

# ESG Policy



iM Global Partner Asset Management S.A.

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# 1. Foreword

iM Global Partner Asset Management S.A. (“**iMGP AM**” or the “**Management Company**”) has been appointed by iMGP, a *société d’investissement à capital variable* incorporated under the laws of Luxembourg, to act as its management company. iMGP has been set up as an umbrella fund (the “**SICAV**”) with various compartments (each a “**Fund**”) and qualifies as a UCITS.

iMGP AM has delegated the investment management decisions on most of its Funds to external Sub-Managers so as to benefit from the expertise of some of the world’s leading investment managers across asset classes.

This Policy defines the approach adopted by iMGP AM on the integration of environmental, social, governance (“**ESG**”) and generally sustainability factors within the management of the Funds.

This Policy is placed under the transparency framework of Regulation (EU) 2019/2088 of 27 November 2019 (also referred to as “**Sustainable Finance Disclosure Regulation**” or “**SFDR**”), Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 with regards to regulatory technical standards (“**RTS**”) as well as Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (“**Taxonomy Regulation**”). SFDR sets out how financial market participants (such as iMGP AM) have to disclose sustainability information in relation to the funds they manage. It is also designed to allow investors to properly assess how sustainability risks are integrated in the investment decision process of a given fund.

Given the abovementioned delegation of investment decision powers, iMGP AM defines, with the support of each Sub-Manager, how and when ESG criteria will be incorporated in the investment process of each relevant Fund. As such, this Policy shall be supplemented by the relevant ESG policy of the Sub-Manager, where and as appropriate.

This Policy should be read in conjunction with the Proxy Voting Policy of iMGP AM, which lays down the principles and criteria in the application of active ownership of our investments, where relevant to the specific Fund and asset class, as well as the Controversial Weapons Policy of iMGP AM. Both policies are available alongside this ESG Policy on [www.imgp.com](http://www.imgp.com) under “Sustainability”, and they shall be supplemented by the corresponding policies of the relevant Sub-Manager.

This Policy has been approved by the Board of Directors of iMGP AM and is reviewed and updated (if needed) on a regular basis, at least yearly.

# 2. Sustainability at iM Global Partner

## 2.1. Introduction

iM Global Partner group has been integrating sustainable practices since its creation in 2013. Through our role as an asset manager and an investor, we have always believed that sustainability should be an inherent aspect of any investment decision.

The guiding principles for iMGP AM when making investment management decisions are: (i) favour proposals that in iMGP AM's view tend to maximize long term shareholder value, (ii) integration of sustainability risks considerations into the investment decision process, applicable to all Funds (art 6 SFDR) (iii) integration of additional ESG considerations for those Funds that promote environmental and social characteristics (art 8 SFDR) and for those Funds that have sustainable investment as objective (art 9 SFDR).

In the case of Funds disclosing as Article 8 or Article 9 SFDR, an appendix detailing the relevant Sub-Manager approach to ESG and sustainability and its impact on the investment strategy and policy of the relevant Fund is attached to this document.

## 2.2. General principles

- (i) The Management Company believes that considering ESG and sustainability factors is a key aspect of security selection while taking into account that the materiality of specific factors highly varies among asset classes, sectors and individual companies.
- (ii) The Management Company believes in a diversity of approaches. We seek to identify the ESG and sustainability approach that is relevant for a particular asset class and consistent with the investment philosophy of a particular Sub-Manager.
- (iii) Due to missing well-defined standards and to the existence of different approaches towards sustainable practices, ESG data is intrinsically based on a qualitative and discretionary assessment, that may cause the data to be inaccurate. Elements of subjectivity are part of the collection and interpretation of ESG data and this could contribute to making the comparison between ESG integrated strategies difficult. Investors should be aware of the fact that the evaluation they may do on some types of ESG factors may be consistently different from the approach selected by a Sub-Manager.
- (iv) ESG criteria integration may also carry the risk of missing market opportunities when making decisions towards assets exclusion based on non-financial reasons.
- (v) Third-party providers of ESG data may apply different frameworks, and this may lead to incomplete, inaccurate or unavailable data. This incertitude about data gathering may adversely affect portfolios relying on such data for the investment decision process.
- (vi) At the current state of art, there are no common series of factors and criteria to be used to evaluate the sustainability risks of an investment. Not having a common framework has led the Management Company to consider various approaches to identify and consider such risks, that may result in the application of different standards for each Fund. ESG factors are subject to the bias of the applicants, who adapt them in relation to different asset classes, portfolio constructions and investment objectives.
- (vii) The impacts following the occurrence of a sustainability risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a sustainability risk

occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value. Such assessment of the likely impact must therefore be conducted at portfolio level. Investors should refer to the specific information contained in the Prospectus of the SICAV for each relevant Fund.

- (viii) Sustainable finance is in an evolving stage, changes in investment decision-making processes that integrate ESG factors could occur over time, from incorporation of new data or techniques to changes triggered by new regulatory developments. In this respect, the Management Company will follow and monitor the evolution of the regulatory framework and adopt the relevant changes, when and as appropriate.

## 2.3. Applicable rules

Our Funds generally integrate material ESG factors as part of an evaluation of a company's financial risks, although the specific approach to sustainability and the level of integration of ESG considerations will depend on the asset class, the investment strategy and policy of the relevant Fund and the philosophy of the Sub-Manager.

Below is a summary of the main rules applicable to our Funds:

**(i) All Funds:**

- Exclusion of companies actively engaged in producing controversial weapons and companies domiciled in controversial countries according to the Management Company, as further developed in the Controversial Weapons Policy of iMGP AM.
- Integration of sustainability risks in the investment decision making process, as stated above and as described in more detail in the prospectus of the SICAV.

**(ii) Funds disclosing under article 6 SFDR (those that do not promote environmental or social characteristics nor have a sustainable objective)**

The Sub-Manager may consider, during the fundamental research process, environmental, social, and governance factors as part of an evaluation of a company's financial risks depending on the asset class and the investment philosophy. Such factors are, however, not constraining the final decision of investment or portfolio construction.

**(iii) Funds disclosing under article 8 SFDR (those that promote environmental and/or social characteristics)**

- Some Funds combine negative screening (exclusion of certain securities) and positive outcomes (e.g., seek to achieve a relevant ESG score)
- Other Funds rely on a full ESG integration approach where each invested security will be subject to a thorough assessment based on a variety of ESG factors provided by external sources complemented by the Sub-Manager internal research. While the Sub-Manager may on a case-by-case basis retain instruments for the portfolio showing lower ESG characteristics, an important part of the portfolio shall be invested in financial instruments considered by the Sub-Manager as showing high ESG characteristics according to the ESG policy of the latter.
- Where a Fund is managed by a Sub-Manager, details of how it promotes environmental and/or social characteristics are included in the relevant Appendix to this Policy.
- With regards to iMGP Conservative Select Fund, the investment management decision powers have not been delegated to an external Sub-Manager. In this case, the Manager (iMGP AM) desires to construct a portfolio that invests at least 50% of the net assets into UCITS that promote environmental and social characteristics according to article 8 or have sustainable investment as their objective according to article 9 SFDR.

The Manager will invest in target funds whose manager will typically rely on ESG data and ratings

provided by external data providers as complemented by its own internal research when identifying potential investments. Consequently, the target funds in which the Fund will invest may consider the inclusion of certain investments in their portfolios that consider environmental factors (such as carbon footprint or greenhouse gas emissions) and/or social factors (such as labour relations and social inequality). In addition, such target funds may impose negative screening criteria whereby certain sectors are excluded from investment (such as controversial weapons, in the same spirit as the exclusion policy of iMGP AM).

In addition, the governance criteria of Article 8 and 9 UCITS generally focus on management structures, employee relations, remuneration of staff and tax compliance. Each UCITS may consider additional factors relating to good governance depending on the particular ESG strategy applicable.

Based on the above criteria, the Manager will analyse each potential underlying UCITS to check its disclosure regime under SFDR before any investment.

**(iv) Funds disclosing under article 9 SFDR (those that have a sustainable objective)**

As of the date of this document, there are no Funds disclosing under the provisions of article 9 SFDR.

**(v) Principal adverse impacts (PAI)**

These are defined as the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Funds that promote environmental and social characteristics and Funds that have sustainable investment as their objective will consider principal adverse impacts of their investment decisions on sustainability factors. PAI indicators are a way of measuring how the relevant investment decision negatively impacts sustainability factors, and relevant indicators will be identified depending on the investment strategy of the Fund.

In the case of Funds which are not identified as subject to the disclosure requirements of article 8 or 9 SFDR, the PAIs on sustainability factors are not considered as this is not part of the strategy or investment restrictions of these Funds.

Details of PAI considered for each Fund can be found on the Prospectus and the annual report of the SICAV. This information can also be found of the relevant statement issued by iMGP AM according to SFDR.

## 2.4. Governance

Various functions within the Management Company contribute to the adherence of the business to the rules contained in this Policy.

