**Sustainability-related disclosures**

Unless otherwise stated herein, this "*Sustainability-related disclosure*" section of our website is to be deemed effective and to apply in respect of the following sub-funds (each a "**Sub-Fund**") of Pzena Value Funds p.l.c., an investment company with variable capital incorporated in Ireland with registered number 412507, authorised by the Central Bank of Ireland (the "**Central Bank**") as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (the "**UCITS**"):

(a) Pzena Global Focused Value Fund (LEI: 635400LVKPYV3BRCRQ80);

(b) Pzena U.S. Large Cap Value Fund (LEI: 635400L2JQF5R1VPWE42);

(c) Pzena Global Value Fund (LEI: 6354002VJXPEKDMQYW04); and

(d) Pzena Emerging Markets Select Value Fund (LEI: 635400MSICJDHECTQS77).

Please note that Pzena Emerging Markets Focused Value Fund, another sub-fund of the UCITS, does not promote environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector ("**SFDR**"), nor does it have as its objective a sustainable investment within the meaning of Article 9 of SFDR, and so details in relation to Pzena Emerging Markets Focused Value Fund are not set out below in this document.

Defined terms used herein shall be given the same meaning as within the prospectus in respect of the UCITS and/or the supplement in respect of each relevant Sub-Fund (each a "**Supplement**").

**Summary**

*No sustainable investment objective*

Each Sub-Fund promotes environmental or social characteristics but does not have as its objective a sustainable investment. No Sub-Fund has committed to making "*sustainable investments*" within the meaning of SFDR.

*Environmental or social characteristics of the Sub-Funds*

The social and environmental characteristics promoted by each Sub-Fund are a reduction in the use of controversial weapons and a path to a lower carbon future.

*Investment strategy*

The value investment strategy of each Sub-Fund is set out in further detail in each relevant Supplement. From an ESG perspective, each Sub-Fund invests in companies that apply good corporate governance practices and, ESG integration and active ownership form part of the investment process employed by the Investment Manager in respect of each Sub-Fund, and each Sub-Fund also employs exclusions on controversial weapons, tobacco, and coal, along with a carbon target. Further, as part of the investment due diligence process in respect of investee companies, the Investment Manager assesses governance practices, including compensation structure (including the remuneration of staff), sound management structures and board independence, employee relations, capital allocation strategy, tax compliance, auditor independence and any legal or compliance matters.

*Proportion of investments*

As further detailed in each relevant Supplement, the minimum proportion of the investments of each Sub-Fund used to meet the environmental and/or social characteristics promoted by such Sub-Fund is 90% of the Sub-Fund's portfolio, noting that the Sub-Funds shall gain direct exposures to investee companies and noting that the remaining portion of the portfolio of each Sub-Fund, mainly consisting of cash or cash equivalents, will not be aligned with the promoted characteristics.

*Monitoring of environmental or social characteristics*

The environmental and social characteristics promoted by the Sub-Funds and the sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by the Sub-Funds, are disclosed in the Supplement for each Sub-Fund. Sustainability indicators are coded in the Investment Manager's portfolio management system and monitored daily by its Portfolio Implementation team. ESG analysts are responsible for an additional layer of ESG governance, whereby, through a series of watchlists, they monitor material ESG issues and developments in the portfolio

*Methodologies*

The Investment Manager promotes the importance of de-carbonization by managing each Sub-Fund with a carbon constraint of keeping carbon emissions intensity (being Scope 1 & 2 emissions divided by sales reported by the investee companies) below that of its Carbon Benchmark. Further, the Investment Manager has incorporated binding exclusions into each Sub-Fund's investment process, excluding controversial weapons and coal. Through these exclusions, each Sub-Fund seeks to promote specific social and environmental values that are important to society and are otherwise independent of the Investment Manager's ESG integrated research process.

