

CQS Natural Resources Growth and Income plc

Environmental, Social and Governance (“ESG”) Statement

Introduction

CQS Natural Resources Growth and Income plc (“the Company”) is a UK listed investment company whose objective is to provide shareholders with capital growth and income from a portfolio of mining and resource equities and mining, resource, industrial and other fixed interest securities. The Company has appointed CQS (UK) LLP (“CQS”) as its investment manager. The Board of Directors confirms that the Company places the highest regard to ESG factors in the investment decision making process and this focus plays a key role in the execution of its investment strategy. The Board recognises the importance to society of the need to invest in companies that are environmentally and socially responsible with clear governance structures. The Board believes the integration of ESG factors in the investment process provides enhanced financial returns for Shareholders through deeper, more informed investment decisions. The Board has reviewed and agreed the ESG approach adopted by CQS and a summary of this is set out below.

CQS ESG Statement

CQS is committed to operating in a socially responsible manner, embedding strong and clear governance, and conducting our business in a sustainable way. In our role as an investment manager we view ESG factors as key drivers influencing financing costs, valuations and performance, while also acting as a lever to shape and influence the world for generations to come.

The assessment and integration of ESG factors is a crucial part of this commitment across the CQS investment platform, both in public and privately held companies, and a key factor in our decision-making. By embedding ESG into our investment process we enhance our ability to identify value, investment opportunities and, critically, to generate the best possible returns for our clients.

Our ESG process specifically looks at ESG factors through integration in our sector research process, including modelling and internal ratings with ESG methodologies applied to both public and private debt. Methodologies include analysing the relative importance and risk posed by any identified ESG issue. Research notes are stored in accessible form and available for use across the Front Office. Discussion and debate is encouraged during the ESG internal analysis, both within the CQS Research team and with Portfolio Managers.

This is followed by an evaluation. Portfolio Managers are required to consider (to an appropriate degree having regard to their investment strategy) ESG risks as part of their investment decision making. This includes, but is not limited to

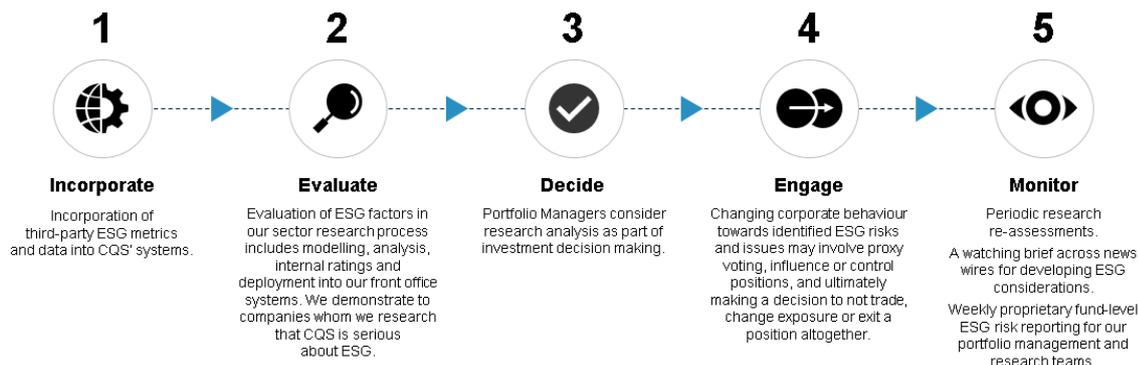
- Environmental: Climate Change, Water Stress, Biodiversity and Land Use, Toxic Emissions and Waste and Environment Opportunities
- Social: Labour management, Health and Safety, Privacy and Data Security, Stakeholder Opposition and Social Opportunities, Mobility and Diversity
- Governance: Corporate Governance and Corporate Behaviour including Ethics, Corruption, Instability, Diversity and Remuneration.

Please see below a slide depicting our five-stage process.

Five-Stage ESG Investment Process



Environmental, Social and Governance (ESG) Policy applies to all strategies across the CQS platform.



Standards and Codes

CQS is a signatory and/or supporter to the following:

- United Nations: Principles for Responsible Investment (“UN PRI”)
- Task Force on Climate-Related Financial Disclosures (“TCFD”)
- CDP (“CDP”, formerly Carbon Disclosure Project)
- Standards Board for Alternative Investments (“SBAI”, formerly HFSB)
- Climate Action 100+

In addition:

- CQS plans to become a signatory to the UK Stewardship Code

Specific Statement from the CQS Investment Managers with regard to the Company

Natural resources companies are exposed to ESG risk given the nature of their business. Companies that demonstrate social value creation and good governance - through responsible and active ESG management – go some way in mitigating that risk. Moreover, they are more likely to attract capital which will differentiate them from their peers on a relative valuation basis, a trend that we expect to continue today and over the long term.

It is our responsibility to effectively analyse and monitor investee companies’ financial and non-financial (ESG) performance. ESG disclosure is an important consideration when analysing investment opportunities and we are committed to evolving our approach in support of our ESG principles. We follow the CQS firm-wide five-stage ESG investment integration process but are also guided by the following principals which have by agreed with the Board of the Company.

- to engage directly in dialogue with companies to understand their ESG approach, their ambition and disclosure, and to table questions or concerns;
- to use internal and third party data and ratings providers;
- to vote at shareholder meetings; and
- only as a last resort, exclude companies from our investment universe.

At the time of writing 23% of the Company's portfolio is covered by MSCI for their ESG rating service. MSCI have a minimum 65% threshold before we are able to provide a meaningful MSCI ESG rating for the portfolio. We monitor this closely and engage to try and increase the percentage of the portfolio covered.

March 2021