- (i) The Compliance Function is responsible for keeping this ESG policy updated in line with internal regulations, best practice and regulatory developments. Any changes to this policy shall be approved by the Board of Directors of iMGP AM.
- (ii) The Risk Management Function of iMGP AM has put in place the relevant controls to ensure compliance with and monitoring of any sustainability-related investment restriction applicable to the Funds.
- (iii) The Asset Management Function reviews with the support of each Sub-Manager the continuous adequacy of the ESG profile of the Funds. Such function oversees on a regular basis the application of the ESG integration rules within each Fund by the relevant Sub-Manager. This review will include monitoring and control of the compliance by the Sub-Manager with any label granted to a Fund or its Sub-Manager by a public or private institution, if applicable.

- (iv) The Product Committee of the Management Company, that meets on a monthly basis, is responsible for reviewing our product offering, and such analysis also covers the ESG profile of the Funds. Any changes to the investment policy of a Fund, including those relating to sustainability, will be submitted for approval to the Product Committee and shall be approved by the Board of Directors of the SICAV, when and as appropriate.

## 2.5. Reporting and transparency

- (i) Granular details on environmental and/or social characteristics as well as sustainable objectives pursued by the relevant Funds according to SFDR and the Taxonomy Regulation, including information on PAIs on sustainability factors, are included in the Prospectus and the annual report of the SICAV.
- (ii) The Management Company publishes on an annual basis a Statement on principal adverse impacts of investment decisions on sustainability factors relevant to all relevant Funds under its management.
- (iii) The abovementioned information on sustainability as well as all required reporting in accordance with SFDR and the Taxonomy Regulation will be published by the Management Company at [www.imgp.com](http://www.imgp.com) under “About Us / Sustainability”.

# 3. Appendices

## 3.1. List of Funds and applicable SFDR disclosure regime

#	Asset class	Fund	SFDR disclosure regime		
			Article 6	Article 8	Article 9
1	Equity	iMGP Global Concentrated Equity Fund		•	
2	Equity	iMGP US Value Fund		•	
3	Equity	iMGP Italian Opportunities Fund	•		
4	Equity	iMGP Japan Opportunities Fund		•	
5	Equity	iMGP US Small and Mid Company Growth Fund		•	
6	Equity	iMGP Indian Equity Fund		•	
7	Equity	iMGP Trinity Street Global Equity Fund		•	
8	Equity	iMGP Euro Select Fund		•	
9	Bond	iMGP Euro Fixed Income Fund		•	
10	Bond	iMGP European High Yield Fund		•	
11	Bond	iMGP US High Yield Fund		•	
12	Bond	iMGP US Core Plus Fund		•	
13	Bond	iMGP Dolan McEniry Corporate 2028 Fund		•	
14	Mixed	iMGP Global Diversified Income Fund		•	
15	Mixed	iMGP DBi Managed Futures Fund	•		
16	Mixed	iMGP DBi Managed Futures ex-Commodities Fund		•	
17	Mixed	iMGP Growth Strategy Portfolio Fund	•		
18	Fund of Fund	iMGP Balanced Strategy Portfolio USD Fund	•		
19	Fund of Fund	iMGP Conservative Select Fund		•	



## 3.2. ESG Policy of Banque SYZ

### Scope

- iMGP Global Diversified Income Fund
- iMGP Euro Fixed Income Fund

### Background

Bank SYZ Ltd (Switzerland) integrated Responsible Investing in its Wealth Management functions in July 2020. The management teams are not only convinced that integrating ESG risks in the investment process creates long-term value and strongest performance for our clients. We recognize that finance has a huge role to play in the energy transition and can influence positive changes.

Bank SYZ Ltd (Switzerland) has decided to strengthen research by excluding companies and sectors not compatible with our views on sustainable development.

### Exclusions scope

- 1- Companies that are assessed to be non-compliant with the United Nations Global Compact Principles
- 2- Companies or bonds issued by countries which have a low rating or are subject to severe ESG controversies depending on data provided by external providers or Sub-Manager internal research
- 3- Companies that qualify as “fossil fuel companies” according to third party data providers or the Sub-Manager own analysis
- 4- Companies not complying with international treaties on controversial weapons
- 5- Exposure to commodities by means of eligible indices and transferable securities except for gold and silver.

### CONTROVERSIAL BEHAVIOR:

Any company in breach of the United Nations Global Compact principles and with a corruption score less than 20 as calculated by Transparency.org

Companies placed in « Watch List » are subject to the approval of the ESG Committee.

For non-rated companies, the sub-Manager assesses if the company has been delisted for failure to report or if the company faces controversies within the OECD & UNGC principles.

### CONTROVERSIAL WEAPONS:

Cluster munitions, anti-personal mines, landmines, depleted uranium, biological/chemical weapons, nuclear weapons.

Exclusion applied to companies not complying the international treaties. Bank SYZ Ltd (Switzerland) refers to the Robeco Exclusion List.

### COAL AND THERMAL COAL:

Companies that qualify as “fossil fuel companies” according to third party data providers or the Sub-Manager own analysis

In addition, to strengthen research using as reference the Coal Exit List (Urgewald), companies figuring in this list will be subject to the ESG Committee’s approval.

### COMMODITIES:

Exposure to commodities by means of eligible indices and transferable securities except for gold and silver.

### ESG Risk Score & Carbon Intensity objective

The iMGP Euro Fixed Income Fund and the iMGP Global Diversified Income Fund seek to build a portfolio with compelling Carbon Intensity and ESG Risk Scores while excluding certain companies and sectors because they are not compatible with the Sub-Manager's view on sustainable development.

To attain the ESG characteristics promoted by the Fund, the Sub-Manager seeks to achieve a portfolio Weighted Average Carbon Intensity Score as measured by the Sub-Manager methodology, lower than 200. The ESG Risk Score of the portfolio is also monitored. Each invested security will be subject to a thorough assessment by the Sub-Manager based on a variety of ESG factors provided by external sources and possibly complemented by the Sub-Manager internal research.

Carbon Intensity is a metric that helps compare emissions across industries and that indicates the amount of revenue exposed to carbon emissions.

These sustainability indicators are binding and apply systematically to the entire portfolio (all securities, all asset classes except cash and derivatives for hedging purposes) and at all times, subject to availability of a reported or estimated score for a given security.

Where a Carbon Intensity Score is not deemed appropriate for a given security (for instance, government bonds), the Sub-Manager shall apply other metrics, such as the exclusion lists listed above.

Investment funds & ETFs with strong ESG characteristics are allowed and subject to our internal rules of selection. Those funds are officially recommended by the Bank and subject to constant monitoring, regular due diligences.

The sub-manager has the ability to invest up to 20% within MSCI non-rated companies, subject to the approval of the ESG Committee. The companies are reviewed at least every 3 months. In the event a severe breach would be observed, the Portfolio Manager has one month to disinvest (equities) and up to three months (bonds).

### 3.3. ESG Policy of DBi

#### Scope

- iMGP DBi Managed Futures ex-Commodities Fund

#### OVERVIEW & PURPOSE

DBi (“the Firm”) believes that responsible investment practices incorporating an assessment of environmental, social and governance (ESG) factors adds sustainable value for our investors by mitigating risk and positively influencing long-term financial performance, consistent with our fiduciary duty. The purpose of this ESG Policy (“Policy”) is to define DBi approach to integrating the consideration of ESG factors into its investment analysis and decision-making processes.

#### SCOPE & APPLICATION

This Policy applies to the iMGP DBi Managed Futures ex-Commodities Fund, to the extent reasonably practical and relevant for each individual investment. As the Fund implements its strategy using financial derivative instruments, the non-derivatives portfolio consists mainly of high-quality debt issues, cash or time deposits, money market instruments and money market funds (the latest to be included in the 10% limit in UCITS and/or other UCI).

#### ENVIRONMENTAL, SOCIAL & GOVERNANCE GUIDELINES

##### *Screening and Exclusionary Practices*

As part of DBi’s assessment of potential investment opportunities for its iMGP DBi Managed Futures ex-Commodities Fund, DBi is committed to excluding certain issuers with negative social or environmental impact are excluded from the investment universe of the Fund. For example, the following companies or securities shall be excluded from the Sub-Manager selection:

- 1- Companies or bonds issued by countries that are assessed to be non-compliant with the United Nations Global Compact Principles
- 2- Companies or bonds issued by countries which have a low rating or are subject to severe ESG controversies depending on data provided by external providers or Sub-Manager internal research
- 3- Companies that derive more than 25% of their revenues from thermal coal extraction unless a transition plan towards renewable energy is in place and no other breach within Norms, Environment, Social or Governance is observed.
- 4- Companies identified as producing controversial weapons
- 5- Exposure to commodities by means of eligible indices and transferable securities including through derivatives.

DBi screens potential investments to identify and exclude issues with known instances of corruption, as well as transparency, ethics, or other human rights violations that significantly harm society.

