TRIUM SUSTAINABLE INNOVATORS FUNDS

TRIUM SUSTAINABLE INNOVATORS GLOBAL EQUITY

TRIUM SUSTAINABLE INNOVATORS NORTH AMERICAN EQUITY

SUSTAINABILITY POLICY

THE LEONIE & NORMAN INSTITUTE

DECEMBER 2022

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EXECUTIVE SUMMARY

Trium Capital LLP ("Trium" or the "Firm") is dedicated to achieving the best possible risk-adjusted returns for its investors and believes that Responsible Investment ("RI") and Environmental, Social and Governance ("ESG") are important factors to consider when delivering this.

Trium have a group RI/ESG policy which details Trium's philosophy and rationale for the inclusion of ESG within the investment process of the funds at the firm. This document details the principles of the ESG investment strategy for the **Trium Sustainable Innovators Funds**. It is supplementary to the Trium firm policy.

The purpose of this document is to describe our investment criteria and the underlying methodologies used for the strategy.

PRESERVING AND HARNESSING THE ENVIRONMENT

- We exclude sectors with a high GHG emission intensity, including fossil fuels, and have an absolute cap for scope 1 + 2 emissions of 50 tons per USDm of sales for each investee company (vs. the market average of 132 tons[1]).
- We exclude companies which derive a significant portion of their revenues from activities susceptible to creating significant harm.
- We invest at least 20% of our portfolio in sustainable investments.

PROMOTING SOCIAL AND CORPORATE RESPONSIBILITY

For each investee company, we perform a detailed ESG analysis covering a wide array of environmental, social and governance indicators.

- We perform a 360° analysis to ensure that investee companies entertain healthy relationships with all their stakeholders.
- We exclude companies that have been found guilty of violations of the Ten Principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises in the past 10 years.
- We invest only in companies with high-quality governance in terms of board composition, management and financial reporting. We exclude companies whose female-to-male ratio of board members is less than 25%.

ENGAGING ACTIVELY WITH PORTFOLIO COMPANIES

- We engage with all companies in our Top50 list through ESG campaigns in order to identify and promote best practices.
- We engage with companies on specific topics where we identify the need for improvement.
- We divest from companies which repeatedly fail to engage with us.
- We vote on all shareholder resolutions and divest where our voting decisions reflect recurring concerns around corporate governance.

The Funds are classified Article 8 according to the SFDR regulation.

THE LEONIE & NORMAN INSTITUTE

The Leonie & Norman Institute is an organisation focused on sustainability and engagement.

Its objective is to:

- identify best practises among companies which exhibit high standards in terms of environmental, social and governance criteria

[1] Source: https://www.msci.com/index-carbon-footprint-metrics

- share best practises with other corporates and engage with them when necessary.

The Leonie & Norman Institute is an open ecosystem and aims at increasing its impact through partnerships with other asset managers and organisations. It capitalises on the research produced by the team of Trium Sustainability Innovators.

ESG INVESTMENT PHILOSOPHY

The investment philosophy of the Trium Sustainable Innovators Funds (together “the Funds” or “the Strategy”) is to invest in a concentrated portfolio of 20-30 high-quality companies with the objective to achieve risk-adjusted returns and capital appreciation over the long term. Our portfolio selection focuses on a specific type of company that we call Sustainable Innovators, as we believe constant innovation is key for companies to sustain their economic edge and outperform their competitors.

To qualify as a Sustainable Innovator, we have identified a number of characteristics that are further outlined in the Funds’ prospectus as well as our Research and Valuation Methodology document (available on request). These characteristics include a sustainable competitive advantage, a business model with good visibility for the construction of long-term financial projections as well as an excellent track record driven by appropriate corporate governance.

ESG considerations play a crucial role in the appreciation of these characteristics and are well aligned with our long-term investment horizon. For example, in the short term, it may be more profitable for a company to reduce labour costs, but in the long term, this may affect employee motivation and retention, slow down innovation and eventually undermine a sustainable competitive advantage. Similarly, a high CO2 emission intensity may not impact financials in the short term, but the risk of a CO2 taxation impedes our ability to make long-term financial projections. We also believe that reaching the objectives of the Paris Agreement will require large investments and constitute an important market opportunity where innovation will be critical. The Strategy is consequently exposed to clean technologies.

