

alphatrust

ESG Investment Policy

December 2023

Signatory of:



ALPHA TRUST MUTUAL FUND AND ALTERNATIVE INVESTMENT FUND MANAGEMENT SINGLE MEMBER S.A.

UCITS OFFER NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE THE FUTURE ONE

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Definitions

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| <p>ESG issues or factors or criteria</p> | <p>Environmental (E), social (S) and governance issues (G) that are identified or assessed in responsible investment processes.</p> <p>Environmental factors are issues relating to the quality and functioning of the natural environment and natural systems.</p> <p>Social factors are issues relating to the rights, well-being and interests of people and communities.</p> <p>Governance factors are issues relating to the governance of companies and other investee entities ¹.</p> |
| <p>Responsible Investment</p> | <p>A process that actively addresses environmental, social and governance (ESG) issues in the context of investment decision-making practices. This process affects asset allocation, stock selection, portfolio construction, active participation and voting rights activities.</p> |
| <p>REGULATION (EU) 2019/2088</p> | <p>REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) ².</p> |
| <p>Sustainable Investment</p> | <p>Investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or</p> <p>an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities,</p> <p>provided that such investments do not significantly harm any of those objectives, and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance ².</p> |
| <p>Sustainability Risk</p> | <p>An environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment ².</p> |
| <p>Sustainability Factors</p> | <p>Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters ².</p> |

¹ [Reporting Framework glossary | PRI Web Page | PRI \(unpri.org\)](#)

² <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32019R2088&from=EN#d1e980-1-1>



Introduction

ALPHA TRUST MUTUAL FUND AND ALTERNATIVE INVESTMENT FUND MANAGEMENT SINGLE MEMBER S.A. (hereafter “ALPHA TRUST” or/and “Company”) has established and maintains **ESG Investment Policy** (or/and “Responsible investment Policy”, or/and “Policy”) on **environmental, social and governance** issues, (“ESG” issues or factors or criteria) related to the Company's business activities.

Purpose

On 25 September 2015, the **UN General Assembly** adopted a new global Sustainable Development framework: the **2030 Agenda for Sustainable Development** (the “2030 Agenda”), which has at its core the Sustainable Development Goals (SDGs), as a global framework for action to end extreme poverty, combat inequality and injustice, and protect the planet. The Agenda requires a fundamentally different model of economic growth that is socially inclusive and environmentally sustainable³.

The **Paris Agreement** adopted under the United Nations Framework Convention on **Climate Change** (the “Paris Agreement”), which was approved by the Union on 5 October 2016, seeks to strengthen the response to climate change by, inter alia, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development⁴.

In the context of achieving the objectives of the Paris Agreement, the **Regulation (EU) 2019/2088** on sustainability-related disclosures in the financial services sector, as in force, seeks to achieve more transparency regarding how financial market participants integrate sustainability risks in their processes on their investment decisions and investment advice and lays down rules on the assessment of adverse sustainability impacts and the provision of sustainability-related information with respect to financial products.

ALPHA TRUST's goal is to create long-term value and the transition to a sustainable future. The Company, acting consistently in the best interest of investors and society, recognizes the responsibility to consider environmental, social and governance (ESG) factors in its investment process and operation.

³ United Nations, 2015. Transforming our world: the 2030 Agenda for Sustainable Development. Resolution A/RES/70/1. [United Nations Official Document](#)

⁴ [https://eur-lex.europa.eu/legal-content/EL/TXT/HTML/?uri=CELEX:22016A1019\(01\)&from=EL](https://eur-lex.europa.eu/legal-content/EL/TXT/HTML/?uri=CELEX:22016A1019(01)&from=EL)



By joining, in June 2020, the UN-backed initiative **Principles for Responsible Investments - PRI**, ALPHA TRUST is part of the global Network of Responsible Investments ⁵.

The purpose of the **ESG Investment Policy** is to set guidelines for the **adoption** and **integration** of **ESG factors** in the investment decision-making and active ownership.