*Data sources and processing*

All data utilized by the Investment Manager is sourced from a list of well-recognized and highly reputable data providers and is reviewed by the Investment Manager to ensure it is accurately

transposed into internal research and compliance systems. The Investment Manager subscribes to (a) MSCI ESG Research LLC, and (b) RepRisk. In addition, the Investment Manager also makes use of ESG data obtained from direct engagement with investee companies and entities such as HSBC, BNP Paribas Exane, Kepler Cheuvreux, Jeffries, Bernstein, S&P Capital IQ and FactSet.

*Limitations to methodologies and data*

Assessment of ESG issues is complex and often requires subjective judgements and the Investment Manager believes that there are significant limitations with available climate-related metrics, especially availability, consistency, and reliability. While third-party ESG data and ratings may serve as a useful initial point of reference in the Investment Manager's research process, they are only one of many inputs into a fundamental bottom-up investment analysis approach. Accordingly, the Investment Manager does not believe that limitations on such methodologies and/or data would materially impact its management of any of the Sub-Funds or promotion of their respective environmental and social characteristics.

*Due diligence*

As a fundamental bottom-up investor, company due diligence is an essential part of the Investment Manger's investment process, which is challenged accordingly throughout the research process by members of the research and portfolio management teams. The Investment Manager looks to minimize risk mainly through fundamental company research, where the research team seeks to determine the nature of a company's undervaluation. The Investment Manager examines ESG issues as well as other considerations that can influence the company's long-term performance and risk profile. Each issue, whether under the ESG heading or otherwise, is analyzed on its own merit and does not necessarily preclude the Investment Manager from considering an investment. As the Investment Manager believes that true ESG integration is industry analyst-led, its industry analysts bear the primary responsibility for issue identification and investment due diligence. The analysts track any material news affecting the industry and/or companies they cover and incorporate key developments into company-specific financial models, including physical and transition climate risk. The Investment Manager's ESG analysts provide specialist support to the industry analyst and portfolio management team on company-specific issues and material industry and thematic ESG issues that may cut across industries and portfolios. As an extra layer of due diligence, ESG analysts are responsible for helping to ensure consistency across the research team, thinking about how material issues, such as climate change, cross-cut various industries.

*Engagement policies*

There is significant emphasis on engagement with management over the lifetime of the investment. Through these conversations, proxy voting and other escalation options each Sub-Fund seeks to exert a constructive long-term oriented influence on the trajectory of the company.

*No reference benchmark*

No Sub-Fund utilizes a reference benchmark for the purposes of attaining the environmental and/or social characteristics that it promotes.

***No sustainable investment objective***

Each Sub-Fund promotes environmental or social characteristics but does not have as its objective a sustainable investment. No Sub-Fund has committed to making "*sustainable investments*" within the meaning of SFDR.

***Environmental or social characteristics of the Sub-Funds***

As set out in each relevant Supplement, each Sub-Fund seeks to comply with Article 8 of SFDR and the social and environmental characteristics promoted by each Sub-Fund are a reduction in the use of controversial weapons and a path to a lower carbon future.

***Investment strategy***

From an ESG perspective, each Sub-Fund invests in companies that apply good corporate governance practices and, in this regard as detailed below, ESG integration and active ownership form part of the investment process employed by the Investment Manager in respect of each Sub-Fund, and each Sub-Fund also employs exclusions on controversial weapons, tobacco, and coal, along with a carbon target.

ESG issues, including but not limited to, climate change, environmental resource management, workforce management, and good governance, can be a material driver of performance. In some cases, ESG issues may pose a risk to or negatively impact the value of, an underlying investment, while other ESG issues can be a source of opportunity. As part of its investment process, the Investment Manager integrates all financially material issues, including ESG issues that may present an opportunity and/or an ESG risk, into its investment decisions and evaluates these on an ongoing basis.

