

AISM Luxembourg – ESG Investment Policy

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1. Introduction

At AISM Luxembourg, we are committed to integrating Environmental, Social, and Governance (ESG) considerations into our investment processes. We believe that responsible investment practices not only promote positive environmental and social outcomes but also contribute to long-term financial returns. This policy outlines our approach to incorporating ESG factors into our investment decisions, with the goal of supporting sustainable development and ethical governance across our investment portfolio.

2. ESG Integration in Investment Decisions

Our investment strategy is guided by the following principles:

- **Environmental Considerations:** We prioritize investments in companies and projects that demonstrate a commitment to environmental sustainability. This includes supporting businesses that focus on reducing carbon emissions, utilizing renewable energy, promoting energy efficiency, managing natural resources responsibly, protecting biodiversity, etc.
- **Social Responsibility:** We seek to invest in companies that uphold strong social values, such as respecting diversity and inclusion, ensuring fair labor practices, and contributing positively to society. We avoid investments in entities involved in practices that are harmful to these values.
- **Governance Practices:** We favor investments in companies with transparent and ethical governance structures. This includes strong oversight by independent boards, robust risk management practices, anti-corruption measures, and a commitment to shareholder rights. We avoid investing in companies with a history of poor governance or unethical business practices.

3. ESG Indicators Considered

In our investment selection process, we take into account a broad range of ESG indicators to ensure our investments align with our commitment to sustainability and responsible investing. The key areas we consider include:

- **Environmental Impact:** We assess factors such as carbon emissions, greenhouse gas intensity, exposure to both fossil fuels and renewable energy, water pollution, and waste

production. We seek to invest in companies that demonstrate strong environmental stewardship and are working to minimize their ecological footprint.

- **Social Responsibility:** We evaluate companies based on their adherence to international standards, such as the United Nations Global Compact (UNGC) and the OECD Guidelines. Additionally, we consider their commitment to social issues, including gender equality.
- **Governance Practices:** We examine the governance structures of potential investments, focusing on transparency, ethical conduct, and alignment with best practices in corporate governance. This includes ensuring that companies avoid involvement in activities related to controversial weapons and other practices that are misaligned with our values.

4. ESG Due Diligence Process

To ensure that ESG considerations are effectively integrated into our investment process, we have established a comprehensive due diligence framework:

- **Screening:** All potential investments undergo an initial ESG screening to identify any significant risks or opportunities related to environmental, social, or governance factors. This screening helps us exclude investments that do not meet our ESG criteria.
- **ESG Risk Assessment:** For investments that pass the initial screening, we conduct a detailed ESG risk assessment. This involves evaluating the ESG practices of the target company or project, including its environmental impact, social contributions, and governance structure.
- **Engagement:** Where appropriate, we engage with the management of potential investment targets to discuss ESG issues and encourage the adoption of best practices. We believe that active engagement can lead to improved ESG performance and better long-term outcomes.
- **Ongoing Monitoring:** After making an investment, we continuously monitor the ESG performance of our portfolio companies. We regularly review ESG metrics and engage with management to address any concerns or areas for improvement.

5. ESG Impact Measurement

We are committed to measuring and reporting the impact of our ESG-focused investments. We utilize both qualitative and quantitative metrics to assess how our investments contribute to

environmental sustainability, social well-being, and strong governance. These metrics are regularly reviewed and reported to our stakeholders as part of our commitment to transparency.

6. Collaboration and Advocacy

We believe in the power of collaboration to advance ESG goals. We actively participate in industry initiatives and collaborate with other investors, companies, and organizations to promote best practices in ESG investing. Additionally, we advocate for regulatory and policy changes that support sustainable and responsible investment practices.

7. Conclusion

At AISM Luxembourg, responsible investment is a core element of our strategy. By integrating ESG considerations into our investment process, we aim to create long-term value for our stakeholders while contributing to a more sustainable and equitable world. This policy will be reviewed annually to ensure it reflects the evolving ESG landscape and our ongoing commitment to responsible investment.