow lesser amounts).

Initial Offer Period

The Initial Offer Periods for the US Dollar Class I Shares and US Dollar Class X1 Shares have now closed and these Share Classes are continuously open for subscription.

The Initial Offer Period for all other Share Classes will open at 9.00 a.m. (Irish time) 1 July 2025 and shall close at 5.00 p.m. (Irish time) 23 December 2025.

The end date of the Initial Offer Period may be subject to such earlier or later date as the Directors may determine and notified to the Central Bank.

The US Dollar Class X1 Shares shall only be made available for subscription to existing clients of the Investment Manager and such other entities or persons who apply for investing during the Initial Offer Period and as the Investment Manager may determine from time to time and notify to the Administrator and Depositary.

Initial Issue Price

10.000 of the applicable currency per Share.

Settlement Date

In the case of initial share requests, the Application Form, where appropriate (and all supporting documentation), or an application by electronic means (such as an application via a Recognised Clearing System), must be received before the Dealing Deadline.

Subsequent share purchase requests and repurchase requests should be made by completing the appropriate dealing form where appropriate, or by electronic means as noted above, and be submitted in accordance with the provisions set out in the Prospectus to be received by the Administrator before the Dealing Deadline.

Payment in respect of the issue of Shares must be received by the Administrator within three Business Days of the relevant Dealing Day by electronic transfer in cleared funds in the currency of the relevant Share Class.

The amount due on the repurchase of Shares of any Share Class in the Fund will be paid within three Business Days by electronic transfer to an account in the name of the Shareholder or settlement bank account, as appropriate. Repurchase proceeds will only be paid on receipt by the Administrator of any relevant repurchase documentation.

Subscription Charge

No subscription charge will be charged in respect of Shares in the Fund.

Repurchase Charge

No repurchase charge will be charged in respect of Shares of the Fund. However, the Directors may in their discretion introduce such a fee at a later date in accordance with the terms of the Prospectus and the requirements of the Central Bank.

Anti-Dilution Charge

Cost of dealing (subject to the Directors' discretion to waive such fees).

The Directors may, where there are large net subscriptions and/or redemptions, charge an Anti-Dilution Levy which will be calculated to cover the costs of acquiring and/or redeeming investments as a result of net subscriptions and/or redemptions on any Dealing Day, which will include any dealing spreads and commissions and will be charged in circumstances where the Directors believe it is necessary to prevent an adverse effect on the value of the assets of the Fund.

Valuation Point

4.00pm (New York time) on the relevant Dealing Day.

Fees and Expenses

Fees of the Manager

The Manager shall be entitled to an annual management fee of up to 0.0125% of the Net Asset Value (the "Management Fee") of the Fund. The Management Fee is based on a sliding scale applied to the aggregate assets across all Sub-Funds, as follows:

Net Asset Value	**Management Fee as a % of Net Asset Value of the Company**
€0 - €500 Million	0.0125%
€500 Million - €1 Billion	0.0100%
Above €1 Billion	0.0075%

The management fee set out above is subject to an annual minimum fee of €30,000 per Sub-Fund which is subject to a minimum annual relationship fee for the Company of €75,000. The Manager shall also be entitled to an annual SFDR fee of €5,000 per Sub-Fund.

The Management Fee shall be subject to the imposition of VAT, if required. The Management Fee will be calculated and accrued daily and is payable monthly in arrears.

The Manager shall be entitled to be reimbursed by the Company out of the assets of the Fund for reasonable out of pocket expenses properly incurred and any VAT on all fees and expenses payable to or by it.

Fees of the Investment Manager

The Investment Manager will be entitled to receive from the Company out of the assets of the Fund an annual fee of 0.70% of the net assets attributable to the Euro Class I Shares, the US Dollar Class I Shares, and the Sterling Class I Shares.

In respect of the US Dollar Class X1 Shares, the Investment Manager will be entitled to receive from the Company out of the assets of the Fund the following annual fees:

- where the Net Asset Value of the Share Class is greater than USD 50 million:
  - 0.25% of assets attributable to the US Dollar Class X1 Shares; or
- where the Net Asset Value of the Share Class is USD 50 million or less:
  - 0.50% on the first USD 20 million of assets attributable to the US Dollar Class X1 Shares; plus
  - 0.35% on the next USD 30 million of assets attributable to the US Dollar Class X1 Shares

(plus VAT if any).

