



TRIUM SUSTAINABLE INNOVATORS

Engagement Policy

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FUNDS IN SCOPE

Fund	Labels	Major asset classes
Trium Sustainable Innovators Global Equity Fund	LuxFLAG	Global growth equities
Trium Sustainable Innovators North American Equity Fund	LuxFLAG	North American growth equities

EXTRA-FINANCIAL OBJECTIVES OF FUNDS

The Trium Sustainable Innovators Global Equity fund and North American Equity fund focus on two key extra-financial objectives:

Objective: Reduce GHG emissions

Indicator: Scope 1+2 GHG emission intensity

Binding investment criterion: The funds must not invest in companies where the Scope 1+2 GHG emission indicator is above 50 tons per USDm in revenues.

Objective: Board Gender Diversity

Indicator: Female to male ratio of board members

Binding investment criterion: The funds must not invest in companies where the female to male ratio of board members is less than 20%.

TSI engages with companies and votes in annual general meetings in alignment with these objectives. We report on our performance of the above objectives in our annual Voting Report, Engagement Report, and in our monthly Investor reports.

OUR COMPANY AND OUR SRI APPROACH

Trium And Responsible Investing

Trium Capital LLP (“**Trium**”, “**TCL**”, 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 recognises that strong governance alongside a workplace with an environment and culture that respects, values, stimulates and enables opportunities for all, will contribute positively to its financial performance and operational efficiency. Trium also believes it is essential that our workplace practices and values are aligned with the investment principles it applies as a responsible investor.

Trium takes ESG factors into account while ensuring that assets under its stewardship are managed in a way which maximises value for its clients. ESG principles help Trium uncover company risks as is consistent with its fiduciary duty.

Trium has been a signatory of the Principles for Responsible Investment (originally the UNPRI) since 2015. The PRI helps guide Trium in its investment approach with globally accepted standards for responsible investing.

In 2015, the United Nations agreed on 17 Sustainable Development Goals (SDGs) with the aim of safeguarding the planet, ending poverty, and bringing prosperity to all by 2030. Within the asset management industry there are various initiatives to align managers with universal, global sustainability goals. Where relevant, we aim to support these endeavours.

We understand that our responsibilities extend beyond those of our Portfolio Managers, investors and shareholders. As an organisation, we support various charities and social enterprises (Operation Christmas Child, Help for Children, Maths4Girls).

Our fund range includes dedicated ESG products, and we can often adapt investment products to satisfy an investor’s specific ESG requirements

In addition to adopting a comprehensive ESG policy, Trium has partnered with NorthPeak Advisory, a specialist RI/ESG firm to support Trium in evaluating and evolving its ESG strategy over time. NorthPeak Advisory are independent of the investment team and therefore can be impartial and objective.

Trium’s investment strategies are not available to retail investors and are solely marketed to professional investors. Full detail of Trium’s approach to ESG & Responsible Investing can be found here: <https://trium-capital.com/ESG>

TRIUM CAPITAL LLP- ENGAGEMENT

Trium is a regulated full scope AIFM and investment manager to UCITS Funds. It is registered in the USA as a CPO with the CFTC/NFA, NFA ID: 0477553. Trium Capital LLP is a registered investment advisor with the Securities and Exchange Commission (“SEC”) in the United States | CRD# 306112/SEC#: 801-122997.

As part of its commitment to be a responsible investor, Trium engages with its investees on ESG issues within some of its strategies. This explicitly addresses the PRI Principle 3, to which Trium is a signatory, and which states that, “We seek appropriate disclosure on ESG issues by the companies we invest in” (PRI).

It is important to note that Trium’s structure of investment means not all investment strategies allow effective engagement. As an example, a Global Macro strategy, where no single stock positions are held, does not lend itself to shareholder engagement. Where able, Trium prioritises its engagement activities based on the materiality of the ESG issue, its exposure to the investee and the expected benefit to our investors.

Trium has considered the recent updates to the Stewardship Code in January 2020 and the Shareholder Rights Directive II that took effect in June 2019. The Financial Conduct Authority and the Financial Reporting Council have acknowledged that certain aspects of the Stewardship Code are not directly relevant to all managers.

Trium is a fund manager to a number of alternative and regulated funds and strategies and it pursues an investment strategy to which the aims of the Stewardship Code are not fully relevant. Trium believe the Stewardship Code offers good guidance and the Firm seeks to be in adherence to it in material matters.

While the Firm supports the general objectives that underlie the Code and the Directive, the provisions of the Code are not relevant to the type of activity currently undertaken by the Firm because it does not adapt an overall active approach to shareholder participation.

Trium have been signatories to the United Nations Principles for Responsible Investment since 2015 and are committed to following the principals and guidelines that help companies to address social, ethical, environmental and corporate governance issues into the investment process.