Scope

The Scope of the ESG Investment Policy applies to the entire investment activity as well as the Company's risk measurements.

The Policy applies to UCITS & AIFs managed by the Company, as well as to the portfolios of institutional and private investors under management.

It is noted that, in addition to this Policy, the Company has adopted and implements codes, policies and procedures regarding the performance of Responsible Business Behavior, such as:

Business Code of Ethics

Code of Conduct for Employed Persons

Remuneration Policy

Active ownership and of Voting Rights Policy

Anti-fraud, anti-bribery and anti-corruption policy

Whistleblowing Policy

Sustainability Risk Policy

Policy (I) Preventing and Combating Violence and Harassment at Work & (II) Management of Internal Complaints of Incidents of Violence and Harassment

Privacy Policy

⁵ <https://www.unpri.org/signatory-directory/alpha-trust-/5892.article>



ALPHA TRUST supports the Principles of Responsible Investment

ALPHA TRUST, recognising the importance of responsible investment decisions based on ESG criteria, joined the "Principles for Responsible Investment" (PRI) initiative as "Investment Manager Signatory" in June 2020 ⁶.

As a PRI signatory, ALPHA TRUST adopts the following principles of responsible investment:

- * Incorporation of ESG issues into investment analysis and decision-making processes.
- * Active ownership and incorporation of ESG issues into our ownership policies and practices.
- * Seeking of appropriate disclosure on ESG issues by the entities in which the company invests.
- * Promotion of acceptance and implementation of the principles within the investment industry.
- * Collaboration for the enhancement of the corporate effectiveness in the implementation of the principles.
- * Submission of a Transparency Report regarding the activities and implementation progress of principles.

Initiatives, principles and standards of Sustainable Development

The Company participates and gradually implements standards, frameworks and principles related to Sustainable Development, including:

1. It has joined the initiative Net Zero Asset Managers Initiative ⁷
2. As a member of the ALPHA TRUST Group supports the international initiative Task Force on Climate-related Financial Disclosures (TCFD) ⁸
3. Participates in the voluntary initiative of the U.N. (UN Global Compact as "Participant" ⁹ and
4. in the Global Compact Network Hellas (GCNH), the local network of UN Global Compact, as a "Member" ¹⁰.

⁶ <https://www.unpri.org/signatory-directory/alpha-trust-/5892.article>

⁷ <https://www.netzeroassetmanagers.org/signatories/>

⁸ [Supporters | Task Force on Climate-Related Financial Disclosures \(fsb-tcf.org\)](https://www.taskforceonclimate-relatedfinancialdisclosures.org/supporters)

⁹ <https://unglobalcompact.org>

¹⁰ <https://globalcompact.gr/>

ESG Investment Approach

The integration of ESG criteria (environmental, social and corporate governance criteria) effectively complements the existing investment process of ALPHA TRUST and aims to formulate an integrated investment policy that, in addition to adapting to regulatory requirements, creates the responsible investment management framework. The above criteria are part of the quantitative and qualitative analysis of investments made both at company level and at sector or country level.

In the context of this process, ALPHA TRUST actively seeks investments in sectors and businesses with a positive impact on ESG issues.

Elements that reflect the quality of corporate governance and incorporate environmental and social criteria (ESG) form relevant indicators that are counted in the investment evaluation and are taken into account along with the other parameters (financial and other fundamentals) in the investment decision-making.

The Company assesses the Sustainability Risks of the UCITS, AIFs and portfolios under management, by calculating a series of indicators, including the "ESG Score" of the portfolios, using specialized databases and information sources, while where required, it prepares its own internal assessments based on the continuous monitoring of the qualitative and quantitative fundamentals of the companies/issuers, as well as on ALPHA TRUST's active participation in the issuers' general meetings.

The "ESG Score" of the portfolios shall be calculated at least semi-annually as a weighted average of the relevant ESG ratings of the rated securities contained in the portfolio.