Due to their critical importance to our investment strategy, we have created a formal and binding framework to systematically integrate ESG into our investment process, which we will set out in detail in this document.

Conforming with Article-8 of the Sustainable Finance Disclosure Regulation, the Funds promote environmental or social characteristics.

ESG INTEGRATION ALONG THE INVESTMENT PROCESS

Our three-step investment process is built on a progressive exclusion that allows us to select a concentrated portfolio of 20-30 stocks out of a total universe of more than 3,000 listed companies in the OECD with a market cap of USD3bn or higher.

STEP 1: QUANTITATIVE SCREENING

Our quantitative screening process includes binding ESG criteria at three levels.

1. **We exclude companies from sectors with a relatively high CO2 emission intensity compared to other sectors:**
    - Fossil fuels;
    - Energy;
    - Paper and Forestry Products
    - Construction and Real Estate;
    - Mining & Extraction;
    - Transportation;

- Telecommunications;
- Utilities.

We may make investments which contravene these sector exclusions up to a maximum of 10% of Net Asset Value of the Fund for each exclusion.

2. **We exclude companies that derive a significant proportion of revenues from activities which are susceptible to create significant harm through the production or sale or promotion of:**

- (i) Banned weapons and armour (>0% of revenues), according to the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction ("Ottawa Treaty"), the Convention on the Prohibition of Cluster Munitions ("Oslo Convention") and/or (ii) B and C-Weapons pursuant to the UN Biological Weapons Convention and UN Chemical Weapons Convention;
- Controversial weapons (>0% of revenues): we undertake to include white phosporus, depleted uranium and nuclear weapons;[2]
- Legal weapons and armour (>5% of revenues);
- Tobacco products (>5% of revenues);
- Gambling (>5% of revenues);
- Adult entertainment (>5% of revenues);
- Alcohol products (>15% of revenues);
- Fossil fuels, including coal (>15% of revenues).

3. **We exclude companies based on the following sustainability criteria:**

- Whose scope 1 + 2 GHG intensity of investee companies exceeds 50 tons per USDm in revenues (we may make investments which contravene this exclusion up to a maximum of 10% of Net Asset Value of the Fund);
- That have been found guilty of violations of the Ten Principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises.
- Whose female to male ratio of board members must not be less than 25% (we may make investments which contravene this exclusion up to a maximum of 10% of Net Asset Value of the Fund).

In Schedule I, we map these criteria against the adverse sustainability indicators set out in the Final Report of the draft Regulatory Technical Standards published by the Joint Committee of the European Supervisory Authorities on 2nd February 2021 (the "RTS").

STEP 2: CORPORATE ANALYSIS FOR INCLUSION IN THE TOP50

In the second step of the investment process, we define a list of 50 companies which will form our investable universe (the "Top50" list). Before a company is added to the Top50 list, it needs to pass an in-depth analysis covering products and services, strategy, financials and ESG considerations.

With regards to ESG considerations, we implement the following binding process:

- We identify material ESG risks and assess how the company manages these risks. ESG risks are weaknesses, threats and externalities that can have a potentially negative impact on the company's long-term fundamental outlook. We include a company in our Top50 list only if we are comfortable that there is a low likelihood of a material adverse impact on valuation from ESG risks. This conclusion must be made on an absolute basis, irrespective of how it compares to its peers.
- We identify material ESG opportunities and assess how the company manages these opportunities. ESG opportunities are activities that fulfil a sustainable objective. Exposure to markets driven by sustainability supports the growth profile and predictability of its long-term financial outlook.

[2] In the next Supplement update, this definition will be added. We acknowledge that at this stage the ESG Policy and the Supplement weapon section does not match.

We produce a Strategic Report in which we explain in detail our findings on the key ESG issues of the company. Our analysis covers environmental, social and governance considerations:

1. **Environmental considerations** have grown in importance over the past decades in a context of depletion of fossil fuels, ongoing climate change, stricter environmental regulation, political support and increased public awareness. Based on our exclusion of most sectors with a high impact on the environment, environmental risks play a secondary role for our portfolio companies, but we seek significant exposure to environmental opportunities through clean technologies and resource efficiency.
2. **Social considerations** are founded on the realisation that a company's long-term success depends on sustainable, value-driven and harmonious relationships with key internal and external stakeholders. We perform a 360° analysis of all stakeholders, including consumers, clients, employees, suppliers, regulatory bodies, public authorities, universities, communities, business partners, agents, distributors and the society at large.
3. **A good corporate governance** is a pre-condition for a company to successfully manage ESG risks and leverage ESG opportunities. Our analysis focuses not only on a strong alignment between shareholders and management through effective control mechanisms, but also on whether the company has the right internal organisation and leadership to drive innovation and growth.