#### ESG INTEGRATION PROCESS

##### *Portfolio construction*

Each invested security in the non-derivatives portfolio will be subject to a thorough assessment based on a variety of ESG factors provided by external sources and possibly complemented by Sub-Manager internal research.

Regarding government issuers, the methodology which is used relies on UN SDGs alignment through a score from 0 to 100. The portfolio securities score (excluding financial derivative instruments) should be higher than the average of the relevant issuers’ universe.

All Countries are ranked by their overall score. The overall score measures the total progress

towards achieving all 17 SDGs. Sustainable Development Report helps to study and consider how countries are managing issues such as No poverty, Gender Equality and Life on land.

In particular, [the 2030 Agenda for Sustainable Development](#), adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth - all while tackling climate change and working to preserve our oceans and forests.

DBi only considers Government issuers above 70 according to the ranking of the UN SDG.



**Figure 2.2**  
The 2025 SDG Index Ranks and Scores



Rank	Country	Score
1	Finland	87.0
2	Sweden	85.7
3	Denmark	85.3
4	Germany	83.7
5	France	83.1
6	Austria	83.0
7	Norway	82.7
8	Croatia	82.4
9	Poland	82.1
10	Czechia	81.9
11	United Kingdom	81.9
12	Slovenia	81.2
13	Latvia	81.2
14	Spain	81.0
15	Iceland	80.8
16	Slovak Republic	80.8
17	Estonia	80.8
18	Belgium	80.7
19	Japan	80.7
20	Portugal	80.6
21	Hungary	80.4
22	Italy	80.3
23	Netherlands	80.0
24	Malta	79.3
25	Canada	79.2
26	Switzerland	79.2
27	Greece	79.1
28	New Zealand	79.0
29	Lithuania	78.8
30	Moldova	78.8
31	Ireland	78.6
32	Belarus	78.5
33	Serbia	78.2
34	Korea, Republic	78.1
35	Chile	78.1
36	Australia	77.9
37	Romania	77.7
38	Uruguay	77.4
39	Luxembourg	76.7
40	Cuba	76.5
41	Bulgaria	76.3
42	Ukraine	75.7
43	Thailand	75.3
44	United States	75.2

Rank	Country	Score
45	Albania	75.2
46	Argentina	74.8
47	Kyrgyz Republic	74.5
48	Israel	74.5
49	China	74.4
50	Armenia	74.3
51	Russian Federation	74.1
52	Dominican Republic	74.1
53	Maldives	74.0
54	Brazil	73.8
55	Montenegro	73.8
56	Cyprus	73.8
57	Bosnia and Herzegovina	73.8
58	North Macedonia	73.7
59	Georgia	73.7
60	Costa Rica	73.4
61	Vietnam	73.4
62	Uzbekistan	73.1
63	Fiji	72.9
64	Azerbaijan	72.9
65	Peru	72.7
66	Tunisia	72.0
67	Suriname	71.8
68	Morocco	71.7
69	Singapore	71.5
70	Kazakhstan	71.5
71	Jordan	71.0
72	Mexico	70.8
73	Türkiye	70.6
74	Bhutan	70.5
75	Colombia	70.5
76	Mauritius	70.3
77	Indonesia	70.2
78	Ecuador	70.1
79	Algeria	70.1
80	United Arab Emirates	69.8
81	Jamaica	69.8
82	Barbados	69.6
83	Iran, Islamic Republic	69.6
84	Malaysia	69.5
85	Nepal	68.6
86	El Salvador	68.4
87	Philippines	68.3
88	Tajikistan	68.3

Rank	Country	Score
89	Panama	68.2
90	Paraguay	68.1
91	Egypt, Arab Republic	68.1
92	Brunei Darussalam	68.0
93	Sri Lanka	67.9
94	Bolivia	67.8
95	Cabo Verde	67.3
96	Turkmenistan	67.3
97	Oman	67.1
98	Belize	67.0
99	India	67.0
100	Mongolia	66.7
101	Cambodia	66.4
102	Guyana	66.3
103	Gabon	65.6
104	Namibia	65.5
105	Saudi Arabia	65.2
106	The Bahamas	65.2
107	Qatar	65.1
108	Nicaragua	64.8
109	Botswana	64.5
110	Bahrain	64.4
111	South Africa	64.1
112	São Tomé and Príncipe	63.9
113	Iraq	63.9
114	Bangladesh	63.9
115	Venezuela, RB	63.8
116	Myanmar	63.6
117	Senegal	63.5
118	Kuwait	63.3
119	Côte d'Ivoire	63.2
120	Ghana	63.1
121	Lao PDR	62.6
122	Rwanda	62.3
123	Kenya	61.9
124	Lebanon	61.7
125	Honduras	61.7
126	Trinidad and Tobago	60.6
127	Guatemala	59.9
128	Sierra Leone	59.4

Rank	Country	Score
129	Togo	59.2
130	The Gambia	58.4
131	Syrian Arab Republic	58.4
132	Mauritania	57.9
133	Cameroon	57.8
134	Benin	57.8
135	Tanzania	57.7
136	Eswatini	57.5
137	Zimbabwe	57.4
138	Guinea	57.2
139	Malawi	57.1
140	Pakistan	57.0
141	Mali	56.3
142	Uganda	55.8
143	Lesotho	55.6
144	Burundi	55.5
145	Ethiopia	55.4
146	Zambia	54.8
147	Nigeria	54.7
148	Comoros	54.7
149	Djibouti	54.3
150	Burkina Faso	53.8
151	Mozambique	53.7
152	Papua New Guinea	53.4
153	Guinea-Bissau	53.1
154	Congo, Republic	52.8
155	Angola	52.8
156	Haiti	52.5
157	Liberia	52.5
158	Madagascar	51.0
159	Niger	50.3
160	Afghanistan	49.1
161	Sudan	49.1
162	Congo, Dem. Rep.	48.2
163	Yemen, Republic	47.7
164	Somalia	46.1
165	Chad	46.0
166	Central African Republic	45.2
167	South Sudan	41.6



Note: Due to annual adjustments to the SDG Index dataset and revisions made by statistical custodian agencies to past data series, scores and ranks are not fully comparable across different editions of the SDI.  
Source: Authors

## GOVERNANCE

DBi's Investment team and Compliance team are responsible for setting policy and standards for responsible investment processes through the maintenance of this Policy, and associated implementation tools, as well as monitoring the adherence to this Policy.



### 3.4. ESG Policy of Polen Capital Management, Polen Capital UK and Polen Capital Credit

#### POLEN CAPITAL MANAGEMENT & POLEN CAPITAL UK (“POLEN CAPITAL”)

##### Scope

- iMGP US Small and Mid-Company Growth Fund
- iMGP Indian Equity Fund

#### OVERVIEW & PURPOSE

Polen Capital is committed to honesty, integrity and ethical practices in all aspects of its business. Integrating environmental, social and corporate governance (“ESG”) considerations into the day-to-day operations and business decisions is a fundamental part of that commitment.

The purpose as a firm, or the “why,” rests on three pillars—clients, colleagues, and community. Through the investment strategies, Polen Capital seeks to provide clients with financial security and peace of mind. Employees are the key to achieving the mission and delivering on promise to clients, and Polen Capital focuses on creating an empowering environment where colleagues can be their best selves and continuously grow. Polen Capital strongly believe this is essential to creating value for the firm and stakeholders, and to developing a more sustainable and successful long-term strategy for the business. As part of a comprehensive assessment of all company risks and opportunities, Polen Capital integrates relevant and material environmental, social and governance factors into the analysis.

The business philosophy extends to the portfolios to fulfil the mission - to preserve and grow client assets to protect their present and enable their future. Polen Capital specializes in the management of high-conviction, concentrated portfolios of companies having the following characteristics:

- **Quality:** Competitively advantaged businesses sustainably delivering value through differentiated products/services and a strong culture
- **Growth:** Secular growth companies sustainably delivering organic revenue and attractive long-term earnings per share growth
- **Long-term:** Companies that share long-term, business owner’s mindset in management and strategy around sustainability

Through our distinctive growth and income solutions we aim to fulfil our mission to preserve and grow our client assets, to protect their present and enable their future. Our philosophy is to build high conviction and competitively advantaged portfolios and invest for the long-term with patience and discipline, harnessing the power of compounding returns.

At Polen Capital, we view ESG integration as a holistic assessment of the relationships a company has with its key stakeholders and its ability to serve them now, and into the future. We believe businesses that thoughtfully balance the interests of key stakeholders, including employees, customers, suppliers and other business partners, communities, and the environment, while uniquely delivering the value they seek are positioned to deliver sustainable outcomes. The consideration of material ESG factors in our investment process is aligned with our fiduciary duty and supports our aim to deliver attractive risk-adjusted returns to our clients.

The Investment team and Compliance team are responsible for setting policy and standards for responsible investment processes through the maintenance of this Policy, and associated implementation tools, as well as monitoring the adherence to this Policy.

