



Hellenic Asset Management  
ESG Policy Disclosure according to SFDR EU Regulation EU 2019/2088

Athens, March 10<sup>th</sup>, 2021

**ESG INVESTMENT POLICY & STRATEGY**

**A. Background and Disclaimer**

Hellenic Asset Management is an Alternative Investment Fund Management firm [AIFM], regulated by the Hellenic Capital Market Commission. Hellenic Asset Management signed the six PRI Principles and became PRI Signatory since February 2020.

The firm is committed to a philosophy of sustainable returns on investment. Beyond the application of fundamental financial analysis, the firm gradually integrates also **Environmental, Social and Governance (ESG)** metrics, factors and objectives into its investment philosophy, policy, strategy and processes in the whole investment life cycle with the goal to minimize its investments risks, improve its financial returns and have a positive ESG footprint. The ESG Metrics integration into the investment policy, strategy, and processes is an ongoing gradual process, that may affect asset allocation, assets valuation, risk assessment and eventually risk and financial returns.

With this ESG Investment Policy & Strategy, Hellenic Asset Management aims to build an ESG responsible investing procedure, to adapt to the new regulatory requirements, set by the EU SFDR (EU 2019/2088) and to the EU Taxonomy Regulation (EU 2020/852), minimizing risks and maximizing returns.

The ESG Investment Policy is available to all stakeholders on the official website of the firm and will be updated in due time and course, without prior notice.

**B. Defining ESG Investing for Hellenic Asset Management under the light of SFDR**

Hellenic Asset Management follows and applies the definition of ESG Investing, as it is defined by PRI and by SFDR EU Regulation.

ESG Investing Definition: According to the PRI, *Responsible Investing* is an investment process and approach to investing that aims to incorporate Environmental, Social and Governance (ESG) factors into the investment decision making process, to better manage risk and generate sustainable, long-term returns. A central feature of responsible investing is the identification and analysis of significant ESG metrics (KPIs) at portfolio companies or investment targets (the combination of which reflect Risks and Opportunities), to take them into account by the design and implementation of the investment strategy. (Source: Principles for Responsible Investment PRI).

“**Sustainable Investing**’ means an investment in an economic activity that contributes to:

- an **environmental objective** (‘E’), 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 circular economy **or**
- an investment in an economic activity that contributes to a **social objective** (‘S’), 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, provided that such investments do not significantly harm any of those objectives or
- that the investee companies follow **good governance practices ('G')**, with respect to sound management structures, employee relations, remuneration of staff and tax compliance (Source: 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. Article 2, par. 17).

### **C. ESG legal Frameworks and Principles acknowledged by Hellenic Asse Management**

Following relevant legal frameworks and principles are acknowledged for this ESG Policy and Strategy:

- The EU Sustainable Finance Disclosure Regulation - SFDR (EU 2019/2088).
- The EU Taxonomy Regulation (EU 2020/852).
- The Principles for Responsible Investment (PRI).
- The 17 United Nations Sustainable Development Goals (UN SDGs).
- Integration of ESG metrics into the overall investment process, policy and strategy in the investment life cycle.
- ESG risk management of investments at pre-investment phase and post investment phase.
- Integration of ESG metrics into the investment process by implementing a mix of ESG Investment strategies, in line with overall investment philosophy (e.g. excluding specific sectors and segments with high risk and negative ESG footprint, proactively seek for investment opportunities in sectors and segments with positive ESG footprint).
- Active shareholder ownership in portfolio companies with important stake.
- Discussing ESG issues in the Investment Committee.
- Committed to improving our ESG knowledge and know-how by participating in initiatives and networks and in ESG relevant forums, seminars and webinars.

### **D. Hellenic Asset Management ESG Principles**

- Combine financial fundamental analysis with ESG assessment at pre-investment - phase and ESG monitoring and active engagement at post-investment phase
- Integration of ESG metrics into the overall investment lifecycle.
- Targeted exclusion of sectors with negative ESG footprint.
- Targeted proactive selection of sectors with positive ESG footprint.
- Post investment active shareholder engagement.
- Integrate and apply mix of specific ESG strategies into our investment policy and strategy.
- Discuss ESG issues at the Investment Committee at least once per quarter.

Hellenic Asset Management has adopted the following process to design an efficient and SFDR compliant investment policy and strategy considering the ESG Risks and Opportunities in the investment decision making process. Hellenic Asset Management has adopted a mix of ESG Investment Strategies in the two out of the three asset classes, in which it invests (Fixed

Income, Funds of Funds excluding the Distressed Assets). Hellenic Asset Management applies ESG Scores and ESG Filters. Hellenic AM ESG Strategy includes a mix of following ESG Strategies and Filters:

- Negative Screening -Absolute & Conditional- (Exclusion ESG Strategy - with pre-defined sectors, segments, countries, regions excluded).
- Financial Fundamental Analysis Score
- ESG Score
- Positive ESG Screening (Best in Class ESG Strategy - pre-defined sectors, segments, countries, regions excluded).
- Norms based Screening.
- Active Shareholder Engagement.

**E. Hellenic Asset Management applies a written internal reporting and track record system of all our ESG actions and ESG activities such as:**

- On - going improvement of our internal ESG Know - How.
- Participation of our managers and officers in ESG relevant networks, forums, workshops, trainings, webinars, initiatives.
- Improvement in ESG strategic actions.
- Questionnaires, surveys, interviews on ESG issues and risks with portfolio companies and mutual funds managers.
- Meeting minutes and proposals for improvement on ESG issues to the portfolio companies and mutual funds managers.

**F. Statement pursuant to articles 4(1)(b) and (5)(b) of Regulation (EU) 2019/2088**

Hellenic Asset Management informs, that it has adopted and applies ESG Investment Policy on the integration of sustainability risks in its investment decision-making life cycle according to SFDR EU Regulation EU 2019/2088. However, the Company declares that:

a) for the moment it does not consider adverse impacts assessment due to the lack of available data related to such factors for all issuers of financial products included in the collective (UCITS) and individual portfolios managed by the firm, as well as in those recommended to its clients with respect to the provision of investment advice and

b) as soon as the aforementioned data regarding sustainability factors become available, the firm intends to amend its ESG Investment Policy, by adopting a specific procedure in order to consider adverse impacts of investment decisions on sustainability factors.

**G. Transparency and Disclosure**

This ESG Investment Policy is in accordance with Articles 3 and 4 of the EU SFDR Regulation (EU 2019/2088). This ESG Investment Policy is available to all stakeholders on the official website and will be updated in due time and course without prior notice.

Athens, 10<sup>th</sup> March 2021.

