



Asset Management – Responsible Investment Policy

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1 Introduction

This policy addresses the procedures and responsibilities of MainFirst Asset Management (“Asset Management”) at MainFirst Affiliated Fund Managers (Deutschland) GmbH, MainFirst Affiliated Fund Managers (Switzerland) AG and MainFirst Affiliated Fund Managers S.A. and MainFirst Holding AG.

On May 12, 2015, MainFirst Holding AG became a signatory to the United Nations backed Principles for Responsible Investments (UNPRI). By signing up to the UNPRI, MainFirst declared to integrate Environmental, Social and Governance (ESG) risk factors into its decision-making process.

The intention of this policy is to ensure integration of environmental, social and governance (ESG) risk-exposures into the investment process.

This policy governs the investment process as well as the engagement process.

2 Definitions and Interpretations

- 2.1. **ESG** means using Environmental, Social and Governance factors to evaluate risk exposures in companies and countries
- 2.2. **Strategy, Portfolio or Portfolios** means the mutual funds and segregated mandates from MainFirst Asset Management
- 2.3. **Portfolio Management** means the department at MainFirst Asset Management who is responsible for managing Portfolios.

3 Investment approach

MainFirst systematically considers ESG criteria into the investment process based on the external data providers like Sustainalytics, Bloomberg and other data sources as well as internal research.

MainFirst actively incorporates ESG into the investment analysis and decision-making process by screening ([3.1](#)) and integration strategies ([3.2](#)).

Four pillars are essential to consider:

- Product involvement
- Global standards
- Controversies
- ESG risk scores

3.1 Negative/exclusionary screening

To avoid exposure in weapons, MainFirst in general screens for companies with a major revenue in military contracts. In addition, MainFirst prohibits investments into companies identified in context with UN-convention on cluster munitions.

In addition to that, strategy specific screens may apply which could refer to:

- energy& environment
 - thermal coal
 - oil& gas
 - genetically modified plants& seeds
- value based screens
 - adult entertainment
 - tobacco
 - cannabis
- defense & military involvement
 - controversial weapons
 - small arms
 - riot control

Norm-based screening is in additional applied but level of integration is strategy dependent. The Norm-based screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

3.2 Integration strategy

ESG Risk scores and levels of controversies are integrated in the investment decision and portfolio construction process.

Integration of risk scores is relative to the investment universe or benchmark and could be analysed on a security based level or on a portfolio level.

Different ESG risk scores levels or controversies levels may apply in each portfolio.

4 Engagement approach

MainFirst engages due to fiduciary duties. Portfolio Management is regularly educated on ESG analysis.

4.1 Individual engagement

MainFirst actively discuss and address ESG topics as well as potential issues with companies to influence corporate practice on ESG issues or improvement of ESG data disclosure. Main contributor to individual engagement is portfolio management.

4.2 Collaborative engagement

To influence corporate practice on ESG issues or to encourage increased ESG disclosure, MainFirst may participate in collaborative engagements. Responsible for collaborative engagements is the responsible investment committee.

5 Divestment Approach

If breaches of screening criteria are identified, investment compliance informs the responsible investment committee.

The responsible investment committee investigates in the breach and may decide on an individual basis if the breach is accurate or may be overruled.

If the breach is overruled, the decision must be documented and shared with investment compliance.

In the case that an investment is not in alignment with the policy or strategy specific criteria, the committee may set a period of up to one month to correct the portfolio positioning.

The divestment process is monitored by investment compliance.

6 Responsible Investment Committee

The responsible investment committee is in regular contact with ESG related data providers and coordinates internal educational programs.

Further duties are the review and recommendations to portfolio management of screens ([3.1](#)) or integration strategies ([3.2](#)) and collaborative engagements as well feedback to portfolio management.



7 Document History and Version Control

Version Number	Author	Date	Approval	Brief Description
1	T.Meier P. Vogel	20.02.2020	Board	Implementation