## **ENVIRONMENTAL, SOCIAL & GOVERNANCE GUIDELINES**

In seeking to identify companies that foster environmental and/or social characteristics by pursuing a positive stakeholder agenda, Polen Capital commits to assess several proprietary business matters which are indicators of companies serving well the environment, their customers, employees, shareholders, communities, suppliers and other business partners. These include but are not limited to, relationships with customers, relationships with employees, product / service quality, and carbon emissions / climate change initiatives.

In order to invest in companies that follow good governance practices and exclude companies that do not follow good governance practices Polen Capital identifies, assesses and monitors several proprietary business matters that it believes are important to assessing whether a company has good governance in its view, including but not limited to what it considers sound management structures, management of employee relations, management of remuneration of staff, and tax compliance.

### **Approach to Exclusions**

Polen Capital does not invest directly in:

- Companies deriving 25% or more of their revenues from:
  - (i) adult entertainment production,
  - (ii) small arms,
  - (iii) tobacco production, and
  - (iv) thermal coal.
- Companies that it believes do not follow good governance (ESG) factors as part of a comprehensive evaluation of a company's financial risks practices, and
- Companies identified as producing controversial weapons.

### **ESG due diligence**

ESG analysis is embedded within Polen Capital's fundamental analysis. It is part of the comprehensive review of a company to gain a thorough understanding of the company's business model, margin of safety, growth prospects, industry dynamics and management quality. Polen Capital assess the value of the company through the eyes of key stakeholders and determine whether the business is positioned to offer similar or ideally stronger value to key stakeholders over time. The assessment is based upon a thorough understanding of a business's value proposition, its competitive advantages and financial strength, and the initiatives that management has in place to both enhance value and to mitigate risks. As part of the decision-making process for this portfolio, Polen Capital considers material ESG factors within its fundamental research process, leveraging external ESG data and in- house qualitative assessment to identify potential material risk factors.

Each member of the investment team is responsible for ESG research and implementing it into the investment process. ESG is fully integrated into the investment process and executed by all investment team members. ESG analysis is part of the fundamental analysis of Polen Capital. It is part of the comprehensive review of a company to gain a thorough understanding of the company's business model, margin of safety, growth prospects, industry dynamics and management quality. Polen Capital supplements the internal research with the company ESG ratings and research from a third-party ESG data provider that measures a company's exposure to and management of ESG



risks, to ensure the full accountability for potential risks and to provide a signal for an additional review when the Company observes a significant difference from internal analysis. Ultimately, it relies on its own evaluation of the company to form the investment decision.

### **Engagement**

Polen Capital exercises an active ownership through engagement and proxy voting across all the portfolios. As long-term owners in the companies in which Polen Capital invests, engagement on material issues may occur over an extended time frame.

Polen Capital believes proxy voting is a powerful tool that gives the opportunity to directly influence corporate policy in a way believes will maximize shareholder value. The investment team members undertake close review and consideration of all proxy votes for governance matters and shareholder proposal topics.

To assist the review, the Company subscribes to a third-party service from Institutional Shareholder Services (ISS) for research and recommendations on proxy issues. Specifically, Polen Capital utilizes ISS's Sustainability Voting Guidelines, which support positive corporate ESG actions that promote practices that present new opportunities or mitigate related financial and reputational risks. Votes typically align with the guidance from the ISS Sustainability Voting Guidelines, but the investment team makes the final determination.

## **POLEN CAPITAL CREDIT**

### **Scope**

- iMGP US High Yield Fund
- iMGP European High Yield Fund

## **OVERVIEW & PURPOSE**

Polen Credit is committed to honesty, integrity and ethical practices in all aspects of its business. Integrating environmental, social and corporate governance ("ESG") considerations into the day-to-day operations and business decisions is a fundamental part of that commitment.

The purpose as a firm, or the "why," rests on three pillars—clients, colleagues, and community. Through the investment strategies, Polen seeks to provide clients with financial security and peace of mind. Employees are the key to achieving the mission and delivering on promise to clients, and Polen focuses on creating an empowering environment where colleagues can be their best selves and continuously grow. Clients and colleagues also make up the very fabric of our communities, and Polen is dedicated to bettering the environments in which we work and live. Polen strongly believe this is essential to creating value for the firm and stakeholders, and to developing a more sustainable and successful long-term strategy for the business. Polen Credit believes that management of ESG issues is connected to a company's financial sustainability. As part of a comprehensive assessment of all company risks and opportunities, Polen Credit integrates relevant and material environmental, social and governance factors into the analysis.

## **ENVIRONMENTAL, SOCIAL & GOVERNANCE GUIDELINES**

Polen Credit endeavours to identify material ESG factors that may contribute to financial downside (in particular, significant event risks that can negatively affect an issuer's creditworthiness and

therefore its ability to meet its ongoing fixed income principal and interest obligations) within its bottom-up fundamental analysis of each fixed income investment opportunity. Through the use of both internal research as well as from external sources, the Sub-Manager integrates various ESG considerations into its investment research and portfolio construction process.

Specifically, as it relates to the environment, each Fund promotes efforts to limit the carbon footprint of the portfolio by seeking to maintain a lower average estimated carbon intensity as compared to the broad investable U.S. or European high yield fixed income universe, as applicable. In addition, each Fund has implemented certain ESG exclusion procedures with respect to certain issuers and industries. Notably, the Sub-Manager does not invest directly in:

1. companies that derive a material portion of their earnings from sales of controversial weapons as determined by the Sub-Manager in good faith;
2. companies that derive a material portion of their earnings from the sale of tobacco products as determined in good faith by the Sub-Manager; and
3. companies that derive material portion of their earnings from thermal coal mining as determined in good faith by the Sub-Manager.

### **ESG INTEGRATION PROCESS**

For the purpose of attaining environmental and social characteristics of each Fund, the Sub-Manager has committed to integrating ESG into its security analysis and selection process. Specifically, the Sub-Manager will monitor ESG ratings of each issuer in the Fund either as provided by a globally recognized third party rating agency or as otherwise assigned by the Sub-Manager itself when such ratings are not available. Based on these inputs, the Sub-Manager will calculate and provide a consolidated ESG rating for the portfolio.

ESG Ratings, as determined by a third-party rating agency, calculate each company's exposure to key ESG risks based on a granular breakdown of a company's business: its core product or business segments, the locations of its assets or revenues, and other relevant measures such as outsourced production.

The analysis then considers the extent to which a company has developed robust strategies and demonstrated a strong track record of performance in managing its specific level of risks or opportunities. Ongoing or structural controversies occurring within the last three years lead to a deduction from the overall management score on each issue.

ESG Ratings identify six to ten key ESG issues where companies in that industry currently generate large environmental or social externalities; these are issues where some companies may be forced to internalize unanticipated costs associated with those externalities in the future. Corporate Governance is assessed for all companies.

The Sub-Manager utilizes a similar methodology when calculating an ESG rating for an issuer not otherwise covered by the third-party rating agency. In addition, the Sub-Manager will monitor the carbon intensity of individual issuers (where such information is available) as well as the estimated carbon intensity of the Fund's portfolio in the aggregate.

## **Due Diligence**

As part of the decision-making process for this portfolio, Polen Credit considers material ESG factors within its fundamental research process, leveraging external ESG data and in-house qualitative assessment to identify potential material risk factors.

## **Engagement**

Polen Credit believes that issuer engagement as a debt holder tends to be more indirect when compared to that of an equity owner. While an equity owner can ultimately vote (and accordingly replace) the members of a portfolio company's board of directors, the opportunities to actively engage as a fixed income investor tend to occur around events such as new debt issuances and corporate restructurings. In such cases, depending on the size of the position held by funds and/or accounts managed by Polen Credit relative to the total class of debt, Polen Credit may be able to exert some degree of influence over an issuer, particularly with respect to governance and reporting issues but also more broadly environmental and social issues as appropriate. Polen Credit's active approach to fixed income investing generally includes frequent interaction with company management, as Polen Credit seeks to keep an open line of communication with respect to actions that could negatively impact the value of the investment made on behalf of its clients. While Polen Credit does not always agree with the policies implemented by an issuer's management, Polen Credit believes that remaining active and engaged will typically result in more constructive, long-term relationships surrounding topical issues, including ESG concerns.

## **GOVERNANCE**

Polen Credit's Investment team and Compliance team are responsible for setting policy and standards for responsible investment processes through the maintenance of a Responsible Investment Policy, and associated implementation tools, as well as monitoring the adherence to such Responsible Investment Policy.

## 3.5. ESG Policy of Scharf Investments

### Scope

- iMGP US Value Fund
- iMGP Global Concentrated Equity Fund

For nearly 40 years, Scharf Investments has integrated environmental, social and governance (ESG) considerations into the work we do to preserve and grow capital for institutional and individual investors. Since our founding amidst the redwood trees of California's Central Coast, our investment process has focused on quality-specially, sustainable earnings over an economic cycle-and risk mitigation-modelling downside risk as much as upside returns and demanding a spread between value and price. As a result, we believe this creates portfolios of sustainable businesses with compelling Carbon and ESG Risk scores. We believe buying high quality companies at compelling valuations is foundational to long-term investment success.