These fees will accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for its reasonable out-of-pocket costs and expenses incurred by the Investment Manager in the performance of its duties. The Investment Manager may, at its absolute discretion, waive any portion of the investment management fee and/or reimburse the Fund for its fees and expenses. The Investment Manager may also, at its absolute discretion, pay any portion of such investment management fee or costs and expenses to any third party in any manner whatsoever, whether by rebate or otherwise.

The Investment Manager shall not receive a fee in respect of the US Dollar Class X Shares.

<u>Establishment Expenses</u>

The fees and expenses incurred in connection with the establishment of the Fund will not exceed €30,000. These fees and expenses will be paid out assets of the Fund and will be amortised over the first five years.

This section should be read in conjunction with the section entitled **Fees and Expenses** in the Prospectus.

Miscellaneous

There are six other Funds of the Company currently in existence, namely:

The Harding Loevner Global Equity Fund
The Harding Loevner International Equity Fund
The Harding Loevner Emerging Markets Equity Fund
The Harding Loevner Emerging Markets ex China Equity Fund
The Harding Loevner Frontier Emerging Markets Fund
The Harding Loevner Global Small Companies Equity Fund

Notification of Prices

The Net Asset Value per Share will be available on each Business Day from the Administrator.

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainability indicators measure how the environmental or

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: The Harding Loevner Global Carbon Transition Equity Fund
Legal entity identifier: 549300GCI9234T6OTE95

Environmental and/or social characteristics

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10**% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental characteristics, including the reduction of greenhouse gas (GHG) emissions and climate change mitigation (collectively defined in the Prospectus Supplement as "Sustainability Characteristics"). No reference benchmark has been designated for the purpose of attaining the promoted characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Harding Loevner LP (the "Investment Manager") uses several sustainability indicators as part of its determination of whether: (A) a potential investee company is eligible as an investment for the Fund; and (B) Fund holdings have progressed towards alignment with the Paris Agreement. Both sets of indicators are relevant to the investment strategy of the Fund and are used to measure the attainment of the promoted environmental characteristics.

In addition to satisfying the Investment Manager's overall investment criteria, to be eligible for investment in the Fund, a company must have identified priorities to achieve emission reductions, demonstrated by: (i) appropriate disclosure regarding the company's total emissions; (ii) the establishment of an appropriate strategy to achieve emissions reductions; or (iii) the establishment of governance structures designed to oversee the company's progress toward effectuating its emissions reduction strategy. When any of these elements are absent, the Investment Manager will consider whether it believes the company is likely to establish them within a reasonable timeframe.

The Investment Manager anticipates that over time, investee companies will become aligned with the Paris Agreement decarbonization goal, setting science-based targets and delivering against those targets. While some companies held by the Fund already have set science-based targets, most have not. The Investment Manager regards a company's public commitment to net zero emissions by 2050, establishment of emissions reduction targets (preferably science-based targets), and performance against those targets, all as indicators that measure the attainment of the promoted characteristics. The Investment Manager expects that over time a company's performance against science-based targets will, relative to other indicators, weigh more heavily in the determination of whether the company has progressed towards alignment with the Paris Agreement.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Fund sources data from MSCI's Sustainable Impact Metrics to identify the sustainable investments in its portfolio, the environmental objectives to which those investments contribute and how they contribute. Under the MSCI methodology, companies generating at least 20% of their revenues from products or services contributing to one or more environmental objectives are treated as having "corporate intent" to address such environmental needs. The environmental objectives shall be one or more of the following: climate change mitigation; energy efficiency; pollution prevention and waste minimization; sustainable management of water; forestry and land resources. As well, companies that have a carbon emissions reduction target approved by SBTi are considered by MSCI to contribute to the objective of climate change mitigation.