Key Indicators of ESG risks and opportunities

	Risks (Costs)	Opportunities (Revenues)
Environmental	• GHG emissions • Waste consumption • Water consumption • Wastewater production • Recycling • Use of renewable energy • Exposure to fossil fuel sector • Climate change initiatives • Policies, practices and targets to minimise environmental impact	• Energy efficiency • Material efficiency • Water efficiency • Waste reduction • Circular economy • Clean technologies • Sustainable agriculture and food
Social	• Workforce diversity and inclusion • Occupational health and safety • Employee incentives • Human rights • Human Capital Development • Gender equality • Controversies around labour practices • Employer reviews and ratings • Supplier policies and practices • Customer satisfaction indicators • Marketing policies and practices • Corruption, bribery and fraud • Anticompetitive practices • Privacy and data security • Product Safety and Quality	• Education • Social inclusion • Human health and nutrition • Animal health • Access to clean water • Access to finance

Governance	• Board diversity • Board and committee independence • Quality of financial and ESG reporting • Accounting controversies • History of financial restatements • Management track record • Shareholder rights • Innovation-friendly organisation • Executive compensation • Significant votes against directors or pay policy	*Source: Trium Sustainable Innovators*

STEP 3: PORTFOLIO CONSTRUCTION

In the third step of our investment process, we construct a portfolio of 20-30 stocks out of our Top50 list. The main criterion for stock selection in this step is valuation. Our DCF-based valuation is affected by our ESG analysis at two levels:

1. Our cashflow projections incorporate our expectations of growth from activities with a sustainable objective. A high exposure to ESG opportunities translates into strong growth potential from areas that will benefit from the transition to a more sustainable economy. It also supports the predictability of our forecasts, as ESG opportunities reflect long term, secular themes.
2. The cost of capital that we use to discount projected cash flows is explicitly impacted by our appreciation of the company's ESG risk profile. We build a proprietary ESG rating based on the findings of our deep-dive corporate ESG analysis. This rating flows into the estimation of the company's equity beta with a weight of 25%. For more information on the other criteria used to calculate the beta, please refer to our Research and Valuation Methodology.

ESG Scoring table for determining a company's equity beta

	Weight	Indicator
Environmental	30%	• Environmental Footprint (or direct impact): 15% • Environmental Handprint (or indirect impact): 15%
Social	40%	• Customer Centricity: 20% • Workforce Management: 10% • Other Stakeholders: 10%
Governance	30%	• Quality of Board: 10% • Quality of Management: 10% • Quality of Reporting: 10%

Source: Trium Sustainable Innovators; the indicators reflect in condensed form the findings of our Corporate Analysis (see previous section)

SUSTAINABLE INVESTMENTS & EXTRA-FINANCIAL OBJECTIVES

As a binding investment criterion, the aggregated exposure of the portfolio[3] to sustainable investments must at least be 20% of NAV.

We consider as sustainable investment any investment in an issuer which contributes to both of the following two extra-financial objectives:

[3] Excluding any cash position; n

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- Reduce GHG emissions;
- Increase gender diversity at the board level.

We measure an issuer's performance towards these objectives by way of the following two ESG indicators::

- Scope 1 + 2 GHG emission intensity in t/$m of sales;
- Female board representation in %.

We determine that an issuer contributes towards an extra-financial objective if it performs better on the corresponding ESG indicator when compared to the reference universe.

We closely monitor the regulatory framework with respect to how sustainable investments may be defined and marketed, and will update our methodology accordingly whenever necessary.

