AURIGA ASSET MANAGEMENT LIMITED

Sustainablity Risk Policy

Version Control

Version	Date	Author	Changes/Modifications	Status
1.0	2021	Mr. Kyle Debono	First Version following the coming into force of the Sustainable Finance Disclosure Regulation (SFDR)	Approved

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Sustainability Risk Policy

As a UCITS fund management company which is also authorised to provide discretionary portfolio management to professional clients, Auriga Asset Management Limited ("Auriga"), falls within scope of Regulation (EU) 2019/2088 of the European Parliament of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the Sustainable Finance Disclosure Regulation or "SFDR"). The SFDR came into force on the 10th March, 2021 requiring "financial market participants" (as defined therein), to make certain sustainability-related disclosures to end investors.

The SFDR provides the following key definitions which are relevant to this Sustainability Risk Policy (the "Policy"):

- 'sustainability risk' means an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;
- 'sustainable investment' means an investment in an economic activity that contributes to an environmental objective, 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 biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, 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 and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;
- 'sustainability factors' mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Regulatory Disclosure

Auriga does not currently manage any UCITS funds that has sustainability risk of one of its risk management criteria, while all the discretionary portfolio management mandates that it has managed so far did not have sustainability risk as one of their investment objectives. Hence, Auriga does not presently integrate sustainability risk nor sustainability adverse impact in its investment decision making/management process, nor do any of its mandates qualify as promoting environmental or social characteristics or a combination of them, nor do they have sustainable investment included as an investment objective.

This stance may change in the future depending on the type of assets managed under the discretionary portfolio management mandates and depending on the investment objective of the corporate investment schemes (CISs) managed. In any case, Auriga shall ensure that the relevant pre-contractual documentation made available of any potential client clearly indicates whether Auriga shall or shall not consider sustainability risks as part of its investment management process.

Where this is in the affirmative, Auriga shall ensure to disclose clearly:

a) the manner in which sustainability risks are integrated into its investment decisions; and
b) the results of the assessment of the likely impacts of sustainability risks on the returns of the financial product(s) it is managing.

Where Auriga shall deem sustainability risks not to be relevant, it shall include a clear and concise explanation of the reasons therefor.

Although Auriga considers ESG as an important principle to consider and believes that sustainability risk could indeed have an impact on the investment outcome of financial products, given the nature scale and characteristics of Auriga and its clients, it must abide by the mandates that it is set by its clients. Thus, Auriga shall encourage clients to consider ESG factors, however it will ultimately be the decision of the client whether these factors should be considered within the investment service or not.

Marketing Material

Auriga shall ensure to be consistent in any marketing material it distributes (whether actively or passively) with any existing or potential client with respect to the disclosures made in this Policy. The Board of Directors of Auriga, under the guidance of the Compliance Officer shall ensure that any marketing material does not contradict the information disclosed pursuant to the SFDR, the information contained in this Policy, any disclosure made in any pre-contractual documentation and any other relevant documentation/policy prepared by Auriga.

Remuneration Policy

Auriga's approach to remuneration, as set out in its remuneration policy, considers various ESG principles which are based on Sustainability Factors.

The manner in this is done is briefly explained below, while a more in-depth overview may be found in the remuneration policy itself:

- Environmental – Auriga has defined a set of environmental objectives that employees shall be assessed on when considering any bonus or pay rise.
- Social – Auriga ensures to provide a safe environment for its staff members and to offer equal and fair salaries and working conditions in a non-discriminatory manner. It ensures to handle any client data with the utmost privacy (as far as legally possible) and it allows any potential client the ability to present their investment mandate proposal in a fair and non-discriminatory manner.
- Governance – having an independent director on the Board adds accountability and independent checks. Such person has a direct influence on the decisions taken at the highest level of the company. Additionally, Auriga employs certain control functions that are not involved in the investment process. This adds accountability and reduces the risk of any collusion or any other undesirable effect on the company or any of its stakeholders. Furthermore, as a licenced entity, the company must always have in place a number of policies and procedures such as the conflict-of-interest policy, the remuneration policy itself and the Compliance Monitoring Programme which ensure that governance factors are adhered to as much as possible.