The Fund's use of MSCI's Sustainable Impact Metrics is subject to periodic quality checks based upon the Investment Manager's portfolio company research. The Investment Manager may from time to time change the classification of an investment (identifying an investment as sustainable or non-sustainable) for reasons not captured by the MSCI methodology.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Fund uses MSCI's exclusionary screens to identify investee companies that do not cause significant harm ("DNSH") to any environmental or social sustainable investment objective, subject to periodic quality checks based upon the Investment Manager's portfolio company research. The Investment Manager may from time to time deem additional investee companies as passing, or failing, DNSH, for reasons not captured by the MSCI methodology.

Investee companies fail DNSH under the MSCI methodology if any of the following is true:

- The company has any tie to controversial weapons;
- The company has revenues from thermal coal equal to or exceeding one percent;
- The company is a tobacco producer;
- The company has revenues from tobacco equal to or exceeding five percent; or
- The company is involved in serious and/or widespread ESG-related controversies, flagged by MSCI's ESG Controversies methodology as "red" or "orange";
    - A red flag is indicative of direct involvement in the most serious adverse impacts that have not been mitigated.
    - An orange flag is indicative of either indirect involvement (such as through business relationships), or partial resolution, of the foregoing impacts.

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

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

In determining that the sustainable investments do not significantly harm any environmental or social objective, the Investment Manager, on behalf of the Fund, considers the PAIs listed in Table 1, as well as PAI 4 ("investments in companies without carbon emission reduction initiatives") from Table 2 of Annex 1 of the Commission Delegated Regulation (EU) 2022/1288, in managing the assets of the Fund through one or more of the following:

- its fundamental research on investee companies;
- implementation of the coded exclusions described in the previous section;
- the Paris-Alignment assessment process; and
- the use of MSCI ESG data to flag significant harms.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Aspects of the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human

Rights, are evaluated through the Investment Manager's company research process, including through third-party assessments of company conduct made available for use by analysts as part of a proprietary ESG comparison tool designed to aid comparisons of ESG metrics across companies. Portfolio managers receive a list of failing or "watch list" companies as part of an ESG dashboard report. If an investee company is on a "watch list" or out of alignment, that may influence the Investment Manager's view of the company; however, the company would not automatically be deemed to fail the "do no significant harm" principle on that basis alone.

Companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises are excluded from the Fund's investment universe. In addition, the Investment Manager uses MSCI's ESG Controversies methodology as a data source to identify those remaining companies that might indicate a potential breach of the OECD Guidelines for Multinational Enterprises and/or UN Global Compact principles. A red or orange flag is treated an indication of lack of alignment with these frameworks, which may lead to a determination that an investment should not be considered a sustainable investment for failing the "do no significant harm" principle. Third-party assessments of a company's conduct against the UN Guiding Principles on Business and Human Rights are available in an ESG comparison tool used by analysts as part of the company research process; third-party reports exploring controversies in more detail are available upon request.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

✖ Yes, the Investment Manager, on behalf of the Fund, considers principal adverse impacts on sustainability factors. The following PAIs on sustainability factors are considered as part of the Fund's screening and portfolio construction process:

- GHG emissions;
- GHG intensity of investee companies;
- exposure to companies active in the fossil fuel sector;
- exposure to controversial weapons; and
- investment in companies without carbon emission reduction initiatives.

☐ No

What investment strategy does this financial product follow?

The Fund seeks to achieve its objective by investing in equity and equity-related securities on a global basis, including companies in emerging and frontier as well as developed markets. The Fund will be highly diversified and therefore will not be concentrating on any specific regions, economic sectors, or currencies. The Fund will invest in equities and equity-related securities of companies that the Investment Manager regards as possessing competitive advantages, capable management, strong financials, and above-average growth potential, and whose shares are reasonably priced relative to estimates of their value. The Investment Manager undertakes in-depth fundamental research to identify companies that meet these quality-growth investment criteria before making judgments about share prices. The Investment Manager has a single research team organised primarily by global sector, in which analysts study companies worldwide that operate within their industry specialties. In addition, it has regional analysts responsible for companies in emerging markets, frontier markets, Japan, and China. This division of responsibilities encourages development of deep expertise in the global competitive dynamics of industries and facilitates collaboration and cross-border comparisons.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund promotes Sustainability Characteristics (defined as environmental characteristics including a reduction of greenhouse gas (GHG) emissions and climate change mitigation) by investing in companies that the Investment Manager believes will achieve 'net zero' greenhouse gas (GHG) emissions by 2050, consistent with the Paris Agreement. For an investment by the Fund to be considered to be promoting Sustainability Characteristics, the company must follow good governance practices in accordance with Article 8 of SFDR. The Fund does not have sustainable investment as its investment objective.