### ESG Guiding Principles

We believe:

- Companies that score well on ESG metrics tend to be less risky and have more durable earnings growth.
- Combining ESG risk factors with rigorous, fundamental investment analysis improves the chances for superior risk-adjusted returns for our clients.
- Superior corporate financial performance is often associated with superior environmental and social performance, and best-in-class governance practices often indicate top management and leadership.
- Buying high quality companies at compelling valuations is foundational to long-term investment success.

### ESG Oversight and Governance

We do not believe ESG research considerations should be primarily reviewed by a dedicated ESG research team. Given our strategy, we believe it is more effective and holistic to fundamentally integrate ESG into each step of the research and portfolio management process. The covering analyst leads research on company, specific ESG risk and leverages our ESG Committee for assistance. The ESG Committee focuses in corporate and industry ESG trends, best practices, and issues.

The ESG Committee reports to our Investment Risk Committee as we recognize the benefits of a separate ESG oversight function that seeks to measure and manage risk and promote aggregate ESG outcomes via formal ESG policies regarding proxy voting, portfolio reporting and company engagement.

Meanwhile, we strongly believe that portfolio decisions are made solely by the investment team.

## ESG Integration Framework

Our approach to ESG integration is comprised of three distinct components:



### Investment Approach

At Scharf Investments, the investment thesis and fundamental valuation opportunity comes first. We do not screen solely on Weighted Average Carbon Intensity and ESG Risk scores, but we do seek to build a portfolio with compelling aggregate metrics. ESG incorporation is part and parcel to a proper assessment of an investment's risk and opportunity.

### Security Selection

The investment team conducts deep research on portfolio candidates and seeks to identify companies with top quartile earnings predictability at attractive valuations vs. their trading histories, industry peers or the broad equity market. Specially, the team seeks to find stocks that offer 30%+ upside to our assessment of fair value and, as importantly, only 10-15% downside to a bear case of scenario. The team constructs Favorability Ratios, or the percentage upside to bull case price target vs. the percentage downside to bear target, seeking ratios of 3-to-1 or greater for portfolio inclusion. The team believes that the combination of earnings predictability and attractive valuations mitigates risk and promotes superior portfolio performance during adverse markets.

The incorporation of ESG issues is fundamental to the team's assessment of earnings predictability and downside risk. The minority of companies with higher Weighted Average Carbon Intensity or ESG Risk scores or severe ESG controversies generally require a Favorability Ratio of 4-to-1. Analysts individually utilize the extensive database of ESG research and score ratings from Sustainalytics, findings from our ESG Committee, ESG standards organizations, company filings, management meetings, and industry reports to incorporate into an investment case, our proprietary earnings forecast and an appropriate target valuation. An ESG analysis is included in each stock research report with an emphasis on matters most relevant to the company and its inherent industry financial ESG risk factors.

Research reports for candidates with severe ESG controversies or high Weighted Average Carbon Intensity or ESG Risk scores require additional review by the Investment Risk Committee. The investment case must include a detailed assessment of ESG issue and present a firm view of the issues as well as justification for purchasing despite the risks.

### Portfolio Construction

The investment team seeks to achieve a portfolio Weighted Average Carbon Intensity Score as measured by the Sub-Manager methodology lower than 200. The ESG Risk Score of the portfolio is also monitored

Historically, the investment team's predilection for high earnings predictability and sustainability businesses has resulted in portfolios with relatively lower carbon risk measures. Portfolios have historically been intentionally under-indexed to energy stocks and cyclical industries characterized by high Score 1 and 2 commissions.

Portfolios historically have been over-indexed to sectors and industries associated with lower carbon scores such health care, software, communication and business services.

### Portfolio Monitoring

The investment team and ESG committee are continuously monitoring portfolio holdings using company filings, news flow, buy-side and sell-side research, and ESG Risk and Carbon scoring and research databases from Sustainalytics.

Portfolio companies with poor Carbon or ESG Risk scores, trends or severe controversies are flagged and added to our ESG Watch List by the ESG Committee.

Covering analysts work with the ESG committee to assess the magnitude and cause of the poor ESG performance and clearly outline the firm's position on the matter in stock research reports and for the Watch List. Analysts and the ESG Committee may engage with the company's management on the ESG issue to gain further information or clarification. If the company or an external ESG research service provider such as ISS or Sustainalytics has already published a company's public response, it may replace this engagement.

### Active Ownership Engagement

Scharf Investments has taken corporate governance seriously since our inception. We believe engagement with management can promote positive ESG outcomes and pay special attention to minority shareholder rights, board independence, executive compensation, and management's capital allocation track record. We are not activist investors, but we seek to invest in companies with management teams who act in the best interest of shareholders. As social and environmental issues are increasingly scrutinized and present financial risk to our client's investments, we actively monitor them and assess and engage with management accordingly. To further our capacity to engage, we also use Sustainalytics' Material Risk Engagement service as a supplement to our management engagement activities.

To further our capacity to engage, we also use Sustainalytics' Material Risk Engagement service as a supplement to our management engagement activities.

### Proxy Voting

Scharf Investments has adopted proxy guidelines that promote shareholder returns and are consistent with sustainable investing. returns and are consistent with sustainable investing. We use Institutional Shareholder Services (ISS) as a proxy service advisor to supplement our ESG research and help inform our voting from an ESG perspective. We will vote against management recommendations if we are not confident that the result will be in the best interest of shareholders. We report our voting history and the percentage of time we vote with or against management.

Investment in securities involves significant risk of loss. An investor in any of the strategies managed by Scharf Investments must understand and be willing to accept those risks, including the loss of a substantial amount of any such investment in securities. Those risks include the risk of changes in economic and market conditions, the concentration of investments within a portfolio, and the volatility of securities. Do not use this presentation as the sole basis for investment decisions.

Consider all relevant information, including investment objectives, risk tolerance, liquidity needs and investment time horizon before investing. The performance data quoted represents past performance; past performance is no guarantee of future results.

## 3.6. ESG Policy of Dolan McEniry Capital Management

### Scope

- iMGP US Core Plus Fund
- iMGP Dolan McEniry Corporate 2028 Fund

### OVERVIEW & PURPOSE

Dolan McEniry Capital Management LLC (“Dolan McEniry” or “the Firm”) believes that responsible investment practices incorporating an assessment of environmental, social and governance (ESG) factors adds sustainable value for our investors by mitigating risk and positively influencing long-term financial performance, consistent with our fiduciary duty. The purpose of this ESG Policy (“Policy”) is to define Dolan McEniry’s approach to integrating the consideration of ESG factors into its investment analysis and decision-making processes.

### ENVIRONMENTAL, SOCIAL & GOVERNANCE GUIDELINES

Implementation of this Policy is aimed at understanding ESG risks and opportunities that are material to a given investment. These factors will vary by company and sector. Typical ESG factors that may be reviewed and analysed for particular investment opportunities may include, but are not limited to the following:

**Environmental:** Greenhouse gas emissions, carbon footprint, waste reduction, resource conservation.

**Social:** Human rights including labour rights, worker health & safety, customer safety and welfare, diversity, equity & inclusion.

**Governance:** Board composition and independence, executive compensation, shareholder rights, legal & regulatory compliance, anti-bribery & corruption, cybersecurity & data privacy.

#### ***Screening and Exclusionary Practices***

As part of Dolan McEniry’s assessment of potential investment opportunities for these portfolios, Dolan McEniry is committed to excluding investment in the following controversial sectors:

- Companies that derive more than 5% of their revenues from reserves or production of fossil fuels, like thermal coal, oil or gas, other oil and gas-related revenues and fossil fuel-based power generation, as identified by the Sub-Manager’s ESG research screening.

Exposure to companies deriving revenue from the fossil fuel sector is measured using the Sub-manager’s ESG research’s calculation of revenue from fossil fuel-related assets and activities including fossil fuel reserves, resource extraction, power generation and generation capacity as well as capital investments in such assets and activities.

- In relation to iMGP US Core Plus Fund only: Companies, as identified by the Sub-Manager’s ESG research screening, that produce, distribute, retail, license or supply key tobacco products and services (tobacco being produced from the dried nicotiana plant).



Exposure to companies involved in the tobacco sector is identified using the Sub-Manager's ESG research's tobacco research. The research describes both the type of involvement and the revenue from that involvement, it indicates whether the company is involved in the production, distribution or retail of tobacco products, as a licensor of brand names for tobacco products, as a supplier for tobacco products or is involved indirectly through ownership ties to companies involved in such products or services.

- Companies involved in the production of whole weapon systems, delivery platforms or components of cluster munitions; production of whole weapon systems or components of landmines and biological or chemical weapons; production of depleted uranium weapons, blinding laser weapons, incendiary weapons, or weapons with non-detectable fragments; or is involved indirectly through ownership ties to companies involved in such products, as identified by the Sub-Manager's ESG research screening.

