Sustainability-related disclosures

Unless otherwise stated herein, this 'Sustainability-related disclosures" document 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 in this document.

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

No sustainable investment objective

Each Sub-Fund promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

Sustainable investments

No Sub-Fund has committed to making "*sustainable investments*" within the meaning of SFDR.

Environmental and social characteristics

As set out in each relevant Supplement, each Sub-Fund is classified as an 'Article 8' product pursuant to SFDR and the social and environmental characteristics promoted by each Sub-Fund are a society free of the harm caused by smoking tobacco and the dangers of controversial weapons, and a path to a lower carbon future.

Each Sub-Fund also invests in companies that apply good corporate governance practices and in this regard, as detailed below, environmental, social and governance ("**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.

Approach to ESG

ESG Integration

ESG issues, including but not limited to, climate change, environmental resource management, workforce management, and good governance, can be material drivers 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 both ESG issues that may present an opportunity, and/or ESG risks, 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 & Metrics*" below).

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 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 analysed 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 assess 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 are not limited to: UN Global Compact violations, reputational risk incidents, and company/portfolio carbon footprint.

Each Sub-Fund operates under the belief that if not effectively managed, ESG risks may drive unacceptably wide asymmetric ranges of outcomes. Conversely, remediation of ESG risks can narrow the range of potential outcomes for an investment. Assessing the potential impact of ESG issues on a company in which each Sub-Fund may invest is therefore critical to each Sub-Fund's investment process, both in terms of managing downside risk and assessing any future upside potential. To the extent that a sustainability risk occurs, or occurs in a manner that is not reasonably anticipated by the Investment Manager, there may be a sudden, material negative impact on the value of an investment, and hence the returns of a Sub-Fund. The impacts following the occurrence of a sustainability risk may be numerous and vary depending on the specific risk and asset class. In general, where a sustainability risk occurs in respect of an investment, this could result in a significant, or in extreme circumstances, an entire, loss of value of the relevant investment and may have an equivalent negative impact on the returns of the relevant Sub-Fun.

It should be noted that the 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 a particular Sub-Fund's investments. At this time, the Investment Manager is unable to give a quantitative assessment of the extent of these issues and the likely impact of such issues on the returns of a Sub-Fund. Further information on the Investment Manager's integrated approach to ESG can be found on its website, www.pzena.com.

Data Sources & Metrics

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.

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. The Investment Manager utilizes ESG research from sell side brokers, for example: 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.

Therefore, the Investment Manager's data sources include:

- ISS;
- MSCI ESG Ratings;
- MSCI Carbon Emissions;

- MSCI Climate Value at Risk;
- MSCI EU Sustainable Financial Disclosures and Taxonomy (onboarding in September 2022);
- MSCI Risk Metrics;
- RepRisk;
- SASB;
- Factset, Reuters, and Capital IQ;
- 3rd party research providers and expert networks; and
- Direct Engagement with investee companies.

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.

That said, the Investment Manager believes it is important to have access to relevant information, even considering the aforementioned limitations. There are specific metrics provided by third parties that the Investment Manager deems a priority for the investment team to have access to; they are as follows:

- 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.

Active Ownership

Once an investment is made, 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 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 a 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.

Exclusions

The Investment Manager has incorporated binding exclusions into each Sub-Fund's investment process, excluding controversial weapons, tobacco 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 (as detailed above).

To limit each Sub-Fund's exposure to tobacco, the Investment Manager screens recent-year revenues, excluding from investment those companies with greater than 50% of such revenues deriving from tobacco-related business activities.

In order to implement restrictions on controversial weapons, the Investment Manager excludes from investment the following: (i) companies with industry ties to cluster munitions; (ii) companies with industry ties to the manufacture of 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 with industry ties to nuclear weapons 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.

Carbon Target

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 the carbon benchmark applicable to each Sub-Fund as set out in the Supplement for each Sub-Fund ("**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 each relevant Sub-Fund and the applicable 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 applicable Carbon Benchmark can be provided by the Investment Manager upon request.

Governance

The Investment Manager believes that good governance practices are fundamental and assessing the quality of governance practices is critical to determining the risk profile of an investment. As part of the investment due diligence process, the Investment Manager assesses the governance practices of a company, including: compensation structure, board independence, capital allocation strategy, 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. Further, active voting and engagement, as described above in the "*Active Ownership*" section, is undertaken by the Investment Manager with respect to these governance factors.

Principal Adverse Impact

The Manager does not currently consider the principal adverse impacts of investment decisions on sustainability factors within the meaning of SFDR, as the relevant information and data required to appropriately assess the principal adverse impacts of investment decisions on sustainability factors is not yet available. Where the information and data required to conduct this assessment becomes available, the Manager and the Investment Manager will review whether and when they intend to consider the principal adverse impacts of investment decisions on sustainability factors within the meaning of SFDR.

Taxonomy Regulation

In accordance with 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 (the "**Taxonomy Regulation**"), after having made reasonable attempts to collect the data required in order to conduct the necessary assessment(s) to determine the taxonomy-alignment of each Sub-Fund's portfolio, it has been determined that as at the date of each relevant Supplement, each Sub-Fund will have a minimum proportion of 0% of investments in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

As required to be disclosed in the Supplement for each Sub-Fund:

> *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.*

The Manager and the Investment Manager are keeping this situation under active review.

AMF Disclosure

Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, each Sub-Fund presents disproportionate communication on the consideration of non-financial criteria in its investment policy.