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Rigsave Capital Ltd is a category 2 investment service provider regulated and supervised by
MFSA License n° C92570

ESG POLICY

<i>Date of approval</i>	<i>8th November 2021</i>
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MATERIAL CHANGES TO THE DOCUMENT

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Acronym	Meaning
The Company	Rigsave Capital Limited
ESG Factors	Environmental, Social or Governance
ESG Policy	Integration and Disclosure policy on the integration of sustainability risks and factors in the investment management and advisory processes
ESG Risks	Environmental, Social or Governance risks that can affect the investment returns of an investment process or investment advice
EUTR	Reg. EU 852/2020 on Taxonomy
IPs	“investment professionals” defined as portfolio managers and analysts
KPI	Key Performance Indicator
PASI	Principal Adverse Sustainable Impacts on ESG factors
SFDR	Reg. EU 2088/2019 on disclosure

1. INTRODUCTION

The Company has been authorised by the Regulator in terms of the Investment Services Act, 1994 and is required to comply with the licence conditions set out in the MFSA Rules.

The Company is authorised as a Category 2 licenced entity, qualified to act as an Alternative Investment Fund Manager and a UCITS Management Company as well as providing investment management services to professional and retail clients. The Company has recently upgraded its licence to provide also advisory and nominee services.

The SFDR has been established by the European Commission ('EC') to harmonise rules for all financial market participants as well as financial advisors in the European Union or those licenced entities that provide services to EU investors so as to offer better transparency on integration of sustainability risks and the consideration of adverse sustainability impacts in their process.

The Company is required in accordance to article 3 of the SFDR to have an ESG Policy (the "ESG Policy"), or its equivalent, that will enable it to integrate, where possible, ESG risks and consideration of principal adverse impacts on ESG factors in its investment processes.

The Company is also required to ensure that there are adequate systems in place to ensure that the process is maintained on a continuous basis.

This Statement applies to all of Rigsave's managed portfolios and funds and is reviewed at least annually to reflect changes within our business.

2. BACKGROUND

On 8th March 2018, the EC, communicated an Action Plan: Financing Sustainable Growth, to the Financial Industry. By adopting the Paris Agreement on climate change and the UN 2030 Agenda for Sustainable Development in 2015, governments from around the world chose a more sustainable path for our planet and our economy. The UN 2030 Agenda has at its core 17 Sustainable Development Goals (SDGs). Such goals will guide us in preparing for a future that ensures stability, a healthy planet, fair, inclusive and resilient societies and prosperous economies.

The financial system has a key role to play in the process. The financial system is being reformed to address the lessons of the financial crisis, and in this context it can be part of the solution towards a greener and more sustainable economy. Reorienting private capital to more sustainable investments requires a comprehensive shift in how the financial system works and is necessary if the EU is to develop more sustainable economic growth, ensure the stability of the financial system, and foster more transparency and long-termism in the economy.

3. DEFINITION OF ESG RISKS CRITERIA AND FACTORS

A “sustainability risk”, as defined in the preambles no. 14 and 16 of the SFDR, means an ESG event or condition that, if it occurs, could cause a negative material impact on the value of an investment. Investment decisions and advice might cause, contribute to or be directly linked to effects on sustainability factors that are negative, material or likely to be material.

As defined by both preamble 24 of the SFDR, the UN-SDGs and the UN-PRI, “Sustainability factors” are ESG matters, as described in the table below:

Table 1: “Sustainability Factors”

Environmental	Social	Governance
Climate change	Human rights	Bribery and corruption
Resource depletion	Modern slavery	Executive pay
Waste	Child labour	Board diversity and structure
Pollution	Working conditions	Political lobbying and donations
Deforestation	Employee relation	Tax optimization strategy

Table 2: ESG Illustration

What does ESG actually means?	What does ESG NOT mean?
<ul style="list-style-type: none"> Analysing financial information and ESG information Identifying material financial factors and ESG factors Assessing the potential impact of material financial factors on economic, country, sector and company performance Making investment decisions that include considerations of all material factors, including ESG factors 	<ul style="list-style-type: none"> ONLY certain sectors, countries and companies are prohibited from investing Traditional financial factors are ignored (i.e. interest risk is still a significant part of credit analysis) Every ESG issue for every company/issuer must be assessed and valued Every investment decision is affected by ESG issues Major changes to your investment process are necessary; and, finally and most importantly, Portfolio returns are sacrificed to perform ESG integration techniques

UN-Supported Principles for Responsible Investment (PRI)

Rigsave Capital Ltd intends to become signatories of the UN-supported Principles for Responsible Investment (PRI).

The PRI is fast becoming a global standard for investment managers ESG alignment.