Nuclear weapons are not considered for this screen.

- Companies with known instances of corruption, as well as transparency, ethics, or other human rights violations that significantly harm society, and any violations of the OECD Guidelines Multinational Enterprises or the UN Global Compact, as identified by the Sub-Manager's ESG research screening.

Dolan McEniry screens potential investments to identify and exclude companies with known instances of corruption, as well as transparency, ethics, or other human rights violations that significantly harm society.

## ESG INTEGRATION PROCESS

### ***Due Diligence***

As part of our decision-making process for this portfolio, Dolan McEniry considers material ESG factors within its fundamental research process, leveraging external ESG data and in-house qualitative assessment to identify potential material risk factors. Material ESG risks are documented in an Internal Research Note for each new investment, along with other all other fundamental and financial analysis.

If an investment scores poorly on the relevant factors according to third-party data sources, the investment team conducts further research to determine what is driving the score. A poor ESG score does not preclude the firm from investing in the company, but rather is used as an input to the investment decision making process. Ultimately, ESG considerations inform our decision making, but it is important to note that this is but one of many qualitative and quantitative inputs to our investment process, not a primary objective.

### ***Portfolio construction***

The investment team desires to construct a portfolio with low exposure to carbon intensive companies. Specifically, the team seeks to achieve a Weighted Average Carbon Intensity Score lower than 200, as measured by the Sub-Manager methodology. The ESG Risk Score of the portfolio is also monitored

Portfolios have historically been intentionally under-indexed to industries characterized by high Scope 1 and 2 emissions, overweighting sectors and industries associated with lower carbon scores. The investment team is continuously monitoring portfolio holdings through company filings, news

flow, internal and external research, and ESG Risk and Carbon scoring and research databases from Sustainalytics.

Generally, portfolio companies with poor Weighted Average Carbon Intensity, ESG Risk scores or severe controversies are not included in the portfolio.

### ***Engagement***

Dolan McEniry believes that engagement in dialogue with companies about ESG-related disclosures can help the companies further enhance their knowledge of ESG risks and take action to reduce their environmental and social impacts. While Dolan McEniry does not take an activist position, the investment team may engage with company management in conversations related to ESG practices and behaviors. The purpose of these conversations is to better understand how potential ESG risks and opportunities are managed, among other issues.

### ***Monitoring***

Dolan McEniry will review third-party ESG reports for securities on a periodic basis to monitor material changes to the ESG performance of the investment, which it documents in Internal Research Notes.

### **GOVERNANCE**

Dolan McEniry's Investment team and Compliance team are responsible for setting policy and standards for responsible investment processes through the maintenance of this Policy, and associated implementation tools, as well as monitoring the adherence to this Policy.

## 3.7. ESG Policy of Eurizon Capital SGR

### SCOPE

- iMGP Japan Opportunities Fund

### OVERVIEW & PURPOSE

iMGP Japan Opportunities Fund is managed by Eurizon Capital SGR S.p.A (herein “Eurizon” or the “Sub- Manager”).

A summary of Eurizon’s Sustainability Policy (herein the “Policy”) is published on its website at <https://www.eurizoncapital.com/it-IT/sostenibilita/politica-di-sostenibilita>

Eurizon, as the investment manager of the Fund, believes that companies which take account of ESG factors in their own strategies and operating models have a greater likelihood of obtaining sustainable profits over time, and thus of increasing their value, both in economic and financial terms.

The Policy represents the integration of sustainability risks in the Investment Process of Eurizon pursuant to Article 3 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on Sustainability Disclosure in the Financial Services Sector (so called “Sustainable Finance Disclosure Regulation” or “SFDR”) and the related implementing regulations. The Policy describes the methodologies for selecting and monitoring the financial instruments adopted by the Sub-Manager in order to include sustainability risk analysis in its own Investment Process regarding collective asset management and portfolio management services, as well as recommendations made as part of investment advisory services. The integration of ESG factors and SRI principles is connected with the Sub-Manager endorsing the “Principles for Responsible Investment” since 2015 which include to:

1. incorporate environmental, social and governance factors into its investment analysis and decision making process;
2. integrate environmental, social and governance factors in the active ownership policy;
3. seek for appropriate disclosure on ESG issues by the entities in which it invest the environmental, social and governance factors;
4. promote the acceptance and implementation of the Principles in the investment community;
5. work with the financial community to improve the effectiveness in implementing the Principles;
6. disclose to the public the reports on activities and progress of the companies in applying the Principles.

### ESG / SRI STRATEGIES

The Fund integrates environmental, social and good corporate governance factors (“ESG” factors) in the analysis, selection and composition of investments, with the aim of achieving a score (the “ESG Score”), calculated at the overall portfolio level as a weighted average of the ESG Scores of individual

issuers, that is higher than that of the ESG Score of the Topix Index.

The ESG Score of individual investment issuers is an aggregate indicator representative of the environmental, social and corporate governance opportunities and risks to which an issuer is exposed. Specifically, an issuer's ESG Score is determined through the aggregate analysis of several environmental, social, and corporate governance indicators deemed significant depending on the sector to which it belongs and its ability to impact the issuer's bottom line. This ESG Score is expressed on a scale of 0 to 10, with higher scores representing lower exposure to ESG risks and/or high exposure to sustainable growth opportunities. In view of the heterogeneity of the individual investments made by the Fund, issuers are selected on the basis of the overall ESG Score of the issuer and not by single environmental and/or social characteristic promoted.

The environmental characteristics promoted by the Fund through consideration of the ESG Score include the following: use of renewable energy, use and sourcing of raw materials, waste management, greenhouse gas emissions, and conservation and restoration of biodiversity.

Social characteristics promoted by the Fund through consideration of the ESG Score include the following: combating social inequality, employee relations, investment in human capital, gender equality in the governing body, and respect for human rights.

In addition, the Fund will have a minimum of 10% of sustainable investments, as defined under SFDR.

The minimum sustainable investment portion is calculated as the weighted weight of issuers found to have, with reference to their products/services and production processes: (i) a positive net alignment to at least one of the 17 SDGs, and (ii) no net misalignment to any of the 17 SDGs plus any weighted weight of bonds with proceeds earmarked to finance environmental and/or social projects. Specifically, the contribution to one or more of the SDGs takes into account selected quantitative and qualitative metrics, including exposure to litigation, that help highlight any adverse impacts caused by the issuer.

The sections below describe the safeguards adopted by Eurizon for iMGP Japan Opportunities Fund, in line with the following SRI/ESG strategies:

- SRI exclusions: issuers operating in sectors considered “not socially responsible” are excluded from the Investment Universe; issuers operating in sectors considered “not socially responsible” are (i) companies with an evident, direct involvement in the manufacture of unconventional weapons (Antipersonnel mines; Cluster bombs; Nuclear weapons\*; Impoverished uranium; Biological weapons; Chemical weapons; Non-detectable fragment weapons; Blinding lasers; Incendiary weapons; White phosphorous) (ii) companies that derive at least 25% of their turnover from mining or electricity production activities linked to thermal coal or (iii) companies that derive at least 10% of their turnover from the extraction of oil sands;
- ESG exclusions: “critical” issuers are excluded from the Investment Universe; “Critical” issuers are defined as those companies characterized by a higher exposure to environmental, social and corporate governance risks, that is, with a lower ESG sustainability rating level (equal to “CCC” assigned by the specialized info-provider “MSCI ESG Research”) in the equity and bond investment universe;

\* Issuers based in States that are not signatories to the “Treaty on the Non-Proliferation of Nuclear Weapons” of 1 July 1968 are not considered

- Carbon footprint: the integration of procedures to measure the carbon dioxide (CO<sub>2</sub>) emissions

generated by issuers, in order to create portfolios with a carbon footprint below that of the investment universe;

- Active ownership: promotion of proactive engagement with issuers by exercising participating and voting rights, and engagement with investees, encouraging effective communication with the management of companies.

In addition to these strategies, for iMGP Japan Opportunities Fund, Eurizon excludes certain companies or securities with negative social or environmental impact. The following companies or securities shall be excluded from the Sub-Manager selection:

1. companies that are considered to be in breach of the United Nations Global Compact Principles on human rights, labour rights, environment and anti-corruption;
2. companies that have significant exposure to tobacco, coal-fired power, nuclear power generation, or oil and gas related activities; and
3. generally, companies which have a low rating or are subject to ESG controversies depending on Sub- manager analysis or data provided by external providers.

## **ACTIVE OWNERSHIP**

Eurizon's Engagement Policy is published on its website at: [https://www.eurizoncapital.com/-/media/Project/Eurizon/EurizonPortals/EurizonPortal/Files/Sustainability/ENG/SGR\\_EngagementPolicy\\_eng.pdf](https://www.eurizoncapital.com/-/media/Project/Eurizon/EurizonPortals/EurizonPortal/Files/Sustainability/ENG/SGR_EngagementPolicy_eng.pdf)

The Sub-Manager has a fiduciary duty to protect and enhance the value of its Clients and Investors managed assets, which implies addressing effectively any performance-related issues of the investee companies in which assets are invested on behalf of the managed portfolios. In this context, the Sub-Manager attaches importance to the oversight of "external corporate governance", i.e. referred to investee issuers.