An ESG risk, also known as a sustainability risk, is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the underlying investment, and in turn each Sub-Fund. Where an ESG risk materialises in respect to a company, there may be a negative impact on, or may be an entire loss of, its value. This may be because of damage to its reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. A company may also suffer the impact of fines and other regulatory sanctions. The time and resources of the company's management team may also be diverted from furthering its business and become absorbed with seeking to deal with the relevant ESG risk(s), including changes to business practices and dealing with investigations and litigation. ESG risks may arise and impact a specific investment or may have a broader impact on an economic sector, geographical region and/or jurisdiction. ESG risks may give rise to loss of corporate assets and/or physical loss including damage to real estate and infrastructure.

Assessing the potential impact of ESG issues, including those that may be a source of opportunity for each Sub-Fund, and/or ESG risks, on a company is critical to the Investment Manager's investment process. All financially material sustainability or ESG issues are, therefore, evaluated as part of the Investment Manager's bottom-up fundamental investment process. ESG issues are integrated into the Investment Manager's decision-making processes, thoroughly analysed, discussed with industry experts and company management, evaluated with the portfolio management team in respect of each Sub-Fund and monitored continuously, directly determining the investment case and position sizing. As part of this process, the Investment Manager speaks with competitors, customers, and suppliers; conducts field research such as site visits to plants, stores, or other facilities; analyses the financials and public filings of the company and its competitors; and occasionally purchases independent research reports. Additionally, the Investment Manager may consider ratings and research produced by a variety of third-party ESG data providers to augment this analysis (see "*Data sources and processing*" below).

As part of the investment due diligence process, the Investment Manager assesses the governance practices of a company, including compensation structure (including the remuneration of staff), sound

management structures and board independence, employee relations, capital allocation strategy, tax compliance, auditor independence and any legal or compliance matters.

The Investment Manager does not believe that there is a one-size-fits-all approach to assessing good governance practices for all investee companies. The assessment of governance practices is carried out on a case-by-case basis by the Investment Manager, taking into consideration, among other things, the: (a) actions and judgement of the management team (including capital allocation decisions and strategic priorities); (b) stewardship and effectiveness of the board members (including impact, relevant experience and relationship with management); and (c) local laws and customs in the operating jurisdiction of the company (including board composition, government regulation and stakeholder accountability).

The Investment Manager believes that it is in the best interests of long-term shareholders for companies to have a fully independent audit committee and explicitly tracks this metric with respect to the companies in which each Sub-Fund invests. The Investment Manager takes into consideration the inherent subjectivity of defining what is meant by 'independence' in this context, as regional market differences and corporate structures vary which may result in varying interpretations of this term. However, a less than fully independent audit committee demands an additional layer of scrutiny prior to any investment decision and may ultimately preclude the Investment Manager from investing.

The Investment Manager will not make investments in companies where it deems there to be poor governance practices that negatively impact the company's long-term earning potential and/or unfavourably skew the potential range of outcomes for a given investment.

***Proportion of investments***

Noting the Investment Manager's binding exclusions, the applicable Sub-Fund's carbon target and the ESG integration and active ownership elements of the investment process employed by the Investment Manager in respect of each Sub-Fund, the minimum proportion of the investments of each Sub-Fund used to meet the environmental and/or social characteristics promoted by such Sub-Fund is 90% of the Sub-Fund's portfolio. The remaining portion of the portfolio, mainly consisting of cash or cash equivalents, will not be aligned with the promoted characteristics.

***Monitoring of environmental or social characteristics***

The following sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by each Sub-Fund: (i) The exclusion of certain companies based on revenue thresholds and/or connection with certain industries, and (ii) Each Sub-Fund employs a carbon constraint of keeping carbon emissions intensity (being Scope 1 & 2 emissions divided by sales reported by the investee companies) below that of the applicable Value Index stated in each Sub-Fund Supplement (the "Carbon Benchmark").

