

Investing Responsibly

- Global Convertible Bonds

This fund's approach

Detailed ESG Integration	Yes
Stewardship	Yes
Best-in-class	No
Exclusions	Yes



ESG Integration

Qualitative & quantitative consideration of ESG throughout fundamental investment process. Impacts selection, analysis, valuation and portfolio construction.



Stewardship

Engagement: On various ESG issues, both directly by our investment teams, collaboratively with other investors & via service providers.



Exclusions

No Sparinvest funds invest in companies with confirmed involvement in production or distribution of controversial weapons.



Transparency

We recognise that many investors wish not only to see what their investments are achieving in terms of financial returns, but also to understand their impact on broader society. We are committed to providing our investors with that understanding.

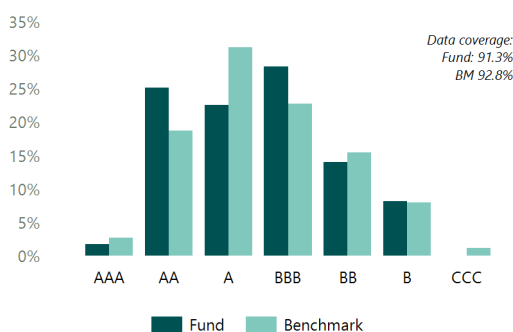
How we invest responsibly

At Sparinvest, investing responsibly is central to our aim of providing clients with strong and sustainable long-term investment returns. ESG issues present companies, and countries, with a variety of opportunities and risks, and the way these are handled can materially affect long-term value. This mind-set is deeply engrained in our investment teams.

This fund is compared to Thomson Reuters Global Focus Hedged Convertible Bond Index (EUR Hedged)

ESG profile

MSCI IVA Rating Breakdown



In general, we view ESG as an element of quality and risk. ESG is therefore an integrated part of the investment strategy in line with other quality and risk metrics. A high ESG rating is very positive in our view. A low ESG rating is very negative, and we exclude all companies with a 'CCC' rating.

Signatory of:



Sparinvest has been awarded the highest score of A+ since 2015

Stewardship - Engagement

During the last 12 months, Sparinvest engaged on ESG issues with 1 company on behalf of the fund.

Engagement is predominantly carried out in-house by our investment teams. We also join other institutional investors in collaborative engagements, including via the PRI and Climate Action 100+. We also make use of collaborative engagements via service providers in some circumstances.



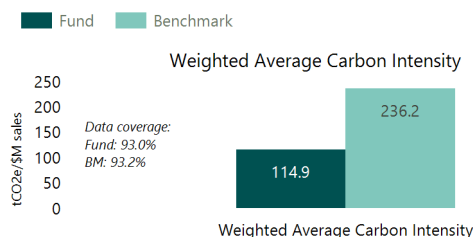
Exclusions

Controversial Weapons Exclusions

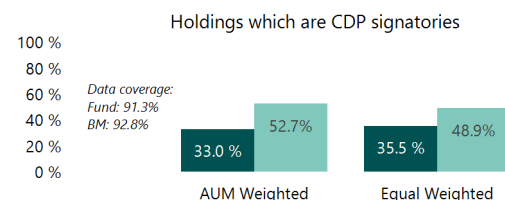
No Sparinvest funds invest in companies with confirmed involvement in production or distribution of controversial weapons (anti-personnel mines, cluster munitions, biological weapons, chemical weapons, or nuclear weapons outside the Nuclear Non-Proliferation Treaty). The fund's investment universe is broader than the benchmark, but for reference, the above criteria currently exclude 0% (0 companies) from the benchmark.

Selected ESG data

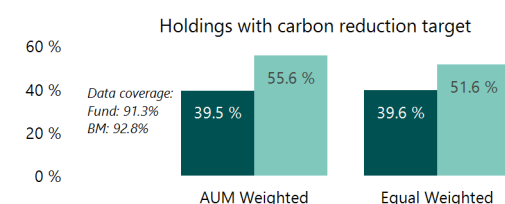
Environment



Weighted average carbon intensity provides an indication of portfolio exposure to potential climate change-related risks (such as carbon pricing), relative to the benchmark.