Through its association with the PRI, the Company is committed to adhering to the six Principles for Responsible Investment:

- **Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and procedures
- **Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6:** We will each report on our activities and progress towards implementing the Principles

The Company will report annually to the PRI on the Company's responsible investment initiatives, activities and achievements and seeks to meet the standards expected by the PRI in doing so. The Company will be pleased to share this reporting with investors and other stakeholders when available.

4. INVESTMENT INTEGRATION OF SUSTAINABILITY RISKS

a. Integration of sustainability risks

RIGSAVE CAPITAL LTD integrates information on ESG Factors in its investment strategy whereby ESG Risks are considered in the broader investment process and analysis across the relevant asset classes and ultimately in the investment decisions.

Investment Guidelines: Set up and review

In the implementation and review processes of the investment guidelines, the IP needs to understand the client's ESG objectives and give an assessment on ESG constraints to be included in the investment guidelines.

ESG facets: understanding the framework

Rigsave Capital Ltd combines a screening and integration strategy to all of its clients.

The Company's screening approach pursuant the Exclusion Policy, may exclude company:

- Involved in the production of Tobacco and Tobacco products
- Have of their income generated from Thermal Coal Power generation
- Involved in Gambling industry

Government debt of countries where violations of human rights or a collapse of the governance structure take place are also excluded

The integration approach involves the provision of financially relevant ESG information as well as detailed ESG research to all analysts and portfolio managers, through the incorporation and standardization of this information in our research platform and general investment process. Within Rigsave Capital Ltd the investment professionals undertake fundamental analysis of all the securities within their coverage. Their assessment is based on their outstanding expertise in their sectors.

They consider indicators on e.g. resources & waste, climate change, green products, human capital, societal impact, product responsibility, business ethics, corporate governance and public policies.

The interpretation of these aspects is done within the context of our security research process, and hence the impact (i.e. risks and opportunities) that these aspects have on the different analysed areas such as governance, business model, industry environment, competitive position, strategy and transparency among others.

Therefore, the impact of ESG factors in all these areas of analysis determine not just the level of conviction and investment recommendation but also at the end the portfolio positioning.

Research: ESG integrated fundamental analysis

The integration of material ESG factors starts with the identification of material sustainability trends, themes as well as ESG issues (Key Performance Indicators analysis - KPI). Each country, sector and company will be impacted differently.

This aspects need to be integrated in the investment case risks and opportunities as well as our valuation model (and investment recommendation).

Engagement

Once the ESG integrated fundamental analysis is completed, our investment professional might decide to do engagement with the company in case he/she needs further information to assess how an issue has been managed and/ or he/she thinks that there is a need to promote change in the company's governance structure and/or company's operations (strategy, business model development, capital allocation decision, etc.). This engagement activity would be mainly undertaken and documented by the analyst and if required in teamwork with an ESG specialist.

Monitoring

The Portfolio Manager and the Investment Committee need to monitor the ESG quality of their portfolios; portfolio distribution of ESG Ratings, Norm Ratings, Carbon Ratings, Controversial Sectors, etc. they have to be aware of the active exposure of their managed portfolios to critical ESG issues displayed in the "Portfolio Analysis" filter and "ESG Engine Reports for companies" and their impact on expected risk-adjusted return for that security.

b. Principal adverse impacts on sustainable factors

RIGSAVE CAPITAL LTD is supportive of the policy aims of the Principal Adverse Impacts regime in Article 4 of SFDR (the “PAI regime”), to improve transparency to clients, investors and the market, as to how financial market participants integrate consideration of the adverse impacts of their investment decisions on sustainability factors.

5. REMUNERATION

In accordance with article 5 Reg. EU 2088/2019, the Company is required to disclose on how the remuneration policy is consistent with the integration of sustainability risks.

In line with our Remuneration Policy, no variable remuneration is paid to our staff unless it is determined to be justified following a performance assessment based on quantitative (financial) as well as qualitative (non-financial) criteria.

Due to this very limited impact on the risk-profile of our clients, as well as the nature of our business, we deem that there is no risk of misalignment with the integration of the sustainability risks in our investment decision making process with respect to our clients.

As such, we believe that our existing structures are sufficient to prevent excessive risk taking in respect of sustainability risks.

6. POLICY REVIEW

This policy is communicated to all the staff members of the Company and updated once a year.

All ESG strategies and procedures adopted will also be reviewed in accordance with any policy changes, financial considerations, and new regulations.

Rigsave is committed to maintaining its stakeholders informed and updated on policy reviews and updates.

The Compliance Officer shall be the person responsible for this policy and will carry out its review as part on an annual basis or whenever there is a material development that requires the policy to be updated. The policy shall be approved by the Board of Directors.

7. ASSOCIATED POLICIES

Rigsave approach to responsible investing in general and ESG Integration in particular is outlined in our Investment Management Procedures. These policies introduces our position on central aspects, formulates corresponding principles that guide our investment, the engagement with companies, and provides a reference on how these principles influence Rigsave investment decisions on the active business.