



Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Trinetra Investment Management LLP (LEI: 2549003IMYFJOF8TQ597)

Summary

Under the EU's Sustainable Finance Disclosure Regulation ("SFDR"), Trinetra Investment Management LLP ("Trinetra"), as the investment manager of Trinetra UCITS ICAV – Trinetra Emerging Markets Growth Fund is required to comply or alternatively explain non-compliance with regards to whether the firm considers the Principal Adverse Impacts ("PAIs") of its investment decisions regarding sustainability factors. Trinetra has made the decision to comply and sets out below its approach to sustainable investment and the consideration of PAIs.

This statement sets out how Trinetra considers and integrates principal adverse impacts of investments decisions on sustainability factors as part of its investment making process. Responsible investing and ESG are fundamental to our beliefs and Trinetra considers principal adverse impacts of its investment decisions on sustainability factors.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2023 to 31 December 2023.

Trinetra has been appointed investment manager of *Trinetra UCITS ICAV – Trinetra Emerging Markets Growth Fund* ("the Fund").

Trinetra has a single investment strategy, therefore this statement is applicable both at entity level as well as at Fund level. In the Fund, we consider the mandatory principal adverse impact indicators (table 1) and at least two voluntary indicators (one each in table 2 and 3) as defined by SFDR, subject to data availability and quality, given our investment focus is on Emerging Markets and most of the Fund's investee companies are not familiar with nor required to comply with SFDR.

Our active ownership efforts include engagement with investee companies, including providing them with feedback from our immersions research studies, proxy voting and supporting investee companies in their efforts to develop or improve environmental, social and governance ("ESG") standards.

As Trinetra's investment focus is on Emerging Markets, not all our investee companies' reporting periods are identical or cover calendar years. We have utilised the most recent data available, where reported.

This statement should be read in conjunction with the Firm's Responsible Investing and ESG Policy, Proxy Voting Policy and UK Stewardship Code Disclosure Statement, all available at www.trinetra-im.com.

Description of the principal adverse impacts on sustainability factors

The mandatory indicators defined by the SFDR are set out in Table 1 below. The regulation requires that these indicators must be considered to ensure that adverse impact on key sustainability factors is taken into consideration. We have included information for each of these indicators, describing the actions we have taken and actions that we plan to take and/or targets set to avoid or reduce the principal adverse impacts identified.

Information on the impact of the Fund's investments on these indicators are published in Annex IV, and continuously on an annual basis. This information will cover the period of 1 January to 31 December of the preceding year.

However, the reporting periods amongst the investee companies as well as the availability of data varies. Trinetra has decided to use the most recent reporting period provided by investee companies at this stage.

In addition, given the Fund's investment focus is on Emerging Markets, most of the portfolio companies are not familiar with nor required to comply with SFDR. Trinetra contacted all the investee companies in the Fund's portfolio, highlighting the information required by SFDR as well as any gaps for complete disclosure.

Regarding SFDR's principal adverse impacts, Trinetra considers Greenhouse gas emissions, as Scope 1 -3 GHG emissions. Trinetra monitors the intensity based on what is relevant for the specific investee company, such as unit per revenue, or employee, or square metres. Trinetra actively engages with the investee companies where it believes that the intensity is increasing instead of decreasing.

Further, Trinetra engages with investee companies to maintain a diverse board. The engagement goes beyond gender diversity (PAI 13) and considers racial and cognitive diversity as well. As at 29 December 2023, the Fund's holdings had on average 24% women on their boards (portfolio weighted average), marginally up from 23% in 2022. Only two investee companies, representing less than 2% of the Fund holdings, did not have any female board member and Trinetra actively engaged with one of them on this topic in 2023 and the firm appointed a woman post-year end 2023.

TABLE 1

Indicators applicable to investments in investee companies

| Adverse sustainability indicator | Metric | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period | |
|---|---|--|-------------|-------------|--|--|
| CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS | | | | | | |
| Greenhouse gas emissions | 1. GHG emissions | Scope 1 GHG emissions (mt CO2e) | 2881 | 2189 | More current data available, compared to previous period. | <p>General approach</p> <p>Trinetra regards climate change as one of the biggest challenges for current and future generations. We are a supporter of the Paris Agreement and encourage our investee companies to put in place strategies and processes towards these goals.</p> <p>However, Trinetra's approach is centred around social indicators, many of which are distinct to the respective investee company. While environmental and climate factors are considered, they do not form a significant part of Trinetra's investment approach.</p> <p>Where no information was provided by investee companies for 2023, we will continue to engage and encourage companies to implement processes to provide meaningful data going forward.</p> <p>Note further that some investee companies will follow local disclosure requirements that are not in line with</p> |
| | | Scope 2 GHG emissions (mt CO2e) | 2339 | 875 | See above. | |
| | | Scope 3 GHG emissions (mt CO2e) | 9119 | 3642 | See above. | |
| | | Total GHG emissions (mt CO2e) | 14335 | 6707 | See above. | |
| | 2. Carbon footprint | Carbon footprint | 185 | 99 | | |
| | 3. GHG intensity of investee companies | GHG intensity of investee companies | 304 | 200 | | |
| | 4. Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | None | None | | |