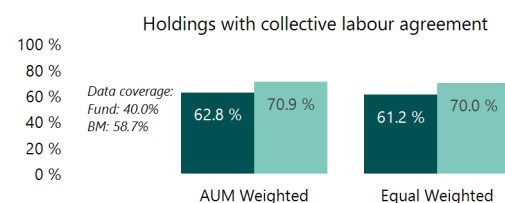


The CDP (Carbon Disclosure Project) is a global disclosure system, enabling measurement and management of environmental impacts. Improving disclosure levels for carbon emissions, and other environmental impacts, is a crucial step in enhancing management of those issues.



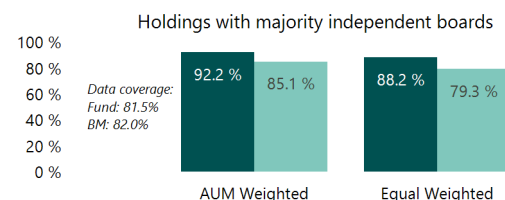
As a signatory to the PRI Montreal Pledge, we disclose the fund's carbon footprint. We are also active participants in Climate Action 100+.

Social

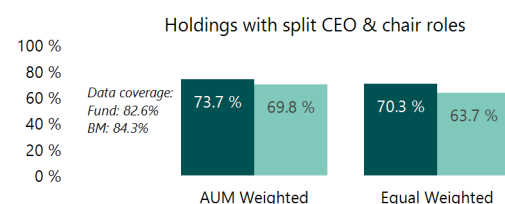


Approaches to labour agreements vary by country, but management disregard for employee rights can be counter-productive over the medium to long-term.

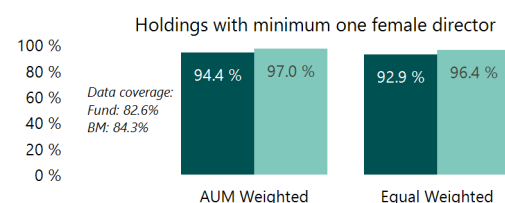
Governance



Our voting policy places an emphasis on high levels of independence in boards. During 2018, we voted against 23 directors, due to concerns over independence. In such cases, we seek dialogue with the company.



We believe the board should provide effective independent oversight, and prefer the roles of board chair and chief executive to be separate. We typically vote against appointments that combine these roles. In 2018, we voted against 7 such appointments. In such cases, we seek dialogue with the company.



We believe there are long-term benefits to various forms of diversity in the board, including gender diversity. As a basic initial threshold, at companies that fail to appoint at least one woman to the board, we will typically vote against the appointment of the chair of the nomination committee, or the chair of the board. In such cases, we seek dialogue with the company.

ANBEFALINGER FOR AKTIVT EJERSKAB

KOMITÉEN FOR
GOD SELSKABSLEDSE

Signatory of:



Standards

Sparinvest's Stewardship Policy has been declared compliant with the Danish Stewardship Code by the Danish Committee for Corporate Governance (Komiteen for God Selskabsledelse.)

Sparinvest submits annual Transparency Reports to the PRI, based on which the PRI issues Assessment Reports. We consistently receive strong assessments (A+ for Strategy and Governance for the past five years). The assessments can be seen below.

PRI Scoring Modules	Sparinvest 2020	Median 2020	Sparinvest 2019	Band	Score
Strategy & Governance	A+	A	A+	E	0%
Listed Equity Incorporation	A+	B	A+	D	>0-25%
Listed Equity Active Ownership	A	B	A	C	>25-50%
Fixed Income SSA (Gov Bonds)	A+	B	A+	B	>50-75%
Fixed Income Corp(non-Financial)	A	B	A+	A	>75-95%
Fixed Income Corporates (Financial)	A	B	A	A+	>95%
Fixed Income Securitized	A+	C	A		

Policies & Reporting

Sparinvest's website www.sparinvest.lu/investing-responsibly/#our-approach-to-investing-responsibly includes dedicated responsible investment pages:

- Overview of our approach
- Key policies (Responsible Investment Policy, Stewardship Policy, Voting Policy)
- PRI Transparency and Assessment Reports
- Responsible Investment Reviews
- Exclusion lists for our funds