To this end, during 2014, Eurizon adopted the "Italian Stewardship Principles"<sup>4</sup>, defined by Assogestioni, the Association of the Italian Investment Management Industry, with the aim of providing a series of best practices to adopt to encourage associate members to promote responsible investment, stimulating effective integration between the corporate governance of issuer companies and their own investment process, in the belief that issuers who adopt high social, environmental and corporate governance standards can generate a sustainable performance in the long term for their own shareholders.

The Sub-Manager favours dialogue and participation in Shareholder meetings of investees, based on a "targeted" approach to corporate governance, encouraging - adopting the principle of proportionality - engagement with, and participation in, Shareholder meetings of companies considered "significant" according to the qualitative/quantitative criteria indicated from time to time in internal regulations.

The Sub-Manager does not intend to "micro-manage" the matters of listed investee issuers nor does it preclude any decisions to sell a shareholding, where this represents the most effective solution to protect the interests of Clients/Investors.

Eurizon's "Strategy for the exercise of participation and voting rights related to the financial instruments held in the managed UCIs" is published on the website at:

<https://www.eurizoncapital.com/it-IT/sostenibilita/politica-di-stewardship> In accordance with the provisions stipulated by art. 35-decies of the Consolidated Law on Finance and art. 112 of the Intermediary Regulation adopted by Consob with resolution no. 20307/2018, Eurizon Capital SGR S.p.A. has adopted a set of procedures and measures aimed at:

- monitoring the company's activities pertaining to the financial instruments held in the portfolio of the managed UCIs, when this is required by the characteristics of the financial instruments incorporating the rights to be exercised.
- determining when and how participation and voting rights may be exercised based on a cost-benefit analysis that also takes into account the objectives and investment policy of each managed UCIs.

On behalf of the managed portfolios, Eurizon participates at the shareholders' meetings of selected companies with shares listed on the Italian Stock Exchange and on foreign exchanges, taking into account the benefits for the managed portfolios resulting from such participation, as well as the opportunity to influence decisions regarding the shares with voting rights held by Eurizon. As for the reasons that drive the decisions to exercise participation and voting rights at Shareholders' Meetings, Eurizon has identified the following quantitative and qualitative criteria:

- participation at all shareholders' meetings and interaction with the Board of Directors of those companies where Eurizon holds a significant share capital, as identified from time to time within the internal procedures;
- participation at the shareholders' meeting that are deemed relevant to the managed portfolios' benefit in order to identify situations of particular interest for the purpose of protecting and supporting the interests of minority shareholders;
- contribution to the election of members of the board of directors or boards of statutory auditors through the slate voting mechanism, representing minority shareholders;
- participation at those shareholders' meeting approving extraordinary transactions where such participation is needed to support or challenge the proposed transaction, in the interests of the managed portfolios. Eurizon is not bound by any shareholder voting or blocking agreements.

## **MONITORING**

### ***COMPLIANCE & AML FUNCTION***

The Compliance & AML Function monitors compliance with the Sub-Manager's Sustainability Policy, supervising the correct adoption of safeguards contemplated in internal and external regulations. In this context, the Function also oversees compliance with the decision-making process and the Operating Limits aimed at containing risks, including reputational risks, of managed portfolios related to ESG and SRI issues.

### ***RISK MANAGEMENT FUNCTION***

The Risk Management Function monitors the sustainability risk of the products managed by coordinating

- as regards the verification of compliance with the Operating Limits - with the Compliance & AML Function.

### **REPORTING**

In accordance with the provisions of the current regulations, the Sub-Manager provides its clients/investors and other stakeholders the Summary of the Sustainability Policy, Engagement Policy and Strategy for the exercise of participation and voting rights attached to the financial instruments held in the managed UCIs, via website at [www.eurizoncapital.com](http://www.eurizoncapital.com).

## 3.8. ESG Policy of Zadig Asset Management

### SCOPE

- iMGP Euro Select Fund

### OVERVIEW & PURPOSE

Zadig is an asset manager whose mission is to deliver alpha for its clients by building concentrated portfolios of high conviction ideas. As early signatories of the United Nations Principles for Responsible Investing in 2015, Zadig has been adapting its investment process to integrate the extra-financial considerations that make our investments not only attractive from a risk-reward perspective but also purposeful and sustainable.

This document details our commitment to integrating those extra-financial considerations. We are talking about the environmental, social and governance insights (collectively known as ESG) that come in addition to our rigorous bottom-up, valuation-driven stock picking. Furthermore, it presents the tools and 3rd party data providers that we use to reach our investment conclusions as well the people involved at every stage of the investment decision process. Lastly, as this is an area that is constantly evolving, it indicates the direction towards which we are moving and our vision of how this process may evolve in the future.

### PRINCIPLES

Zadig's rational and cautious approach to investment pays tribute to its namesake from the protagonist of the novel with the same name written by the French Enlightenment philosopher Voltaire. Voltaire took great pride in judging people by the questions they ask rather than by their answers. As curious stock pickers, a major part of our job is asking questions, testing hypotheses and challenging the status quo. "What is the company's fundamental reason for being?" is the first and most important question we ask and the starting point of our due diligence process when assessing a potential investment. Through its day to day activities, a company must demonstrate that it creates value for all its stakeholders and not just its shareholders for us to consider an investment.

Corporate governance is a key focus of our investing process. Understanding voting rights, the poles of decision-making power, structure of the board and the safeguards to protect minority shareholders have been points on our due diligence checklist years before becoming popular in the ESG framework. On top of this Zadig integrates Environmental and Social factors in its research process, which we would describe as including risks and opportunities linked to environmental and social matters in our valuations and our investment cases.

### ENVIRONMENTAL, SOCIAL & GOVERNANCE GUIDELINES

Zadig defines ESG as a set of metrics that help understand a company's non-financial performance in three areas (Environment, Social and Governance) that are usually then compared and ranked within an industry or peer group. ESG factors are not here to help form an opinion on an industry's impact on the world but rather assess how a company manages and tries to improve its impact on all



stakeholders, whether local communities, employees or shareholders given the industry in which the company is operating.

The environmental and social characteristics promoted by the Fund consist of, respectively (i) water withdrawal, water recycling, energy usage, percentage of renewable energy use, total waste, total CO2 equivalent emissions or VOC emissions and (ii) number and turnover of employees at the issuer, average training hours, average employee compensation, % women in workforce, % women in management or % minorities in workforce.

Investee companies contained in the portfolio of the Fund will be subject to a thorough assessment of the aforementioned environmental and social characteristics on the basis of an internal scoring model developed by Zadig.

Data for the internal scoring model on the attainment of the aforementioned environmental and social characteristics at the level of the relevant investee companies are provided by external sources which will be completed by the research and direct dialogue with the issuers by Zadig.

The scoring model is built around the following four pillars:

- (1) Environment: Scoring based on data provided by external sources;
- (2) Social: Scoring based on data provided by external sources;
- (3) Governance: Scoring based on internal model of Zadig completed by internal analysis and engagement; and
- (4) Controversies: Scoring based on data provided by external sources.

Zadig then applies different weights for each sector. For example, as industrial sectors have a higher weight for environment, Zadig is focusing for service companies on social issues. Zadig considers governance as a crucial component of any investment irrespective of the sector and therefore applies a constant 40% weight.

More than half of the portfolio of the Fund must be invested in securities from issuers having obtained a scoring in the internal model of Zadig which is equal or higher than 5 whereby 10 is the highest score and 1 is the lowest score. For the avoidance of doubt, the internal scoring model is binding on Zadig who cannot overrule the scoring by factors or considerations not contained in the model. Under the internal scoring model, securities are assessed on multiple environmental and social characteristics, such as carbon emissions product, carbon footprint, water stress, opportunities in renewable energy, controversial sourcing, human capital development and demographic risk, among others.

#### Approach to Exclusions

Zadig does not invest in:

Companies that it believes do not follow good governance practices through its own analysis of several proprietary governance-related matters it considers within the investment process, and  
Companies identified as producing controversial weapons.

The assessment of governance practices is a mix of:

(i) An objective and data-driven assessment, with a focus on minority shareholders rights, diversity, board structure and attendance as well as business ethics, anti-competitive practices, tax transparency, corruption and instability among other criteria. Zadig relies on data from external sources which are also scored in this regard.

(2) An experience-driven assessment of the governance standard where Zadig is aiming to include their views on the management team and its track record, the quality of board members and the presence of large or majority shareholder and how these facts might influence the issuer's performance - in this context, Zadig meets with top management of issuers.