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| | 5. Share of non-renewable energy consumption and production | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources | 92% | 86% | We will continue to monitor the consistency of data provided. However, upon direct engagement, only 57% of our investee companies have provided relevant information. | SFDR. Engagement and proxy voting We have continued to engage with our investee companies, encouraging them to put in place processes facilitating provision of the relevant data going forward. Monitoring We are monitoring data published, which includes the quality of the data. It should be noted that some companies base their disclosures on local guidelines and regulations, which might not be aligned with requirements under SFDR. |
| | 6. Energy consumption intensity per high impact climate sector | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector | No data available. | N/A | Not published by majority of investee companies. | Exclusions Trinetra does not maintain a specific exclusion list, but will not invest in energy producers, mining companies or utilities which fall outside the scope of its ethnographic research, nor in companies that the Bloomberg Industry Classification Standard (BICS) has classified as gambling-related entities, companies classified under winespirits or tobacco products. Instead, Trinetra invests in companies that directly benefit from the rise in domestic consumption and believes that domestic consumption is the main driver of investment returns. |
| Biodiversity | 7. Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas | No meaningful data. | N/A | Not published by majority of investee companies. | Investment opportunities are determined via Trinetra's ethnographic research which sees products through the eyes of Emerging |
| Water | 8. Emissions to water | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | No meaningful data. | N/A | Not published by majority of investee companies. | |

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| Waste | 9. Hazardous waste and radioactive waste ratio | Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average | No meaningful data | N/A | Not published by majority of investee companies. | Markets consumers. Thus, Trinetra does not invest in activities which these consumers consider to be obstacles, for example, to improving their health and wellness. Trinetra's Responsible Investing and ESG Policy (available on Trinetra's website) provides more information regarding exclusions. |
| INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS | | | | | | |
| Social and employee matters | 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 7.5% of investee companies that reported data, actively confirmed violations. One company provided no reporting. | No violations reported. 26% of investee companies actively confirmed no violations. | | |
| | 11. Lack of processes and compliance mechanisms to monitor compliance with UN | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for | Generally limited data availability. 80% appear to not have policies in place. | Majority of investee companies have not reported/responded. 21% confirmed compliance | | Disclosure of this data is not mandatory in the jurisdictions we invest which are mainly in Emerging Markets, and as a result it is not generally available within our investment universe. |

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| | Global Compact principles and OECD Guidelines for Multinational Enterprises | Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | However, upon direct approach, 33% of investee companies confirm compliance. | | | <p>We have engaged with companies directly, encouraging them to enhance their ESG disclosures going forward.</p> <p>Some companies have processes relating to local frameworks or benchmarks.</p> |
| | 12. Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | No meaningful data available | N/A | Not published by majority of companies. | <p>Trinetra reached out to all its investee companies requesting disclosure of gender pay gap.</p> <p>This is generally not mandatory in Emerging Markets, however Trinetra is encouraging companies to improve such disclosures.</p> |
| | 13. Board gender diversity | Average ratio of female to male board members in investee companies, expressed as a percentage of all board members | 24% | 23% | | <p>In the Fund, we support actions that promote greater equality between women and men and will consider the average ratio of female to male board members, expressed as a percentage of all board members in investee companies, subject to data availability and quality.</p> <p>We will engage with companies that have a no female board members, always taking into consideration the regional norms and cultural conventions.</p> |

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| | | | | | | However, we will also stress that the board should have a diverse skill set in addition to gender diversity. |
| | 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | None | N/A | | <p>The Fund does not invest in companies that are involved in the production or development of cluster munitions, anti-personnel mines, chemical and biological weapons. The Fund does not invest in any firms that are verified to be involved in the production of nuclear weapons.</p> <p>Our holdings are screened on an ongoing basis for exposure to controversial weapons. Upon detection of such holding, the Chief Investment Officer would decide next steps (e.g., engagement or exclusion).</p> |
| <i>Indicators applicable to investments in sovereigns and supranationals</i> | | | | | | |
| Adverse sustainability indicator | | Metric | Impact [year n] | Impact [year n-1] | Explanation | Actions taken, and actions planned and targets set for the next reference period |
| Environmental | 15. GHG intensity | GHG intensity of investee countries | N/A | N/A | N/A | Trinetra does not invest in sovereign and supranationals. |
| Social | 16. Investee countries subject to | Number of investee countries subject to social violations | N/A | N/A | N/A | Trinetra does not invest in sovereign and supranationals. |

