

## Responsible Investment and Sustainability Risk Integration Policy

Date: June 30, 2024

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.

## **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, integration, engagement and negative screening. The method of negative screening is aimed at avoiding activities that may pose uncontrollable and unacceptable investment risks and activities that are considered harmful to society.

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.

Trigon 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.

### **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.

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.

Trigon takes the view that ESG factors have a significant impact on the performance of firms in the long term, so attending and voting at shareholders' meetings is a meaningful way to promote the implementation of ESG principles.

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 or by requesting it from Trigon.

**5. Distribution of the policy**

The Policy is available on Trigon's website.