

**VAM Global Management Company S.A.**  
*Société anonyme*  
 Josy Welter House. 8-10, rue Genistre,  
 L-1623 Luxembourg, Grand-Duchy of Luxembourg  
 R.C.S. Luxembourg: B 207.262  
 ("VAM GMC")




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**Integration of sustainability risks in the investment decision making process  
 (the "Policy")**

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**This Policy has been adopted by, and therefore covers:  
 VAM Funds (Lux)  
 VAM Managed Funds (Lux) and  
 VAM Global Management Company S.A.**

<b>Policy</b>	Integration of sustainability risks in the investment decision making process	<b>Approved by</b>	The Board of Directors of VAM GMC and the Funds	
<b>Policy application date</b>	Effective immediately upon adoption	<b>Original Approval date</b>	02.2021	Version 1
		<b>Last Revision Date</b>	10/11/2023	Version 2
<b>Next revision date</b>	2024 Q4	<b>Distribution</b>	Internal / VAM GMC and the Funds website	

# Table of Contents

1. The company.....	3
2. General overview .....	3
3. Introduction .....	3
4. Responsibilities & Oversight .....	3
5. Integration.....	4
6. Portfolio Guidelines.....	4
7. Engagement & Active Ownership.....	4
8. Commitments to International Standards .....	4
9. Distribution .....	4
10. Effective date.....	4

## **1. The company**

VAM Global Management Company SA (hereafter “VAM GMC”) is a public limited liability company (*société anonyme*) incorporated and governed by the laws of the Grand Duchy of Luxembourg, having its registered office at Josy Welter House, 8-10, rue Genistre, L-1623 Luxembourg, registered with the *Registre de Commerce et des Sociétés de Luxembourg* under number B207.262.

VAM GMC is currently licensed by the CSSF as a Management Company under the regime set out in Chapter 15 of the Law of December 17th, 2010 on undertakings for collective investment. Accordingly, VAM GMC is what is commonly known as a ‘UCITS management company’.

Further to Investment Management Agreements entered into between the Funds, VAM GMC and the Investment Managers, VAM GMC and the Funds have appointed Investment Managers to manage the day to day investment activity of the Funds.

## **2. General overview**

This Policy provides for the principles and measures adopted and applied by VAM GMC further to the requirements of 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, as amended from time to time, here in after referred to as the “Regulation”.

This Policy applies to the Funds, VAM GMC and the Investment Managers and the listed equity investments held by the equity-oriented strategies managed by the Investment Managers for the Funds. These strategies represent a significant majority of assets under management.

Following the appointment of the Investment Managers for the Funds, the Funds follow the Investment Managers guidance on how it can best implement its Policy on the integration of sustainability risks in its investment decision making process.

The Investment Managers have in place ESG Policies and it is these policies that forms the basis of VAM GMC’s and the Funds Environmental, Social and Governance Policy.

## **3. Introduction**

VAM GMC and the Funds believes material environmental, social and governance (ESG) factors will affect the sustainability of its future earnings and profitability and therefore will have an impact on the risk and return potential of investments.

VAM GMC and the Funds believe the linkage between ESG factors and corporate fundamental operating metrics will likely persist, if not increase, in the future.

VAM GMC and the Funds believes that shareholders are interested in understanding the social and environmental impact of their investments in addition to their investment results.

For these reasons the Investment Managers, on behalf of VAM GMC and the Funds, integrate ESG factors into their analysis of listed equity investments.

## **4. Responsibilities & Oversight**

After implementation of any new regulations or decisions regarding ESG, the Boards of VAM GMC and the Funds are responsible for the review and regular update of this Policy. In the Boards takes account of any changes to the Investment Managers ESG Policies when performing this review.

## **5. Integration**

The Investment Managers integrate ESG factor analysis into their investment process through quantitative and qualitative analysis.

Quantitatively, the Investment Managers layer ESG metrics from external sources into the quantitative aspects of its research process. By isolating potential investments that score poorly or have negative commentary, the Investment Managers seek to identify risks that may not always be obvious through traditional fundamental analysis.

Qualitative fundamental analysis is also conducted on companies, including an assessment of the companies' ESG footprint.

Consistent with the Investment Managers' risk management process, the purpose of this analysis is to ensure that ESG related risks are identified, understood, and controlled, to the extent practical.

## **6. Portfolio Guidelines**

The Investment Managers' general approach to ESG is inclusionary as opposed to exclusionary. ESG factors are one part of the overall investment analysis the Investment Managers' investment teams conduct when determining the potential for companies to deliver differentiated earnings growth. Rigid constraints, guidelines and negative screening are not applied within the Investment Managers' traditional equity investment strategies.

## **7. Engagement & Active Ownership**

As part of the Investment Managers' due diligence, the Investment Manager generally expect to engage with company management teams on potential ESG concerns that the Investment Manager has identified. However, the Investment Managers typically avoid investor activism as a method to improve corporate performance to generate returns. If the Investment Manager is uncomfortable with the risks of an investment in a company - ESG or otherwise - the Investment Manager's general approach is to divest the investment from the Funds' portfolio or avoid the investment in the first place.

## **8. Commitments to International Standards**

The Investment Manager is committed of the Principles for Responsible Investment and is supportive of trends related to the growing importance of ESG. The Investment Manager welcomes dialogue with the Funds, VAM GMC and industry participants regarding ESG initiatives and organisations that are important to them.

## **9. Distribution**

This Policy is available free of charge to any Fund shareholder by way of a website.

VAM GMC and the Funds shall endeavour to ensure that the Investment Managers follow this Policy. Any change to this Policy shall be notified to the Investment Managers promptly.

## **10. Effective date**

VAM GMC and the Funds reserve the right to amend this Policy from time to time if circumstances (e.g. changes to legislation and regulations or progressive insight) make this necessary.