



## Responsible Investment Policy

Date: February 01, 2022

This Responsible Investment Policy (“**Policy**”) describes how AS Trigon Asset Management (“**Trigon**”) follows the policies and practices of responsible investment. We define Responsible Investment as the integration of Environmental, Social, and Governance (“**ESG**”) considerations into our investment processes, including ownership practices.

The Policy applies to all funds and mandates managed by Trigon (“**Funds**”).

As a responsible fund manager we are committed to preserving our clients’ assets and to delivering strong long-term investment performance in the Funds that we manage. Our principle is to act in the best interest of our clients. We aim to incorporate ESG criteria into our decision-making.

### 1. Trigon’s values

As a signatory of the United Nations Principles for Responsible Investment (“**UN PRI**”) since 2018, we seek to align our investment policy with the six PRI principles (“**Principles**”). As a signatory, we have committed to the following:

- 1) To incorporate ESG issues into our investment analysis and decision-making processes;
- 2) To be active owners and incorporate ESG issues into our ownership policies and practices;
- 3) To seek appropriate disclosure on ESG issues from the entities we invest in;
- 4) To promote acceptance and implementation of the Principles within the investment industry;
- 5) To work with other signatories to enhance effectiveness in implementing the Principles;
- 6) To report on our activities and progress towards implementing the Principles.

We agree with internationally recognized norms set out in the United Nations Global Compact and OECD guidelines for multinational companies.

We believe that companies are more likely to be successful in the long run with well-functioning and well governed social, economic and environmental systems. We recognise the importance of ESG factors to the long-term stability of companies and therefore include material ESG factors in our investment stewardship and engagement activities.

By integrating ESG analysis into our investment process we are able to reduce investment risk and also ensure that our investors are invested into businesses that are aligned with the current global objectives. By combining financial performance with ESG insight we strive to offer responsible solutions to our clients. Considering ESG factors is indirectly helping to contribute into creating a better society.

# TRIGON ASSET MANAGEMENT

## 2. Implementation

ESG risk analysis is integrated into our bottom up process across all our strategies. We want to avoid investing into companies that are engaged in activities with clear negative impact on people and environment. For this we apply exclusion principle and negative screening.

Our ESG research process is internalised. We believe that it is crucial for our in-house employees to have in-depth knowledge of the companies in our investment objective, including their ESG factors. Due to this it is most efficient for our research to continue in a way that our in-house investment team includes the ESG specific items in their research process.

### 2.1 Exclusion Principles

Key principles for exclusion are the following:

- Sanctions list
- Serious violations of Human Rights and fundamental Ethical Norms
- Severe Environmental Damage
- Gross Corruption
- Weapons
- Companies with business operations in conflict areas
- Adult content
- Commercial gambling

### 2.2 Investment Restrictions

While ESG considerations are integrated into our investment process, Trigon also manages client mandates with specific ESG exclusions.

There are instances where Trigon may voluntarily refrain or may be legally or contractually restricted from investing in certain companies or sectors. Depending on our portfolios we may include customised restrictions.

Fund Managers and analysts submit recommendations for exclusion of companies to the Investment Committee. The submitted recommendations are discussed and confirmed by the committee. The restricted investments are placed on Trigon's internal restrictions list.

### 2.3 ESG Scores

Fund managers and analysts apply ESG analysis also by using an internal ESG score for portfolio companies. ESG scores enable to detect potential issues and monitor emerging ESG risks and developments.

## 3. Principles as an owner

As a shareholder, we at Trigon seek to be proactive and work to influence the companies in which we invest in order to improve their ESG outcomes. We are typically active long-term investors. Our active ownership methods include direct dialogue with the management, voting, attending meetings as well as collaborating with other investors.

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As owners, we mostly believe that engagement is based around long-term and constructive dialogue between two parties. Fund managers and analysts meet regularly with company management and, where necessary, the non-executive directors. We systematically track the progress of engagement and if there is little progress, we can consider excluding the company from our Funds' investments.

Engagement provides an opportunity to improve our understanding of companies that we are invested in, their governance structures, financial position and future prospects. By engagement we try to influence companies and promote better corporate governance, performance or disclosure standards. As part of our strategy, we may also engage with various standard setters and stakeholders.

Below are the key ESG issues which our engagement programme focuses on and issues that we as owners address:

- Equitable treatment of all shareholders
- Corporate governance
- Unethical business practices
- Controversies and breaches of international norms
- Insider trading
- Reporting and auditing
- Capital issues
- Social issues
- Environmental issues and opportunities

The range of the issues that we engage on enables us to make better informed investment decisions. We believe this contributes positively to the sustainability of investee companies and society.

## 4. Reporting

Trigon has committed to fulfil the annual UN PRI signatory reporting requirement. Our most current RI Transparency report can be found on the UN PRI website.

## 5. Information in accordance with the 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”)

Trigon identifies and analyses sustainability risks as part of its risk management process and integrates sustainability risks in the investment decision-making process. Sustainability risks may have an impact on long-term risk adjusted returns for investors.

Trigon is not currently taking account of adverse impact of investment decisions on sustainability factors for the managed Funds. The available relevant data that must be used to determine and weight the adverse sustainability impacts are currently inadequate on the market.

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The Funds' fundamental objective is not sustainable investment and the underlying investments in the Funds have no binding obligation to take account of EU criteria for environmentally sustainable economic activities within the meaning of Article 8 or Article 9 of SFDR.

Trigon's remuneration policies take into account sustainability risks.

## **6. Distribution of the policy**

The Policy is available on Trigon's website.