CONTINUOUS MONITORING

We monitor companies in our Top50 list on an ongoing basis for changes in their ESG profile. In particular, we monitor the following indicators on an ongoing basis:

- **Third-party ESG rating changes** serve as a signal for reassessing our proprietary ESG rating. A third-party rating downgrade does not automatically trigger divestment of a stock, and third-party ESG ratings are not a binding investment criterion.
- **ESG controversies** can indicate new or worsening ESG risks. We monitor ESG controversies from our third-party data providers and through our own research. If we assess that a controversy is likely to have a material negative impact on a company's fundamental outlook or on its perception by the market, we will divest of the company.
- **Corporate disclosure on ESG**, including notably annual corporate social responsibility reports and relevant press releases allow us to analyse the fundamental progress of a company with respect to its ESG initiatives, practices, and targets.

DATA SOURCES AND DUE DILIGENCE

We utilise data and analysis from various reputable third-party providers.

We complement this data by our own data collection and analysis. We may use the information provided by the company itself as well as any other relevant public and private resource to which we have access.

We do not systematically verify the data provided by third-party providers. However, from time to time, we may verify the consistency of data on a specific topic among the various data sources we use.

We engage with companies if the indicators we look at are not publicly disclosed. In this case, we may substitute reported data by our own- or third-party estimates. Where material data is not disclosed by a company and no reliable third-party estimate is available, we will divest of the company by the later of either the 1st July 2023, or 18 months after such data or estimate stops being available.

DISCLOSURES

From July 2022 onwards, we commit to making the following ESG-related disclosures:

1. On a monthly basis, the exposure at the portfolio level to each of the adverse sustainability indicators set out in the Final Report of the draft Regulatory Technical Standards published by the Joint Committee of the European Supervisory Authorities on 2nd February 2021 (the "RTS"). These criteria are detailed in Schedule I. The information provided will be exclusively based on data provided by one of our third-party data providers, together with a gap analysis showing the percentage of portfolio holdings not disclosing a certain metric and for which our data provider does not provide a reliable estimate.

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2. On a semi-annual basis, relevant ESG indicators at the portfolio level that we calculate based on third-party data from our ESG provider, which in our view, reflect our research approach towards ESG matters. For more information, see Schedule III.
3. On a semi-annual basis, a summary of our corporate interactions, proxy voting decisions and active engagement initiatives.

ENGAGEMENT

The TSI team has set up the Leonie & Norman Institute to serve as a hub for our engagement activities and a potential network for joint engagement with other asset managers and organisations. The Institute will also contribute to public debate around ESG with the aim of increasing impact and trigger change in corporate behavior.

We engage with corporates in our Top50 List and beyond. Based on our research, we identify best practices among companies which exhibit high standards in terms of environmental, social and governance criteria, and aim to share these with other corporates and engage with them when necessary.

In line with our fiduciary duty towards clients, any engagement with investee companies will take into consideration resources and expected benefits.

As a binding investment criterion, we will divest from any company which fails to respond to our engagement efforts on three different occasions, such failure being assumed to occur 6 months after initiating our engagement.

The Leonie & Norman Institute is an institute independent from Trium Capital LLP ("TCL"). The views of the institute may not necessarily represent those of TCL, or its portfolio managers separate to the TSI team.

It should be noted that all TCL portfolio managers are prohibited from colluding with other asset managers or market participants in order to influence a market or pricing for Trium or TSI's own advantage. It is TCL's view that Engagement as described above, does not constitute collusion.

More detail on our engagement activities can be found in our separate Engagement Policy.

PROXY VOTING

All shareholder resolutions will be reviewed and voted on a case-by-case basis. More detail on our voting principles can be found in our separate Voting Policy.

SCHEDULE I – ADVERSE SUSTAINABILITY CRITERIA

The table below illustrates our binding investment criteria with respect to the adverse sustainability indicators as set out in the draft Regulatory Technical Standards published by the Joint Committee of the European Supervisory Authorities on 2nd February 2021 (the "RTS").

For companies which are newly added to our Top50 list after the 10th of March 2021, these criteria need to be verified at the time when they are added to the Top50 list.

For companies which were in the Top50 list prior to the 10th March 2021, or which stopped verifying these criteria at a later stage, we divest from these companies and exclude from our Top50 list unless we consider that the breach can be remedied within 18 months of occurring as a result of our active engagement efforts.

In case of lack of data, a company is assumed to be in breach of the criterion unless it is believed in the reasonable opinion of the portfolio manager not to be material for that company.