The Fund seeks to achieve this through both the exclusion of fossil fuel companies (as defined below) from the portfolio, and through its screening of companies' emission reduction practices, which must demonstrate a viable pathway to achieve net zero GHG emissions by 2050. The Investment Manager assesses this viability by examining the following factors in respect of each company, among others:

- Historical and projected GHG emissions
- GHG emission reduction targets, including Science Based Targets Initiative (SBTi) validated targets
- Climate-related disclosures, including Task Force on Climate-Related Financial Disclosures (TCFD) and CDP (formerly, Carbon Disclosure Project) portal filings (being data sets on climate-related risks and opportunities, emissions, mitigation, adaptation, energy and water in cities, states and regions worldwide), or other relevant company disclosures
- Global Industry Classification Standard (GICS) sub-industry classification and its respective carbon risk-profile
- Third-party data regarding climate-related issues and GHG emissions

The Investment Manager uses publicly available information, its own data and insight, information from relevant industry groups, and third-party data providers to ascertain the carbon emission reduction practices of specific companies.

Through this screening process (which is in addition to the ESG Score assigned to the investee company, as outlined in the Fund's Prospectus under "ESG Integration") the Investment Manager can identify and assess those companies which have committed to reducing their carbon emissions.

Through its own research, as well as engagements with company management, the Investment Manager monitors business practices on an ongoing basis. Consistent with the Shareholder Engagement Policy of Harding Loevner Funds plc, the Investment Manager actively engages with companies and issuers with respect to their carbon emissions by, for example, arranging in-person meetings with senior management of companies to address issues relating to environmental policies and governance practices and exercises its voting rights in accordance with this aim. The Investment Manager may divest of any company which does not make demonstrative progress in aligning itself with the Paris Agreement and specifically with 'net zero' emission targets by 2050

In addition to the adoption of the ESG criteria outlined above, the Fund applies additional criteria and does not invest in the following:

<u>Climate Transition Exclusions</u>

The Fund shall not invest in:

(a) companies involved in any activities related to controversial weapons;

(b) companies involved in the cultivation and production of tobacco;

(c) companies that benchmark administrators find in violation of the United

Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;

(d) companies that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;

(e) companies that derive 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;

(f) companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;

(g) companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh;

as such exclusions are set forth in Article 12(1)(a)-(g) of Regulation (EU) 2020/1818 (the "Climate Transition Exclusions").

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Fossil Fuel Companies

To the extent not already exlcuded by the Climate Transition Exclusions, the Fund is also prohibited from investing in fussil fuel companies, which shall include (i) companies outside of the financials sector with evidence of owning fossil fuel reserves and (ii) companies which derive at least 25% of its revenues (either reported or estimated) from oil-, gas-, or coal-related activities.

Controversial, Assault-Style, and Nuclear Weapons

To the extent not already excluded by the Climate Transition Exclusions, the Fund is prohibited from investing in "controversial weapons", being companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.

For the avoidance of doubt, this prohibition is extended to companies which produce nuclear weapons components.

The Fund is further prohibited from investing in companies that manufacture or retail automatic ("assault") firearms.

Norges Bank Exclusion List

The Fund also applies and prohibits ownership of any company on the exclusion list produced by the central bank of Norway, Norges Bank.