Scope 1 carbon emissions are those from sources owned or controlled by the investee company, typically direct combustion of fuel as in a furnace or vehicle. Scope 2 carbon emissions are those caused by the generation of electricity purchased by the investee company. Carbon emission intensity is the measurement of the absolute carbon footprint as the calculation divides the measurement of Scope 1 & 2 emissions by sales to adjust for investee company size. The Investment Manager believes that the way in which it calculates the carbon intensity of both the Sub-Fund and the Carbon Benchmark (i.e., by reference to the total value of sales of each underlying investee company, thereby adjusting for company size), is a more accurate measurement of carbon output, rather than simply measuring carbon output and/or intensity by references to the portfolio's absolute carbon footprint. This metric is also a more style-neutral metric that is less subject to swings in valuation. Reporting on each Sub-Fund's carbon emissions intensity relative to the Carbon Benchmark can be provided by the Investment Manager upon request.

The sustainability indicators above are coded within the Investment Manager's portfolio compliance system, which provides real-time reporting capability. Compliance is monitored daily by the Investment Manager's Portfolio Implementation team.

ESG analysts are responsible for an additional layer of ESG governance, whereby, through a series of watchlists, they monitor material ESG issues and developments in the portfolio. These may include, but are not limited to, UN Global Compact violations, reputational risk incidents, and company/portfolio carbon footprint. Companies lacking a *majority* independent audit committee fail the investment manager's good governance test and will not be held in the portfolio. In cases where a company already held in the portfolio ceases to meet the good governance test of a majority independent audit committee, the Investment Manager will engage in an attempt to remediate the issue. If those remediation efforts are unsuccessful, the Investment Manager will seek to exit the position within a prudent divestment timeline.

The ESG team works with the investment team to monitor the independence of audit committees on an ongoing basis. As an additional layer of governance, the Portfolio Implementation and ESG teams work together to periodically check that all securities held by each Fund continue to meet the Investment Manager's definition of good governance.

***Methodologies***

The Investment Manager promotes the importance of de-carbonization by managing each Sub-Fund with a carbon constraint of keeping carbon emissions intensity (being Scope 1 & 2 emissions divided by sales reported by the investee companies) below that of its Carbon Benchmark.

The Investment Manager has incorporated binding exclusions into each Sub-Fund's investment process, excluding controversial weapons and coal. Through these exclusions, each Sub-Fund seeks to promote specific social and environmental values that are important to society and are otherwise independent of the Investment Manager's ESG integrated research process.

In order to implement restrictions on controversial weapons, the Investment Manager excludes from investment the following: (i) companies engaged in the production of cluster munitions, components and delivery platforms; (ii) companies involved in the manufacturing of anti-personnel landmines (APMs), and/or components and anti-vehicle landmines (excluding positive indicators such as safety); (iii) companies that manufacture biological and chemical weapons, including weapons that use pathogens such as viruses, bacteria, and disease-causing biological agents, toxins, or chemical substances that have toxic properties to kill, injure, or incapacitate; (iv) companies that manufacture key biological and chemical weapons components; (v) companies that manufacture nuclear weapons, including warheads and missiles, and/or are involved in delivery platforms, weapon components, and support / service providers, that generate more than 2% of revenues from such activities; and (vi) companies involved in the production of depleted uranium weapons, ammunition and armour, including companies that manufacture armour piercing, fin stabilized, discarding sabot tracing rounds; kinetic energy missiles made with depleted uranium penetrators; and depleted uranium enhanced armour, including composite tank armour.

Further, the Investment Manager seeks to limit each Sub-Fund's exposure to coal by restricting those companies with greater than 10% of revenues derived from thermal coal-based power generation or from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. Such calculations exclude revenue from metallurgical coal, coal mined for internal power generation, intra-company sales of mined thermal coal, and coal trading.

***Data sources and processing***

All data utilized by the Investment Manager is sourced from a list of well-recognized and highly reputable data providers and is reviewed by the Investment Manager to ensure it is accurately

transposed into internal research and compliance systems. The Investment Manager subscribes to MSCI ESG Research LLC for ESG company ratings, industry sector reports, company profiles and thematic research. As a contrast to MSCI, which relies on company-reported data to make its assessment of the ESG credentials of a company, the Investment Manager also subscribes to RepRisk. RepRisk relies on a big data approach, searching the Internet for reputational risk incidents associated with the company across multiple sources in many different languages, such as news reports, NGO reports, and government databases. Through this, RepRisk creates a controversy score and breaks down the controversies connected to a particular company by severity.