## **ENGAGEMENT**

Zadig is committed to investing and engaging with companies showing the highest Governance standard. As part of its investment process, its research and investment team organise hundreds of companies contact per year which are opportunities to assess ESG standards and engage with senior management.

As active investors frequently meet management of listed companies, it is our duty to engage with companies to encourage best ESG practice standards and vote at all annual general meetings.

## 3.9. ESG Policy of Trinity Street Asset Management

### SCOPE

- iMGP Trinity Street Global Equity Fund

### OVERVIEW & PURPOSE

The growing awareness of the importance of sustainability leads to opportunities and risks in investment portfolios.

Environmental, Social and Governance (“ESG”) factors can have a material positive or negative effect on the value of an issuer’s equity. Trinity Street (“TSAM”) believes that this effect acts through the scale and duration of issuer cash flows and/or the appropriate cost of capital to be applied to those cash flows. The assessment of relevant ESG opportunities and risks in conjunction with other fundamental factors is an important area of focus for both asset owners and investment managers.

At the same time and reflecting the current stage of development of ESG generally, ESG can mean different things to different investors; moreover, TSAM recognises that many investors continue to evaluate the exact nature of the role that ESG will play in their strategies and portfolios.

A key aspect of TSAM’s methodology is to understand ESG issues relevant to investee companies and potential investee companies; for example, putting into context controversial issues that could affect the appropriate cost of capital, or evolving consumer preferences or policy settings that could impact cash flows positively or negatively.

This Policy sets out TSAM’s approach to integrating ESG into its investment processes.

### PRINCIPLES

TSAM’s philosophy is underpinned by a belief that the incorporation of any factor relevant to the overall performance of an investment is essential to building a robust understanding and assessment of an issuer and its cash flows and cost of capital, and that over time this will improve investment performance, promote better corporate business models and result in sustainable economic development.

Integral to TSAM’s approach to investing is understanding the alignment with fundamental principles and adherence to international laws and norms governing matters including human rights, labour, bribery and corruption, climate risks and the environment.

These principles underpin TSAM’s views on the incorporation of ESG criteria into its investment processes.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE GUIDELINES

### Relevant ESG Factors

#### Governance

An assessment of governance is undertaken on all investment prospects as part of TSAM's investment process and is an obligatory pre-requisite for funds which report under SFDR Article 8. TSAM must have determined that investment prospects either have good governance at the point of investment or, where governance is undergoing change, it must meet the acceptable standards for good governance established by TSAM in reasonably short order. Good governance includes an assessment of board balance including independent directors, quality of financial and non-financial reporting and communication, management suitability, and alignment to shareholder interests through remuneration and ownership practices.

TSAM will not invest where it concludes that a company has poor governance.

#### Other ESG Factors

In addition to the pre-requisite for good governance, TSAM views the ESG factors listed below as having a strong correlation to shareholder value and hence value to end investors, thus meriting closer monitoring.

ESG Factor	Specific Characteristic
Employee Relations & Labour Practices	<ul style="list-style-type: none"><li>• Job creation</li><li>• Employee turnover</li><li>• Workplace accident management</li><li>• Days lost to workplace accidents</li></ul>
Product Quality and Safety	<ul style="list-style-type: none"><li>• Policies to manage compliance with regulatory and/or voluntary codes on health and safety implications of products and services</li><li>• Fines related to product safety</li><li>• Number of recalls and units affected by product recalls</li></ul>
Privacy and Data Security	<ul style="list-style-type: none"><li>• Existence of data privacy and security policies</li><li>• Incidence of data breaches</li><li>• Number of identified leaks, thefts and/or losses of customer data</li></ul>

#### **Internal ESG and Engagement Ratings**

TSAM uses an internal ESG rating system to quantify the ESG performance of potential investee companies. The ESG policy requires the allocation of an internal ESG rating prior to an instruction to invest. The Investment Team must therefore ensure that (i) relevant ESG factors have been considered as part of the pre-investment process, (ii) evidence of that consideration is maintained in accordance with the record keeping requirements set out below and (iii) the internal ESG rating is allocated, confirmed and communicated to Operations during the pre-investment phase via the stock set-up form, so as to enable

prompt trading once an instruction is given.

#### Internal ESG ratings

1 = ESG risk factors not present

2 = ESG risk factors present but not material

3 = ESG risk factors present and material but mitigated

4 = ESG risk factors present and material and not mitigated

These numerical internal ESG ratings will be accompanied by an internal engagement rating which indicates whether relevant ESG factors are ‘promoted’ by an issuer or if shortcomings have been identified.

#### Internal Engagement ratings

Where TSAM’s ESG data provider or other research leads the Investment Team to conclude that relevant ESG risk factors are adequately addressed and/or risks to shareholder value appropriately managed, the internal ESG rating will be followed by the letter ‘P’, recording that the characteristics are ‘promoted’ in SFDR terminology. For example, an issuer with an internal ESG rating of ‘3’ (based on broad ESG factors) which has sufficiently low exposure to or is effectively risk managing the relevant engagement topics would be rated ‘3P’. TSAM will continue to monitor ‘P’ rated issuers for appropriate risk management on applicable criteria through the investment process and holding period.

Where ESG data or other research identifies shortcomings in respect of relevant ESG factors, either during the pre-investment phase or during the investment phase (assuming those shortcomings are either sufficiently immaterial or sufficiently mitigated to allow investment), TSAM will engage with company representatives and management (as described under ‘Engagement’ below). In such circumstances, internal ESG ratings will be accompanied by the letter ‘E’. For example, an issuer with an internal ESG rating of 3 with material exposure to relevant ESG risk factors which are not adequately managed and where TSAM intends to engage or is engaging, would be rated ‘3E’.

## **Process**

### Pre-investment

Research from TSAM's ESG data provider and any other relevant information, such as an issuer's ESG report or privacy and data security strategy, will be reviewed by relevant members of the Investment Team. A write-up will contain a description of any relevant ESG issues identified and an assessment of their materiality with mitigating factors (e.g., company strategy, management action, valuation etc.) to determine residual risks to the level or duration of cash flows, or cost of capital.

An internal ESG and engagement rating will be attributed to the issuer and recorded on the stock set-up form, which the sponsoring PM is required to sign before any investment is made. This is then passed to Operations, which maintains a record of all stock-set up forms.

### Post Investment

The Investment Team will continue to monitor the ESG factors identified throughout the life of the investment for potential changes and knock-on effects to the level and duration of cash flow and/or valuation, as well as the emergence of other ESG-related risks.

As applicable, the Investment Team will record changes to the internal ESG and engagement ratings. For example, a severe data breach may lead a PM to change an engagement rating from P to E. Conversely, progress in respect of the relevant ESG factors may cause a PM to change an engagement rating from E to P. All such changes should be reflected on the ESG Engagement Overview Excel sheet, with write ups saved in the relevant folder (See recordkeeping below).

### Engagement

Where TSAM believes that an issuer's performance in one or more areas of relevance is not sufficient to maximise shareholder value, it will encourage increased focus from management via engagement. This engagement may take a variety of forms and may be escalated over time if necessary.

In initial discussions, a member of the Investment Team will communicate TSAM's view on shortcomings and the resulting risk to shareholder value and will seek to understand the issuer's views and plans to manage those shortcomings.

Progress will be reassessed no later than 12 months post investment, at which point TSAM will either change the rating from 'E' to 'P' based on progress or will re-engage on relevant topics during company interactions. If this re-engagement is unsatisfactory, TSAM will consider writing to company management. If after an appropriate period a reply has not been received, or a reply has been received but does not reflect a satisfactory trajectory towards appropriate management, TSAM will consider discussing the matter(s) with board members or equivalent. If none of the above is effective within an appropriate timescale, TSAM will consider divestment.

TSAM is a fundamental bottom-up, 'active' investment manager and not an 'activist' and it does not invest or hold securities with the purpose of or in order to effect specific change at or influence the control of the issuers in which it invests. TSAM's investment philosophy is to seek investment prospects which are already undergoing some form of change, under-recognised by the market.

TSAM's engagement may include discussing with management its views on an engagement or other topic and that engagement may include sharing its views on how an outcome may inform its voting intentions on a particular matter but it will not typically share its voting intentions in advance or inform an issuer that its vote is dependent on a particular outcome. As one specific example, TSAM will

neither confirm nor imply to an issuer that it will not support one or more directors at the time of next election unless certain changes are made in line with its expectations. Allied to this, TSAM will not respond to 'proxy chasers' or otherwise indicate in advance (including to the chair of a board) its intention to vote in a particular way.

Without prior approval from a member of the Managing Board, TSAM will not request the implementation of specific measures or changes, request changes to board structure or otherwise seek to exert control over issuers.

### **Compliance Monitoring**

Compliance will periodically interrogate SFDR related records to confirm that internal ESG and engagement ratings have been allocated in accordance with this process and that engagement has taken place where an 'E' rating has been allocated. Findings, such as incomplete records, will be reported to and discussed at the Research and ESG Committee.