

# Stewardship Policy

EFFECTIVE DATE: 15 AUGUST 2022



# 1. Introduction

This Policy should be read in conjunction with our Responsible Investment Policy and Proxy Voting Policy.

At Emit Capital Asset Management (ECAM), we recognize the vital role of stewardship in our investment process as it pertains to responsible and sustainable investing. We are committed to maximizing returns and managing risks for our investors through a focus on investments that have a realistic impact on climate change, incorporating Environmental, Social, Governance (ESG), and Impact Investment analysis.

## 2. ESG Analysis

We conduct ESG analysis for each individual investment and aggregate across our entire portfolio. An ESG scorecard is utilized to assess the E, S, and G factors for each stock, providing a rating out of 10. In line with our Responsible Investment Policy, investments are generally considered based on ESG aggregate scores above 5 out of 10. However, we may consider investments below this threshold in certain cases, taking into account market conditions and sector dynamics.

### 2.1 ESG STEWARDSHIP

ECAM demonstrates stewardship through Shareholder Voting and Direct Engagement concerning ESG factors. The level of stewardship undertaken for each investment depends on its ESG score, with lower scores necessitating greater focus to enhance the ESG components.

Our Fund votes on resolutions in alignment with our Proxy Voting Policy and principles of our Responsible Investment Policy, with the goal of maximizing value for the investment. Engagement with our portfolio companies occurs through direct contact, participation in public meetings such as AGMs and analyst briefings, and collaboration with service providers as necessary.

## 3. Impact Investment Analysis

We employ an Impact Investment Alignment scorecard for each individual investment and the aggregate portfolio. Similar to ESG analysis, a baseline is established for each investment based on its alignment to pre-defined impact categories outlined in our Responsible Investment Policy. Impact Investment alignment is considered as HIGH, MEDIUM, or LOW.

### 3.1 IMPACT INVESTMENT STEWARDSHIP

The Fund follows our Proxy Voting Policy to vote on resolutions, considering the principles of our Responsible Investment Policy. Impact Investment Alignment is a significant determinant of value, and every vote aims to maximize value in the respective investment.

The Fund engages with its constituent investments on each Impact Investment component as required and determined by the scorecard. Engagement takes the form of direct contact, specific public meeting forums such as AGM's and Analyst briefings as well as through specific service providers as required.

## 4. Reporting

ECAM is committed to transparent reporting of our Stewardship activities related to ESG and Impact Investment Alignment. This reporting enhances transparency and instills confidence in our investors, affirming our adherence to Responsible Investment principles.

The Fund reports and discloses information on its Stewardship activities via its Annual Report, through quarterly reports to investors and may also exhibit summaries on its website.

## 5. Policy Review

This Policy will be reviewed on an annual basis.

# Principles

At the heart of our investment approach and strategy is the vision to reduce and/or mitigate the harmful impacts of climate change. We achieve this by focusing on our climate finance thematic as well as following ESG principles and adhering to impact and responsible investing.

We believe our investors can achieve a superior returns investing in diversified, sustainable, well-managed companies in sectors that are growing and are future-focused on decarbonisation. A future-focused sector suggests a desire to equate investing with a more sustainable outcome for society.



## MEMBER OF THE RESPONSIBLE INVESTMENT ASSOCIATION OF AUSTRALASIA

ECAM is a member of the Responsible Investment Association of Australasia (RIAA). The RIAA champions responsible investing and a sustainable financial system in Australia and New Zealand. The RIAA is dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy.



## SUPPORTER OF THE TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES

ECAM is a supporter of The Task Force on Climate-related Financial Disclosures (TCFD). The TCFD was established to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions.



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