In addition to third party ESG data providers, the Investment Manager also makes use of sell-side ESG research and data from sell-side brokers, such as HSBC, BNP Paribas Exane, Kepler Cheuvreux, Jeffries, and Bernstein. The Investment Manager also has access to a broad array of ESG data via subscriptions to S&P Capital IQ, FactSet etc. The Investment Manager also references ESG standards and principles developed by organizations such as the Sustainability Accounting Standards Board ("SASB"), Global Reporting Initiative and UN Global Compact, among others.

There are specific metrics provided by third parties that the Investment Manager deems a priority for the investment team:

- Total carbon emissions: total tons of carbon emitted by a company or a portfolio (can be scope 1, 2, and 3, where reported or estimated);
- Carbon intensity: typically reported as tons of carbon (scope 1 and 2) divided by $M sales. This is a widely referenced metric used to give a sense of how efficient a company is in its use of carbon;
- Weighted average carbon intensity: used in the context of a portfolio and is calculated as the carbon intensity of each name in a portfolio multiplied by the respective company's portfolio weight; and
- Carbon emissions / portfolio carbon footprint: total tons of carbon emissions emitted by a portfolio divided by the portfolio's total assets under management ($M).

The Investment Manager uses these metrics to assess the carbon exposure of each Sub-Fund and determines which names are the biggest detractors and contributors. This opens up the opportunity to take stock of the overall portfolio exposure and prioritize engagements as needed.

In addition, the Investment Manager uses general data sources (ESG or otherwise) that include reference to climate-related risks and opportunities at the company level. To gain additional insight, the Investment Manager engages regularly with issuers on climate, review climate-related reporting, data, and research, and attends and presents at industry events where these issues are discussed. One ongoing area of focus is encouraging better disclosure of climate-related metrics from issuers where climate change presents a material risk or opportunity.

***Limitations to methodologies and data***

Assessment of ESG issues is complex and often requires subjective judgements, which may be based on data, which is difficult to obtain, incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager's assessments will correctly assess the impact of ESG issues on each Sub-Fund's investments. The Investment Manager believes that there are significant limitations with available climate-related metrics, especially availability, consistency, and reliability. In particular, the Investment Manager questions the utility of many of the scenario analysis datasets available from third parties because they rely too heavily on forward-looking estimations and assumptions to be particularly useful when assessing the optionality available to individual companies. While the Investment Manager considers third-party ESG data and ratings to be an initial point of reference for the research process (and useful for developing an understanding of how a market participant relying solely or primarily on that data might view a company's ESG performance), they are only one of many inputs into the fundamental bottom-up

investment analysis approach. Accordingly, the Investment Manager does not believe that limitations on such methodologies and/or data would materially impact its management of any of the Sub-Funds or promotion of their respective environmental and social characteristics.

***Due diligence***

The materiality of ESG issues differs by company and industry and therefore the ESG issues that are promoted through the Investment Manager's fundamental analysis are bottom-up and company-specific. The Investment Manager's research team, which is comprised of industry analysts, portfolio managers, and ESG analysts, examines ESG issues as well as other considerations that can influence the company's long-term performance and risk profile. Each issue, whether under the ESG heading or otherwise, is analyzed on its own merit and does not necessarily preclude the Investment Manager from considering an investment. The evaluation of ESG issues focuses on their potential to impact future profitability and risk profile, and the Investment Manager assesses the degree to which these are already factored into the current market valuation of the company. A potential investee company may be rejected due to ESG concerns if the negative financial impact is deemed sufficiently material, the issue significantly increases the company's risk profile, or management does not have a credible plan to remediate the issue. Post-investment, the Investment Manager continually monitors risk factors that can have a financial impact on an investee company. Much of this monitoring is conducted through the Investment Manager's on-going research and regular conversations with the investee company's management. Further, the Investment Manager's ESG analysts are responsible for an additional layer of ESG governance, whereby, through a series of watch lists, they monitor material ESG issues and developments. These may include, though not limited to UN Global Compact violations, reputational risk incidents, and company/portfolio carbon footprint.