ADVERSE SUSTAINABILITY INDICATORS – METHODOLOGY

Category	Indicator	Methodology	Binding Investment Criteria
Climate and other Environment-related indicators	Emissions	Scope 1, 2 and 3 GHG emissions and total GHG emissions in metric tons	
	Carbon footprint	Carbon footprint in tons per EURm invested, as defined in Annex I of the RTS	
	GHG intensity	GHG intensity in tons per EURm invested, as defined in Annex I of the RTS	**Scope 1 + 2 GHG intensity of investee companies must be below 50 tons per USDm in revenues *(we may make investments which contravene this exclusion up to a maximum of 10% of Net Asset Value of the Fund).***
	Companies active in the fossil fuel sector	Share of investments in %, where companies active in the fossil fuel sector are defined in Annex I of the RTS	**The Funds may not invest in companies which derive more than 15% from their revenues from activities in the fossil fuel sector.**
	Non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies in %, where renewable energy sources are defined in Article 2(1) of Directive (EU) 2018/2001 of the European Parliament and of the Council	
	Energy consumption intensity per high impact climate sector	Energy consumption intensity per high impact climate sector in GWh per EURm invested, where 1/ energy consumption intensity means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company and 2/ high impact climate sectors means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council	

	Activities negatively affecting biodiversity-sensitive areas	Share of investments in % in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas, as per the definition in Annex I of the RTS	
	Emissions to water	Tonnes of emissions to water generated by investee companies per EURm invested, where emissions to water are defined in Annex I of the RTS	
	Hazardous waste ratio	Hazardous waste in tons per EURm invested, where hazardous waste is defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council, and radioactive waste	
Social and employee, respect for human rights, anti-corruption and anti-bribery matters	Violations of UNGC and OECD GME	Share of investments in investee companies that have been involved in violations of the Ten Principles of the of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises	**The Funds may not invest in companies which have been found guilty of such violations.**
	Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD GME	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance / complaints handling mechanisms to address violations of the UNGC principles or OECD	
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies, where unadjusted gender pay gap means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees	
	Board gender diversity	Average ratio of female to male board members in investee companies, in %	**The Funds may not invest in companies where the female to male ratio of board members is less than 20%** ***(we may make investments which contravene this exclusion up to a maximum of 10% of Net Asset Value of the Fund).***

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	Controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	**The Funds may not invest in companies which derive any revenues from the production or sale or promotion of banned weapons and armour (>0% of turnover), according to the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction ("Ottawa Treaty"), the Convention on the Prohibition of Cluster Munitions ("Oslo Convention") and/or (ii) B and C-Weapons pursuant to the UN Biological Weapons Convention and UN Chemical Weapons Convention.** **The Funds may not invest in companies which derive more than 5% of their revenues from the production or sale or promotion of legal weapons and armour.**

Source: Trium Sustainable Innovators, Regulatory Technical Standards published by the Joint Committee of the European Supervisory Authorities on 2nd February 2021 (the "RTS").

SCHEDULE II – SELECTED ESG INDICATORS

As indicated in the section “Disclosures”, we publish selected ESG criteria at the portfolio level in our half-yearly and annual reports. These criteria are non-binding for our investment process and exclusively based on data provided by MSCI ESG. We do not improve, adjust or otherwise alter any of the data, even if such data may sometimes be subject to errors or interpretations with which we do not agree. We select the data shown in the MSCI ESG library based on those areas which we consider most relevant for our investment strategy. However, we note that our investment strategy relies on a highly qualitative approach towards non-financial matters which reflects the individual circumstances of each company. This is generally not transposable into quantitative, standardised data as shown in this analysis. As a result, no conclusion shall be drawn from this analysis onto our underlying investment case.

We have built 6 proprietary indicators based on MSCI ESG data. In calculating the portfolio average, each company is weighted based on its weight in the portfolio, excluding any cash position.

SELECTED ESG INDICATORS

Indicator	Methodology
GHG Emissions	Scope 1 + 2 Greenhouse Gas Emission intensity in tons per USDm of sales, as calculated or estimated by MSCI ESG.
Gender Diversity	Percentage of companies with either a female chair, CEO or CFO. Percentage of female directors.
Social Controversies	Our measure of social controversies looks at 12 types of social controversies covered by MSCI ESG: 1) Access to Health Care 2) Anti-competitive Practices 3) Business Ethics & Fraud 4) Controversial Sourcing 5) Corruption & Instability 6) Health & Safety 7) Human Capital Development 8) Labour Management 9) Opportunities in Nutrition & Health 10) Privacy & Data Security 11) Product Safety & Quality 12) Supply Chain Labour Standards. MSCI accounts for controversies in which the company has been involved in the past three years. MSCI’s severity scale runs None | Minor | Moderate | Severe | Very Severe. Our classification groups None and Minor controversies into one category.

