

# Environmental, Social and Governance (ESG) Investment Policy Statement

## INTRODUCTION

SIGNET's mission is to implement efficient asset management services and deliver absolute investment returns. This ESG Investment Policy Statement represents our commitment to the integration of ESG factors into our investments and applies to our long-term investment process. This statement is reviewed at least annually and is updated periodically to reflect material changes.

SIGNET aims to achieve long-term sustainable investment returns for our clients/investors by integrating sustainable practices into our core business. In addition, we are aware that sustainable investment is no longer an option but a necessity.

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) POLICY STATEMENT

At SIGNET, we make our investment decisions independently and apply a systemic, collective decision-making approach to all our investments. More specifically, we are focused on assisting our investors to reach long-term investment goals by providing flexible and well-constructed portfolios. Our investment conviction is that sustainability and climate-integrated portfolios can provide better risk-adjusted returns to investors over the long term, and that sustainability-related data provides an increasingly important set of tools to identify unpriced risks and opportunities within portfolios. Our investment philosophy is based on long-term investments in companies with sustainable businesses focused on creating long term value. For this reason, we integrate analysis of Environmental, Social, and Governance (ESG) factors into our investment process. SIGNET's investment process is structured to identify ESG risks and opportunities alongside traditional measures. Additionally, SIGNET maintains a consistent framework for ESG integration that also allows a diversity of approaches across different investment strategies. Therefore, ESG considerations vary by investor objectives, investment style, sector, and market trends. The Board of Directors oversees and is ultimately responsible for our ESG practices.

SIGNET applies a disciplined approach to selecting investments including both macroeconomic and microeconomic factors.

## ESG INTEGRATION INTO INVESTMENT APPROACH

At SIGNET, we define ESG integration as the consistent consideration of material ESG factors within our investment research process to enhance clients/investors' long-term risk-adjusted returns. The initial assessment, including the ESG factors, is the responsibility of our investment research and analysis team which has substantial contribution to the process. Material ESG factors include, but are not limited to, climate change risks, social inequality, shifting consumer preferences and regulatory risks. We believe that sustainability-related issues, from board composition to human capital management to climate risks and opportunities, have real financial impacts. For this reason, our engagement is focused mainly on governance, corporate strategy, compensation, climate risk disclosure, and human capital. SIGNET incorporates the relevant ESG factors as part of a successful investment process. In addition, for each specific investment, we

identify and apply critical opportunities and risks that may include ESG factors. We recognize that ESG factors are increasingly essential inputs when evaluating global economies, markets, sectors, and their respective industries. However, integrating ESG factors into our investment approach does not mean that ESG information is the primary consideration for an investment decision. Conversely, including ESG considerations can certainly help us to make investment decisions. Consequently, the relevance of ESG considerations to investment decisions may vary across different asset classes and strategies. By increasing and diversifying the information assessed, we believe that we can generate a more comprehensive view of an investment that will generate opportunities to enhance returns.

For delivering the most adequate long-term outcomes for our clients/investors and shareholders we operate, invest in, with a focus on the long-term. The execution of this strategy depends on a strong corporate governance framework and more specifically, the following factors:

Governance and Board: We have implemented a sound corporate governance policy that includes strong Board leadership, prudent management practices and transparency. This policy lays out a set of principles, guidelines and practices that support sustainable financial performance and long-term value creation for our shareholders. Since SIGNET's Board plays a fundamental role in our governance and long-term sustainability, this approach is reviewed frequently considering our general governance standards, which includes a rigorous review of Director candidates, their professional background, experience, age and nationality, appropriate skills and the relevance of their qualifications to SIGNET's current and future global strategy, business and governance.

Human Capital: As an asset manager, SIGNET's long-term sustainability is heavily dependent on its employees. We deliberately align employee incentives with the risk and performance frameworks of the firm. We are committed to fostering a unifying culture which encourages innovation, and ensures that we are recruiting, developing, and retaining the best talent and incorporating inclusiveness and diversity at all levels of our business.

Environmental Sustainability: SIGNET is committed to using its resources responsibly to support the long-term sustainability of both the company and the global environment. Employees are also encouraged to participate in activities that have a positive impact on the environment, including but not limited to low carbon travel to work, and video conferencing in lieu of travel.

Risk Management: Understanding and managing risk is the cornerstone of SIGNET's approach to responsible investing. SIGNET's asset management team's investment approach provides independent top-down and bottom-up oversight to help identify investment, counterparty, operational, regulatory and technology risks. SIGNET's Board has the ultimate responsibility for oversight of risk management activities.

Public Policy: SIGNET believes that public policies and regulations can be created to support the long-term interests of its clients/investors and shareholders. Therefore, SIGNET supports the creation of regulatory regimes that increase the protection of investors, financial market transparency, and facilitate responsible growth of capital markets as well as properly balancing benefits.

## **INVESTMENT & PORTFOLIO CONSTRUCTION PROCESS**

At SIGNET, we cooperate with our clients/investors to identify and deliver sustainability objectives that fit with their specific needs.

SIGNET's asset management department is responsible for continuous monitoring of relevant markets for each investment asset class. An investment can be rejected for a number of reasons, including aspects relating to ESG. SIGNET's investment committee discusses and approves the investment strategies and directs the asset management team accordingly. Considering ESG factors ensures not only accuracy, but also transparency.

SIGNET's investment strategy and process follow sustainable investment principles based on the identification of companies in accordance with our quantitative and qualitative criteria including ESG sustainability factors and corporate governance. For this reason, SIGNET seeks to:

- Target sectors, industries and companies that focus on sustainability, encouraging their growth;
- Divest capital from companies that may be at risk due to structural changes;
- Enhance knowledge of and perspective on the key challenges that will allow us to optimize our ability to make successful decisions.

## **ESG RISKS**

Our asset management and investment analysis teams are responsible for completing ESG risks and opportunities checklists and underline the identified material ESG factors as a required part of their duties when presenting recommendations to our investment committee. In addition, ESG factors are different for each company and the evaluation of these factors does not depend only on those rules or metrics since we assess a company's performance on ESG in the context of its respective industry, domicile, and history. As long-term investors, we weigh valuation against risks and opportunities for each company and issuer separately and we believe that material ESG factors have a meaningful impact on current and future valuations.

## **CONCLUSION**

We seek to embed a sustainable approach at the core of our investment process make us analyse the past in order to anticipate future developments better through our long-term investments. Our investment decisions include environmental, social and governance risks which allow us to provide efficient asset management services towards our clients/investors.