In 2018, Trium became a signatory to the CDP (formerly the Carbon Disclosure Project), an independent organisation that runs the global disclosure system for investors, companies, cities and states to measure and manage their environmental impacts.

Proxy-Voting

A full version of Trium’s Proxy Voting Policy is available to investors upon request.

TRIUM SUSTAINABLE INNOVATORS FUNDS- ENGAGEMENT APPROACH

Through the Trium Sustainable Innovators (“TSI”) funds’ holdings in companies, we have the ability to engage in dialogue and exert influence on the way a company is managed. We consider this to be one of the most important aspects of our sustainable investing work, influencing and helping to improve corporate practices.

The TSI team maintains frequent corporate engagement with companies on their Top50 list of investible companies as well as prospective or related companies. They engage with them on financial and non-financial matters, including environmental, social or governance (ESG) matters.

An engagement is defined as a discussion with a company representative, typically investor relations and top management, through any channel (phone, email, etc.). Listen-only events or simple data requests do not count as engagement.

An active engagement is defined as a request for change of corporate practices. However, the investment team only conducts active engagements after the initial engagement occurs, and in the team’s view, the matter is not resolved. As a result, further in-depth research on the matter is conducted, and if the team agrees there is enough evidence, a formal process of active engagement with a company commences.

We consider engagement to be a performance enhancer that is consistent with our funds' research-intensive, long-term oriented investment strategy. Through engagement, we aim to identify material ESG risks (such as poor executive compensation or labour friction) and ESG opportunities (such as growth opportunities in cleantech) that are likely to translate into fundamental performance of our investment companies.

Furthermore, we believe that our investee companies' long-term performance is built on a healthy relationship with the broader eco-system in which these companies operate. As such, we consider ourselves responsible asset managers who create long-term value for all stakeholders and, ultimately, society at large.

We believe asset managers can be a powerful vector for change in the corporate world. The TSI team has created the Leonie & Norman Institute with the objective of spreading best practices across the corporate world (see more information on the Leonie & Norman Institute below).

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.

We distinguish between individual engagement and collaborative engagement.

Individual Engagement

The TSI Investment team engages in dialogue with companies within their Top50 list and beyond. We believe that one-to-one interactions are useful for several reasons:

- ▶ They allow us to dive deeper into specific ESG topics than what is covered in the company’s public reporting;
- ▶ They provide us with an opportunity to give feedback to the company on specific concerns or opportunities from the viewpoint of the investors. Importantly, we also participate in “positive engagement”, where we congratulate companies for their ESG strategy decisions or improvements; and

- ▶ They help us to build a relationship of trust with our portfolio companies. This is, in our view, the key to developing a mutually beneficial dialogue with these companies.

Collaborative Engagement

The Leonie and Norman Institute was set up as an open eco-system where asset managers and other organisations can collaborate on specific active engagements. The objective is threefold:

- ▶ Increase the leverage towards the company as a result of a larger combined asset under management and the resulting share in voting rights;
- ▶ Share knowledge and best practices among asset managers; and
- ▶ Create public awareness for certain ESG topics, due to educational material posted on the Leonie and Norman Institute LinkedIn page.

Collaborative engagement can result in more leverage to internal corporate drivers on ESG issues due to larger collective assets under management working together or higher perceived ESG expertise of the investor group.

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 Collaborative Engagement as described above, does not constitute collusion.

Escalation Route

The Trium Sustainable Innovators team is keen to support all companies in developing a corporate sustainability strategy and promoting transparency.


As a binding investment criterion, we can divest from any company that fails to respond to our engagement efforts on three different occasions. Assuming that these failures occur six months after our initial engagement. In 2021, there were no occasions where a company failed to respond to our engagement efforts which could lead to a divestment.

An example 'path' to escalation for a company not responding to our attempts at engagement is below:



Leonie and Norman Institute

The Leonie and Norman Institute is a think tank focused on sustainability and engagement. It was created by the TSI team to serve as a hub for TSI's engagement activities and a platform for joint engagement with other asset managers and organisations.



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

The Institute also contributes to public debate around ESG with the aim of increasing impact and triggering a change in corporate behaviour.

We conduct:

- ▶ **Video Campaigns:** We build video campaigns on topics ranging from executive compensation practices to environmental matters and social controversies. The goal is to raise awareness on these issues for the public and our viewers.
- ▶ **Posts:** We share thought pieces on ESG related topics such as company's handprint or positive engagement supporting company's efforts.
- ▶ **Research:** We conduct in-depth research papers on current topics relevant to environment, social and governance matters.

We engage in dialogue with companies on a range of topics, from executive compensation to social controversies or climate-related issues.