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Quality of Accounts	Our measure of quality of accounts looks at 8 criteria covered by MSCI ESG: 1) Internal controls: is there evidence of material weakness in the company's internal control systems? 2) Revenue recognition: are there forensic accounting ratios related to revenue recognition that have extreme values either relative to industry peers or to the company's own history? 3) Expense recognition: are there forensic accounting ratios related to expense recognition that have extreme values either relative to industry peers or to the company's own history? 4) Restatements or special charges: does the company have a history of significant restatements, special charges or write-offs? 5) Auditor report concerns: has the company's independent auditor expressed a qualified opinion, or questioned the company's ability to remain a going concern in the most recently reported period? 6) Emphasis of Matter: does the Auditor Report include an Emphasis of Matter paragraph which the auditors view as fundamental to the understanding of the accounts? 7) Auditor independence: did the company pay its auditor less for audit and audit-related services than for other services in the last fiscal year? 8) Accounting investigations: has the company come under investigation, or been subject to fine, settlement or conviction for issues related to its accounting practices within the past two years? If a company has no flags, it receives the highest grading, while a high number of flags may reflect on a poor quality of accounts.
Quality of Board	Our measure of quality of board looks at eight criteria covered by MSCI ESG: 1) Entrenched board: does the percentage of long-tenured, aging directors suggest a problem with board entrenchment? 2) Overboarded directors: do any of the company's executive board members serve on the boards of two or more additional public companies? Do any of the company's non-executive board members serve on the boards of three or more additional public companies? 3) Audit Committee independence: has the company failed to establish an audit committee or audit board comprising only directors who are independent of management based on MSCI ESG Research's criteria? 4) Board attendance failures: did all members attend at least 75% of all board and committee meetings? 5) Significant votes against directors: are there one or more directors on the board who received a negative or withheld shareholder vote in excess of 10% in the most recently reported election? 6) Controlling shareholder concerns: does the company's ownership structure or governance arrangements indicate special concerns for minority public shareholders? 7) No independent director: is the board composed entirely of directors who do not meet the MSCI ESG Research criteria for independence? 8) No independent lead director: for companies with a non-independent chair, has the company failed to designate an individually named non-executive lead director or independent deputy chairman who is classified as both independent of management and independent of other interests (links to employees, Government or major owners), based on MSCI ESG Research criteria? If a company has no flags, it receives the highest grading, while a high number of flags may reflect on a poor quality of board.

Incentives	Our measure of compensation governance looks at eight criteria covered by MSCI ESG: 1) Total CEO Pay Awarded: does the most recently reported total awarded CEO pay figure fall into an extreme range relative to the company's peers? 2) Long-Term Pay Performance: does the CEO's equity pay fail to reflect the company's TSR performance over the last three and five years? 3) Long-Term Pay Performance Versus Peers: does the CEO's equity pay fail to reflect the company's TSR performance over the last three and five years relative to their Pay Peer Group? Pay Committee concerns: does the company lack a pay committee? Are there company executives serving on the pay committee? Is a majority of the pay committee comprised of active CEOs from other public companies? Are there directors serving on the committee who are not independent of management based on MSCI ESG Research's criteria? 4) Short-Term Pay Performance: did the CEO's short-term incentives fail to rise or fall in line with annual performance? 5) Pay Linked to Sustainability: has the company, if designated as having either a high environmental or social impact, failed to incorporate links to sustainability performance in its current incentive pay policies? 6) Pay Controversy: have the company's pay policies or practices attracted adverse public comment from stakeholders (including shareholders, government, regulators etc.)? 7) Significant Vote Against Pay Practices: for the most recently reported period, did the company receive a negative vote in excess of 10% against its pay policies and practices? 8) Say on Pay Policy: does the company fail to hold regular Say on Pay votes? If a company has no flag, it receives the highest grading, while a high number of flags may reflect on a poor quality of board.

Source: Trium Sustainable Innovators