The Investment Manager believes that true ESG integration is industry analyst-led; therefore, it's industry analysts bear the primary responsibility for issue identification and investment due diligence. The industry analyst also determines how to engage with the investee company's management, working closely with other members of the research team. The ESG analyst provides specialist support to the industry analyst and portfolio management team on company-specific issues and material industry and thematic ESG issues that may cut across industries and portfolios.

The Investment Manager thinks about and manages climate risks the same way it considers any fundamental investment issues. It defines risk as the permanent impairment of capital, taking seriously any issue that has such potential; climate change falls into this category.

As bottom-up value investor, the Investment Manager places a particularly strong focus on the downside risk in the investee companies. It looks to minimize risk mainly through the bottom-up company research where it seeks to determine the nature of a company's undervaluation, the quality of its operations, and the strength of its balance sheet. The Investment Manager looks to minimize risk mainly through fundamental company research, where the research team seeks to determine the nature of a company's undervaluation. The analysts track any material news affecting the industry and/or companies they cover and incorporate key developments into company-specific financial models, including physical and transition climate risk. This analysis is informed by an ongoing engagement with investee company's management, which in turn helps to structure the engagement agenda.

As an extra layer of due diligence, ESG analysts are responsible for helping to ensure consistency across the research team, thinking about how material issues, such as climate change, cross-cut various industries. While climate change poses significant risks to most global industries, the belief is that there are a few key industries where the changes will be felt earlier, with greater implications for company earnings potential. The ESG team leads a deep-dive on the topic of Net Zero, providing the research team with a framework to assess the credibility of a company's Net Zero plans. Research Analysts have since conducted Net Zero assessments for companies under coverage with exposure to material climate transition risk. These companies are also typically on the Opportunity List, which means the Investment Manager is constantly monitoring and updating associated company engagement plans.

Companies, and by extension, industries, receive higher weightings in the portfolio when the valuation discount is high and the range of potential business outcomes can be judged to be narrow. The ideal investment is a company that, based on Investment Manager's estimate of normalized earnings, trades at a significant discount to the market, and where the research team believes it has properly assessed the downside risk.

Through the Investment Manager's proprietary screening model, StockAnalyzer, along with third party risk management tools (e.g., FactSet, MSCI Barra), the research team regularly reviews individual stocks and aggregate portfolio-level risk factors. As pertain to climate change, these risk factors include, but are not limited to, company carbon emissions intensity, MSCI ESG score, and a failure of UN Global Compact Principles (UNGCP). Reports are run by the Portfolio Implementation team and monitored by the portfolio managers. This review may result in additional company-level analysis, further engagement with company management, and adjustments to position sizes where necessary, as estimates of expected upside versus downside evolve.

***Engagement policies***

There is significant emphasis on engagement with management over the lifetime of the investment. Through these conversations, proxy voting and other escalation options each Sub-Fund seeks to exert a constructive long-term oriented influence on the trajectory of the company. In this regard, if the Investment Manager determines an ESG issue to be material, the Investment Manager will engage with company management in order to develop a robust understanding of the company's exposure to the issue and management's plans to address it. As appropriate, the Investment Manager may advocate for changes to the company's actions. Further, if the Investment Manager identifies a material ESG issue that company management does not have a clear plan to remediate, the Investment Manager may avoid investing or exit an existing position altogether.

***No reference benchmark***

No Sub-Fund utilizes a reference benchmark for the purposes of attaining the environmental and/or social characteristics that it promotes.