Environmental, Social and Governance Policy

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Tribeca may amend its company policies and procedures from time to time at its sole discretion with or without notice.

Environmental, Social and Governance Policy

The “Principles for Responsible Investment” paper released by the United Nations in April 2006 expresses the view that environmental, social and corporate governance (‘ESG’) issues can affect investment performance to varying degrees across companies, sectors, regions, asset classes and through time. The aim of incorporating ESG issues into investment decision making and ownership practices is to ultimately result in increased returns and lower risk.

The Principles encourage asset owners to be active in relation to environmental, social and governance issues, not only by incorporating them into the fundamental investment analysis and decision making process but also to seek out appropriate full disclosures from the companies that we invest in.

With a strong culture in bottom up fundamental analysis and an active engagement policy, Tribeca does both these things. Specifically, Tribeca encourages our investment analysts to take the Principles into consideration as part of the overall fundamental research process.

As an active investment manager Tribeca believes any factor that may have a material impact on a company’s performance and the industry it operates in needs to be considered. Individual analysts are responsible for identifying these factors which may include any number of the following ESG issues;

Environmental

- Climate change and related risks
- Toxic releases and waste
- Ongoing supply of natural resources e.g. water
- Regulations expanding the boundaries of environmental liability
- Emerging markets for the use of environmental services and environment friendly products
- Impact of carbon pricing on future investment returns

Social

- Workplace health and safety
- Community relations
- Human rights issues at company and suppliers/contractors premises
- Government and community relations for operations in developing countries

Governance

- Board structure, diversity and accountability
- Accounting and disclosure practices
- Audit committee structure and independence of auditors
- Executive compensation
- Bribery and corruption

Performance returns for our clients is paramount so Tribeca does not necessarily exclude companies based solely on ESG factors, but seeks to ‘identify and engage’ rather than ‘exclude’ companies that are identified as not having ‘best ESG practice’.

At Tribeca the stock analysis process is both qualitative and quantitative. ESG considerations have always been part of the Tribeca investment process, intertwined with ‘hard’ quantitative data, in determining a company’s worth. The inclusion of both positive and negative factors, give rise to a ‘feel’ for the company and its corporate culture. By identifying poor or declining performance in ESG standards, it can often point to deeper organisational issues.

Tribeca does not see any value in separating and scoring company's on ESG factors as a stand-alone exercise. Rather we view ESG research like all broker research – it forms a component of the decision making process but is not a substitute.

Tribeca has created a template that brings together a snapshot of a company's corporate culture and allows analysts to provide an evaluation of a company's ESG position, relative to its peers. This template looks at Board of Directors, their independence and gender diversity, engagement history with specific details of ESG issues raised with the company and thirdly, proxy voting history, showing how Tribeca voted and the outcomes of the resolutions put forward at an AGM or EGM. Other general ESG information can also be added such as MSCI ratings.

Similar to hard data considerations like revenue and expenses, a company that is identified with poor ESG parameters will have its valuation penalised. Engagement with the company allows the Analyst and Portfolio Manager to communicate these concerns directly, and monitor their response and expected improvement.

Tribeca generally conducts over 400 meetings and conference calls with companies over a 12 month period, but engagement is not just meeting with Board members or their representatives. A company's commitment to social and environmental factors may become more obvious at a factory or mine site visit and can illustrate whether a company's commitment to ESG is proper and instinctive rather than just the appearance of compliance.

The success of these meetings and site visits, by identifying key issues that affect performance including ESG factors, will be subject to a regular internal peer review process and will help us generate superior investment performance for our clients.

Tribeca also has a formal board approved Proxy Voting Policy. This policy, in part, states that Tribeca recognises and encourages the rights of our clients to enjoy that part of ownership represented by voting rights and the ability to exercise that right. The objective is to vote in a way that will create and/or enhance company value and/or ensure the value is fairly distributed.

Subject to mandate restrictions, Tribeca will actively exercise its right to vote for all Annual and Extraordinary General Meetings. The decision to vote in favour, against or to abstain will be made by the Analyst responsible. Decisions to vote against any order of business will be documented. Tribeca records and can report all voting decisions and outcomes to our clients.

Tribeca believes that not managing Environmental Social and Governance risk is a risk. We will continue to encourage all companies to actively reduce their reputational risk by embracing ESG factors into their disclosures in the hope of improving transparency, accountability and ultimately performance for our clients.

Revision History

Date	Version	Details	Approved By
June 2014	1	Minor updates and formatting changes	Head of CCS