

# SUSTAINABILITY-RELATED DISCLOSURES

As at 15.04.2024

The subject of this document is the sustainability disclosures pursuant to Article 10 of Regulation (EU) 2019/2088, in the currently valid version, relating to this Fund. It is not promotional material. This information is required by law. We advise you to read this document so that you can make an informed investment decision.

## TRIGON – New Europe Fund

A Subfund of the TRIGON (“sub-fund” or “financial product”).  
The Fund is managed by IPConcept (Luxemburg) S.A., société anonyme.

### CLASSIFICATION UNDER REGULATION (EU) 2019/2088

The Fund is a product under Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector.

### A) SUMMARY

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

The sub-fund promotes among other factors environmental and social characteristics when making investments, for example by including investments based on the sustainability factors and by excluding investments in certain activities and by applying ESG scores for investments. The sub-fund preferentially allocates capital to companies that operate in a sustainable way; minimise GHG emissions, energy and water use; minimise environmental & social harm; and, where reasonable to do so, promote positive social impact on their surrounding communities.

Specifically, the sub-fund promotes the following characteristics:

- Environmental – waste;
- Environmental – greenhouse gas emissions;
- Social – inequality;
- Social – labour relations:

The sub-fund does not have a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product. The sub-fund seeks to influence portfolio companies’ and issuers’ sustainability practices through engagement.

#### What investment strategy does this financial product follow?

The sub-fund includes sustainability into its investment decision process with various methods based on the circumstances of each investment. The methods may include dialogue with the investee, sustainability analysis, identifying and managing sustainability risks etc. 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. The sub-fund also actively engages with companies on how they can improve.

Environmental/social characteristics are promoted with the financial product, but no sustainable investments are targeted. The environmental and social characteristics result from the investment strategy. The sub-fund is actively managed. The composition of the portfolio is determined by the Fund Manager solely in accordance with the criteria laid down in the investment objectives / the investment policy, is regularly reviewed and, if necessary, adjusted. In compliance with the Fund Manager's strategies, sustainability risks are taken into account in the investment decision-making process for this sub-fund. Where the sub-fund invests in corporate securities, these may only be acquired if the companies

apply good corporate governance practices and do not fall under the general exclusion criteria. IPConcept (Luxembourg) S.A. monitors the quotas set out in the RTS Annex by means of lists provided by the external fund manager. Compliance with the environmental and social characteristics in this financial product is checked by assessing the sustainability indicators based on the company's own ESG data. Missing or unpublished ESG data can have an impact on the analysis and its quality. IPConcept (Luxembourg) S.A. and the Fund Manager / Investment Adviser have a duty to exercise great care. Various due diligence processes are carried out on the Fund Manager / Investment Adviser by IPConcept (Luxembourg) S.A. in order to maintain due diligence. No benchmark has been established to determine whether the sub-fund targets the promoted environmental and/or social characteristics.

## B) NO SUSTAINABLE INVESTMENT TARGET

This financial product promotes E/S characteristics, but will not make any sustainable investments.

## C) ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

### What environmental and/or social features are being promoted by this financial product?

The sub-fund promotes among other factors environmental and social characteristics when making investments, for example by including investments based on the sustainability factors and by excluding investments in certain activities and by applying ESG scores for investments. The sub-fund preferentially allocates capital to companies that operate in a sustainable way; minimise GHG emissions, energy and water use; minimise environmental & social harm; and, where reasonable to do so, promote positive social impact on their surrounding communities.

Specifically, the sub-fund promotes the following characteristics:

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## D) INVESTMENT STRATEGY

### What investment strategy does this financial product follow?

The sub-fund includes sustainability into its investment decision process with various methods based on the circumstances of each investment. The methods may include dialogue with the investee, sustainability analysis, identifying and managing sustainability risks etc. 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. The sub-fund also actively engages with companies on how they can improve.

### 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 ESG factor screening incorporates key sustainability metrics (including the presence of policies covering the following: ethics, human rights, anti-bribery and corruption, and anti-child labour). The Fund Manager applies additional exclusion criteria and metrics covering military hardware (> 10% of revenues), banned weapons (> 0% of revenue), thermal coal (> 30% of revenue), tobacco (>5% of revenue) and serious violations to the UN Global Compact principles (> 0% of revenue).

Exclusion and negative screening is used as a tool to ensure no investments are made into activities that have a clear negative impact on people or the environment. The Key principles for exclusion are the following:

- 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.

The sub-fund investments undergo norms - based screening to detect compliance with relevant international sanctions (e.g., United Nations, European Union, Organisation for Security and Cooperation in Europe), Financial Action Task Force Recommendations, UN Global Compact.

