

## RESPONSIBLE INVESTMENT AND SUSTAINABILITY RISKS

<b>Subject:</b>	<b>Responsible investment and sustainability risks disclosures</b>
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### Introduction

Alma Capital Investment Management S.A. (hereafter “ACIM” or “the Company”) is a Luxembourg-based management company subject to Chapter 15 of the UCI Law of 17 December 2010, and to chapter 2 of the AIFM Law of 12 July 2013 as amended. ACIM is the management company for UCITS and alternative investment funds or sub-funds (“the Funds”).

Alma Capital Investment Management officially became a signatory of the United Nations Principles for Responsible Investment (hereafter referred to as “UNPRI”) on 21 June 2016.

The purpose of this document is:

- to reflect ACIM’s commitment to the UNPRI six guiding principles on environmental, social, and corporate governance (“ESG”) issues; and
- to provide information on the integration of sustainability risks in the investment decision-making process as required by the EU Regulation 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”).

### **Declaration on UNPRI six guiding Principles**

As a signatory of the UNPRI, ACIM abides by the above Principles and acknowledges the following statement:

"As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance ("ESG") issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).

We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

- Incorporate ESG issues into its investment analysis and decision-making processes ;
- Be active owner and incorporate ESG Issues into its ownership policies and practices ;
- Seek appropriate disclosure on ESG issues by the entities in which it invests ;
- Promote acceptance and implementation of the Principles within the investment industry ;
- Work together to enhance its effectiveness in implementing the Principles ;
- Report on its activities and progress towards implementing the Principles.

In signing the Principles, we as investors publicly commit to adopt and implement them, where consistent with our fiduciary responsibilities. We also commit to evaluate the effectiveness and improve the content of the Principles over time. We believe this will improve our ability to meet commitments to beneficiaries as well as better align our investment activities with the broader interests of society.

We encourage other investors to adopt the Principles."

### **Screenings of ACIM portfolios**

ACIM performs regular screenings of its portfolios against the Norwegian sovereign pension fund list and screenings of investments held by article 8 and article 9 funds against ESG ratings provided by data vendors. When identifying holdings in excluded issuers, ACIM reverts to the relevant investment manager in order to reinforce the dialogue with him on ESG matters, requesting (i) details on how the consideration ESG criteria are taken into account within the investment philosophy and process, (ii) confirmation whether any criteria is applicable in order to identify companies, sector or business behaviour considered as non-sustainable and (iii) the percentage (+/- 5%) of votes that were cast over the last financial year of the fund(s) managed by the relevant investment management.

### **Annual voluntary reporting**

By signing the UNPRI, ACIM commits to report annually on its activities, following the framework and guidelines and using the tools provided by the UNPRI organisation.

### **Sustainability risks**

Sustainability risk is defined by the EU Regulation on Sustainable Finance Disclosure ("SFDR") as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Whether a sub-fund promotes sustainability factors or not, its investments remain exposed to sustainability risks.

ACIM has integrated sustainability risks into its risk management framework, including its Risk Management Process (“RMP”), as required by the CSSF Circulars 11/512 and 18/698.

### **Integration of sustainability risks in the investment decision-making process**

ACIM can either delegate the investment management function to third party investment managers or perform it internally through its subsidiary Alma Capital London (ACL).

Since ACIM may delegate the portfolio management of the Funds to several and distinct investment managers, the Company’s role is crucial when selecting a new business partner. Some, but not all, delegated investment managers are signatories of the UNPRI.

ESG issues have become part of ACIM selection criteria and the Company typically requests that investment managers acknowledge ACIM’s commitment to the UNPRI and understand its implication.

These efforts are notably reflected in the following situations, where ACIM:

- Encourages investment managers to understand ESG issues in the companies they analyse ;
- Communicates with the investment manager regarding ESG issues.

For sub-funds where the investment management function is delegated, the delegate is responsible for the investment decision-making process, in accordance with the terms of the investment management agreement and of the offering documents. ACIM has initiated discussions with each of the investment managers on its integration of sustainability risks (and ESG criteria in general) in this process, which lead to considering specific sustainability risks for each particular sub-fund. Those are described in the offering documents of each fund. ACIM performs oversight of each of the delegated investment manager on different topics in order to monitor the quality of the service provided, including the integration of sustainability risks.

For sub-funds where the investment management function is performed internally, ACL assesses the integration of sustainability risks and of ESG criteria in the investment decision-making process based on the specificities of each particular sub-fund. Those are described in the offering documents of each fund. As a general matter, ACIM strives to integrate environmental, social and/or governance factors in the screening and investment process of the sub-funds it manages.

### **No consideration of adverse impacts of investment decisions on sustainability factors’**

ACIM, in conjunction with the different Investment Managers, does not consider the principal adverse impacts of their investment decisions on sustainability factors in respect of the different sub-funds on the basis that, in the context of the investment strategies of each sub-fund, it is not possible to conduct

detailed diligence on the principal adverse impacts of the investment decisions on sustainability factors.

**Integration of sustainability risks in the remuneration policy**

We refer to the remuneration policy of ACIM, as disclosed on our website.

**Promotion of environmental or social characteristics and of sustainable investments**

We refer to the offering documents of each sub-fund and to the dedicated section on our website.