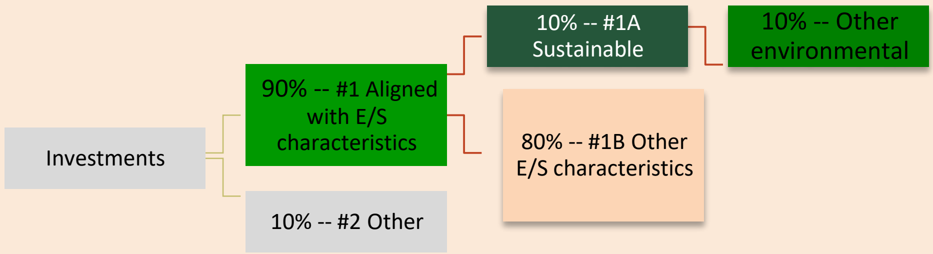
- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund is not committed to a minimum rate to reduce the scope of investments considered prior to the application of the above investment strategy.

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

Considerations of good governance are embedded in the Investment Manager's investment process. Companies that operate with a disregard for their environment, for the welfare of societies in which they conduct their business, or for the sound principles of governance by which the interests of their shareholders are protected put their financial results at long-term risk.

Upon commencing research on a company, the analyst reviews its governance using a 15-point elimination checklist to ensure companies with poor governance are eliminated from consideration. The analyst also completes a 16-point red flag checklist to determine if the company faces any severe risks that require closer analysis. The two checklists cover various topics including, among others, sound management structures, employee relations, remuneration of staff and tax compliance. Company information considered as part of these two checklists is supplemented by data from MSCI, as appropriate. If following completion of these two checklists, a company merits further investment consideration, the Investment Manager views the company as following good governance practices within the meaning of SFDR. The governance practices of the companies in which the Fund invests are monitored regularly.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

What is the asset allocation planned for this financial product?

The planned asset allocation is that the Fund invest a minimum of 90% of its assets in investments aligned with the promoted environmental characteristics of carbon emissions reduction and climate change mitigation (Category #1, below).

The remaining proportion of the investments (Category #2, below), approximately 10% of the Fund's assets, are intended to be held in cash and cash equivalents, for liquidity and transitory flows (i.e., subscriptions and redemptions), as discussed further below.

Asset allocation describes the share of investments in specific assets.

The Fund intends to invest a minimum of 10% of its assets in sustainable investments (Category #1A, below).

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

The Fund does not use derivatives to attain the promoted environmental

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

characteristics.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The minimum extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy is 0%.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

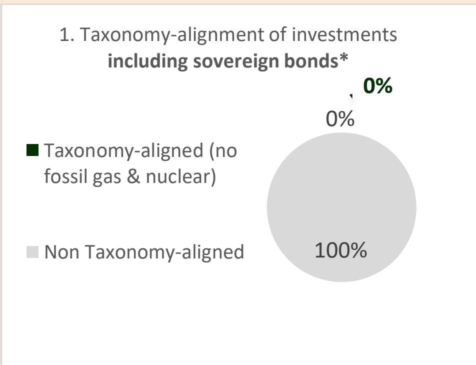
☐ Yes, ______

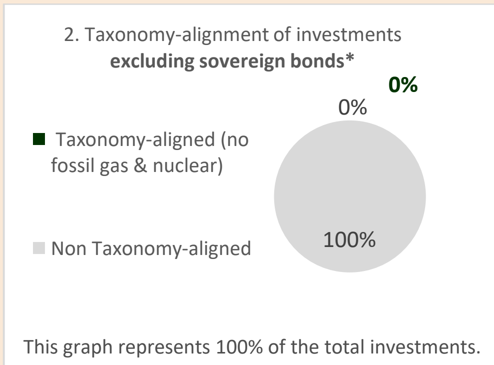
☐ In fossil gas ☐ In nuclear energy

X **No**

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the minimum share of investments in transitional and enabling activities?

0% of the Fund's assets.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 100% of the Fund's sustainable investments.

What is the minimum share of socially sustainable investments?

While the Fund may have coincidental exposure to socially sustainable investments, there is no intended minimum for such investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Investments included under "#2 Other," comprising 10% of the Fund's assets, are cash and cash equivalents for liquidity and transitory flows (i.e., subscriptions and redemptions). There are no minimum environmental or social safeguards that apply to the Fund's holdings in cash and cash equivalents.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the promoted characteristics.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

More product-specific information can be found on the website: https://www.hardingloevner.com/ways-to-invest/ucits-funds/carbon-transition-equity-fund/