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

Considerations related to good governance practices form an integral part of the investment process of the sub-fund, in respect to both the selection of investments and their management within the portfolio. The sub-fund investments undergo norms - based screening to detect compliance with UN Global Compact.

The Fund Manager assesses Board structure, competence and independence; sustainability governance; gender diversity; compensation; nomination; audit risk and oversight; and shareholder rights. This information is generally obtained directly from information published by the investee company and through interactions with that company.

### E) ALLOCATION OF INVESTMENTS

What is the asset allocation planned for this financial product?



**#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. The minimum share of these investments is 51 %.

**#2 Other** 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 minimum share of these investments is 0 %.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments

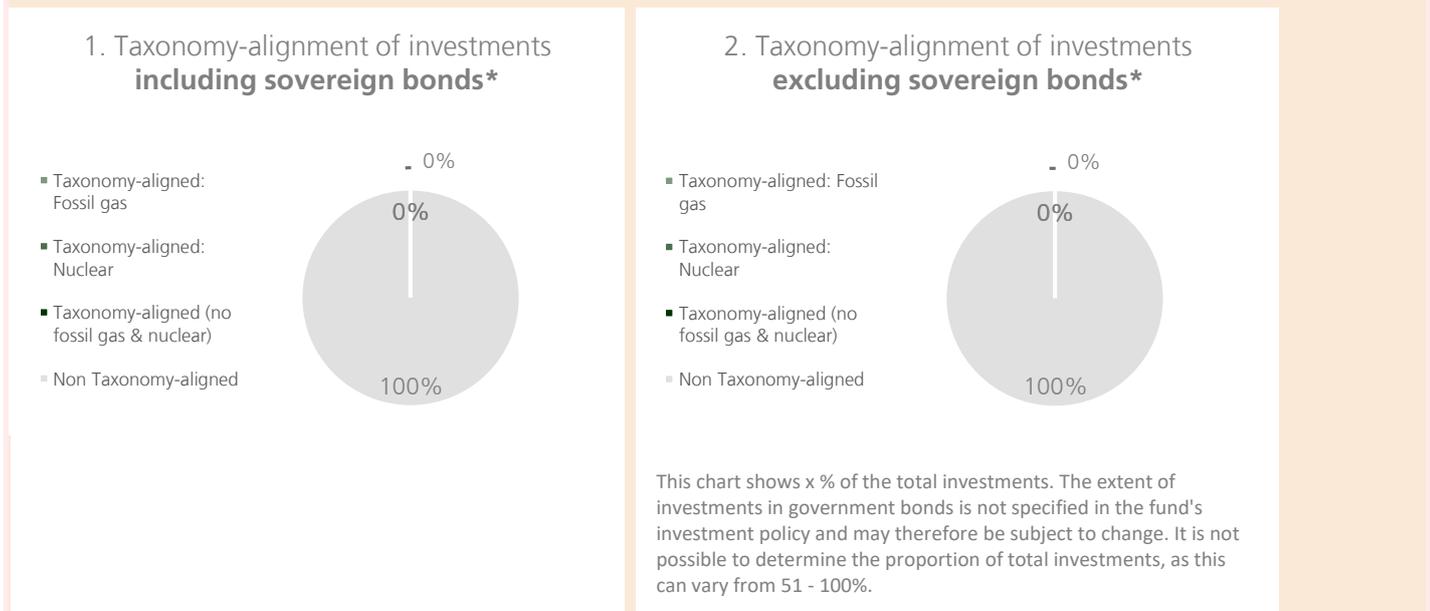
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The main objective of this sub-fund is to contribute to the pursuance of E/S characteristics. Therefore, this sub-fund does not currently commit to invest a minimum proportion of its total assets in environmentally sustainable economic activities as defined in Article 3 of the EU Taxonomy Regulation (2020/852). This also applies to information on investments in economic activities that are classified as enabling or transitional activities pursuant to Article 16 or 10(2) of the EU Tax Regulation (2020/852).

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup> ?**

- Yes  
 In fossil gas       In nuclear energy  
 No

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.

Taxonomy-aligned: Fossil gas	0%	Taxonomy-aligned: Fossil gas	0%
Taxonomy-aligned: Nuclear	0%	Taxonomy-aligned: Nuclear	0%
Taxonomy-aligned (no fossil gas & nuclear)	0%	Taxonomy-aligned (no fossil gas & nuclear)	0%
Non Taxonomy-aligned	100%	Non Taxonomy-aligned	100%

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

Environmental/social characteristics are promoted with the financial product, but no sustainable investments are made.  
The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 0%

**What is the minimum share of socially sustainable investments?**

Environmental/social characteristics are promoted with the financial product, but no sustainable investments are made.  
The minimum share of socially sustainable investments is 0%

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

Category “#2 Other” includes investments that due to the asset class type do not promote environmental or social characteristics or investments which do not have sufficient data to confirm whether these promote environmental or social characteristics or not. For example, the sub-fund may use cash and derivative instruments for liquidity and hedging purposes that may not have minimum environmental or social safeguards.