The ESG scores that used in the Company's reporting and Sustainability Risk calculations, are designed to transparently and objectively measure a company's relative performance, commitment and ESG effectiveness, based on data reported by the company, covering 10 key areas including emissions, environmental product innovation, human rights, shareholders and others. The Sustainability Risk Management Policy details the risk appetite limits at the security and portfolio level, while also setting materiality thresholds. Potential breaches of the risk appetite and materiality thresholds lead to escalation processes, which may also lead to disinvestment.

More detailed assumptions for determining the ESG Score of niche products (e.g. green bonds, ethical/sustainable funds) are set out in the Sustainability Risk Management Policy.

For the establishment and management of UCITS, AIFs or portfolios that will promote environmental or social characteristics or a combination thereof or aim at sustainable investments, and thus fall, will fall under Articles 8 or 9, respectively, of Regulation (EU) 2019/2088, additional assessment procedures and strategies may be adopted, such as:

1. Negative Screening

This strategy leads to the exclusion of issuers with a low ESG score and negative impact on sustainability. Excluded from eligible investments are economic activities, sectors, companies, or countries that do not meet in absolute or relative terms relevant predefined criteria or violate relevant international standards or principles.

2. Positive Screening

The implementation of this strategy favours investments with a positive ESG impact, low sustainability risk and significant growth potential. The aim is to invest in sectors and businesses with a positive contribution to climate change and the environment, as well as in issuers that follow leading practices based on sustainability criteria.

Active Ownership Practices

Active Participation

Constructive dialogue with companies is a key part of ALPHA TRUST's investment process, especially in domestic investment choices. The aim is to better understand and assess the business model, strategy, management quality, significant risks and opportunities, including those related to ESG issues of the companies and industries in which they operate. Through dialogue with company management, visits, regular meetings and/or teleconferences, among others, the Company encourages the disclosure of information on ESG issues, improving performance, reducing the risk profile, developing more sustainable business practices.

Voting rights

ALPHA TRUST has established and maintains an Active ownership and of Voting Rights Policy in which - among other things - declares the corporate governance practices of issuers that are acceptable to the Company and provides for the handling of any conflict-of-interest issues that may arise, as well as the keeping of relevant records and the provision of additional details of actions taken on the basis of this Policy.

Details of the Active Participation and Voting Rights Policy are retained on the Company's website.



ESG Committee

ALPHA TRUST has established the **ESG Committee** (hereinafter the "Committee") on environmental, social and corporate governance issues relevant to the Company's business activities ("ESG" issues or factors or criteria).

Composition of the Committee

The Committee consists of at least three members appointed by the Board of Directors of the Company and may be either employees of the Company with knowledge of the subject of ESG, or third parties. The Committee must in any event include the Company's Chief Investment Officer. The Chief Executive Officer and other persons of the Company in an advisory capacity may attend the meetings. The Committee may be assisted in its work by other committees of the Company.

Committee meetings

The Committee shall meet at least four times a year. The Committee is in quorum when at least three members are present, and decisions are taken by a majority of the members who are present. Minutes shall be taken at the meetings.

Responsibilities of the Committee

By way of illustration and not limitation, the ESG Committee has the following responsibilities:

- Contributes to defining broader framework of the Company's approach to integrating of ESG factors in its operations.
- Participates in the development, evaluation and monitoring of the implementation of the ESG Policy.
- Monitors the integration of ESG criteria into the investment process.
- Monitors reports on sustainability risks and the adverse impacts of investment decisions on sustainability factors.
- Monitors the Company's ESG policies and procedures and their implementation.
- Prepares the annual PRI Transparency Report and evaluates the results of the report as derived from the PRI.
- Monitors developments and general trends in ESG issues.
- Communicates and trains on ESG issues the Company's employees.
- Proposes and monitors the Company's initiatives on environmental issues (such as factors affecting climate change, proper energy consumption, sustainability of energy sources, etc.).



Approval and Revision of the Policy

This Policy shall be developed and revised, as necessary, by the ESG Committee and approved by the Board of Directors of the Company.



Signatory of:



Signed the Principles: 5 June 2020

- Signatory category: Investment Manager
- HQ: Greece

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