**F) MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS**

The external fund manager shall take precautions to ensure that its investment decisions are consistent with the investment objectives, investment strategy and risk limits of the Fund. Investment decisions must be based on quantitative and qualitative research as well as reliable and up-to-date research. IPConcept (Luxembourg) S.A. monitors compliance with the fund-specific environmental and social characteristics and sustainability indicators using lists provided by the external fund manager. The portfolio composition is checked ex-ante and ex-post by the management company with the help of the lists provided. The securities included on the lists are checked by the fund manager on the basis of data from the respective external data providers with regard to the advertised environmental and social characteristics. IPConcept (Luxembourg) S.A. reserves the right to check the plausibility of the lists provided on the basis of its own ESG data provider. IPConcept (Luxembourg) S.A. may, upon request, obtain reports on the procedures and documentation of the external fund managers and request documentation.

**G) METHODS**

**What methods are used to measure whether the social and environmental characteristics promoted by the financial product are met?**

Compliance with the E/S characteristics for this financial product is checked by assessing the sustainability indicators on the basis of the data from those external data providers listed in sub-section h) Data sources and processing.

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

The sub-fund uses ESG scoring to measure the attainment of the environmental;social and governance characteristics promoted by the sub-fund. Within the scoring system a number of environmental, social and governance metrics are assessed. The sub-fund collects, assesses and records several indicators and collates these into a consolidated ESG score for each investee company.

The primary sustainability indicators used by the sub-fund to measure and assess the attainment of the ESG characteristics promoted total GHG emissions, scope 1, scope 2 and scope 3 GHG emissions, waste reduction policy, employee turnover rate, women in management, % of independent directors, ESG disclosure score, the existence of dual-class/voting rights. This information is obtained either directly from the issuer or from data provider. In order to qualify for inclusion in the portfolio, an investee company must have an ESG score of 30% or above(Range: min. 10-max. 100). The total maximum score is 100. The lowest value on the scale is 10%. Environmental indicators can give maximum score of 50, social indicators can give maximum score of 20, and governance indicators can give maximum score of 30.

**H) DATA SOURCES AND PROCESSING**

**What data sources are used to achieve each of the environmental or social characteristics promoted by the financial product?**

For the assessment of the fulfilment of the environmental and social characteristics, the fund manager uses the data of the ESG data provider Sustainalytics.

#### What measures are taken to ensure data quality?

For the fulfilment of the environmental and social characteristics, the fund manager uses data from the renowned ESG data provider. The data is provided to IPConcept (Luxembourg) S.A. in the form of lists. The positive lists are updated by the fund manager on a regular basis, at least semi-annually, in order to continuously ensure the quality of the data. The content of the external provider's database cannot be monitored.

#### How is the data processed?

Data processing is carried out by the fund manager. The fund manager performs an assessment of the environmental and social characteristics at issuer level (companies and sovereigns).

#### What proportion of the data is estimated?

The share of estimated data may vary depending on the ESG data provider and the sustainability indicator. To answer the share of estimated data, reference is made to the respective data provider.

#### I) LIMITATIONS WITH REGARD TO METHODS AND DATA

Missing or unpublished ESG data can have an impact on the analysis and its quality.

#### J) DUTY OF CARE

The Investment Manager has a duty to exercise great care. The Fund Manager shall establish procedures and take precautions to ensure that its investment decisions are consistent with the investment objectives, strategy and risk limits of the Fund/Sub-Fund. In order to maintain duty of care, various due diligence processes are performed on the fund manager by IPConcept (Luxembourg) S.A. Part of these processes are, inter alia, the processes carried out on the fund manager for the selection of assets in terms of the environmental and social characteristics promoted by the financial product and the preparation of the list. In addition, IPConcept (Luxembourg) S.A. reserves the right to check the plausibility of the lists provided.

#### K) PARTICIPATION POLICY

Information on the handling of voting rights can be found in the Voting Rights Policy of IPConcept (Luxembourg) S.A. The voting rights policy can be accessed via the following link: <https://www.ipconcept.com/ipc/de/anlegerinformation.html>

#### L) SPECIFIC INDEX

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

## IMPRESSUM

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