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| | social violations | (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law | | | | |
| Indicators applicable to investments in real estate assets | | | | | | |
| Adverse sustainability indicator | | Metric | Impact [year n] | Impact [year n-1] | Explanation | Actions taken, and actions planned and targets set for the next reference period |
| Fossil fuels | 17. Exposure to fossil fuels through real estate assets | Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels | N/A | N/A | N/A | Trinetra does not invest in real estate assets. |
| Energy efficiency | 18. Exposure to energy-inefficient real estate assets | Share of investments in energy-inefficient real estate assets | N/A | N/A | N/A | Trinetra does not invest in real estate assets. |

Other indicators for principal adverse impacts on sustainability factors

In addition to the set of mandatory indicators as defined by SFDR in Table 1 above, we consider one additional principal adverse indicator (PAI) in Table 2 and Table 3 respectively.

Table 2 – PAI: 7. Investments in companies without water management policies

Table 3 – PAI: 15. Lack of anti-bribery and anti-corruption policies

Trinetra's investment focus is in Emerging Markets where ESG data is not consistently disclosed and the above two PAIs were considered on the basis that most of our portfolio companies readily report on these. It is our intention to consider more in future, once meaningful data becomes available.

In its investment decisions, Trinetra's uses insights gained from its ethnographic research which involves engaging directly with people's lives to better understand the values, hopes and aspirations of consumers in Emerging Markets. With this focus on social (and to a lesser degree environmental/climate) indicators, distinct to the relevant investee company, Trinetra has devised a proprietary process for considering principal adverse impact indicators, using UN Sustainable Development Goals (SDGs) by relating adverse impacts from the portfolio companies and mapping them to at least one SDG. Over time, Trinetra will be able to assess whether the portfolio companies' PAIs have improved, remained unchanged or have deteriorated.

For details on principal adverse impact indicators in SDGs in the Fund, please refer to Annex IV of the Trinetra UCITS ICAV Funds [Annual Reporting](#).

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

1. Methodology to identify and prioritise principal adverse impact

Trinetra invests in Emerging Markets equity which means that many of its investee companies are not subject to nor have an awareness of SFDR and do not readily collate or publish much of the data required thereunder. Trinetra has reached out to each of its investee companies, raising awareness of the regulation and encouraging the publication of the relevant data.

Many of the principal adverse impacts are focussed on climate and environmental impacts. Trinetra's investment approach, however, is built on its ethnographic research studies (Immersion research) which provide unique insights into the lives of Emerging Markets consumers by meeting them in their homes in villages and towns, to gain an understanding of the social and environmental issues that they face, as well as the answers they see to their challenges.

Each investment is mapped to at least one of the 17 UN Sustainable Development Goals (SDGs) to ensure alignment and benchmarking with international sustainability frameworks. For every goal, the analyst takes at least one relevant measurable parameter that can be tracked over multiple years. In addition, again mapping to one of the SDGs, the analyst takes at least one parameter to measure principal adverse impacts of a firm's sustainability factors. These are also tracked over time.

Trinetra's approach to ESG is set out in its [Responsible Investing and ESG Policy](#), which can be found on the firm's website (www.trinetra-im.com).

All Trinetra's policies, procedures and data sources are evaluated and updated at least on an annual basis.

The Responsible Investing and ESG Policy was last approved by the Executive Committee in June 2024.

2. Governance

The Executive Committee has overall responsibility for setting out Trinetra's sustainability approach, including company-wide values, policies, initiatives and actions which also encompasses the approach to principal adverse impacts.

The execution of the sustainability approach sits within the investment team. Trinetra does not have a separate Sustainability Committee.

3. Data sources

Trinetra has a single strategy with a concentrated equity portfolio, investing in Emerging Markets. The company has decided to source all ESG data directly from its investee firms rather than rely on third party vendors, some of which use estimated figures in cases when companies do not publish relevant information.

ESG/Sustainability and Annual Reports published by the investee firms have been reviewed where available.

As noted above, Trinetra invests in Emerging Markets equity. While many of our investee companies publish an ESG or Sustainability Report or may disclose certain ESG data in their Annual Reports, many do not readily provide the data requested as part of SFDR – and in fact many are not familiar with the EU regulation. However, Trinetra has

contacted each of its investee companies, requesting the relevant SFDR information. Where no response was received, a follow up email was sent reiterating request for data and we will continue to engage to improve the data availability for companies in our portfolio.

Trinetra has carried out internal verification of all data received from investee companies against data available in Bloomberg, but otherwise has not relied on third party data nor on estimates for the preparation of this statement. Trinetra has endeavoured to collate the data themselves either through its own research or by contacting the respective investee companies.

Engagement policies

Responsible Investment and Engagement are core to Trinetra's purpose and investment philosophy.

Trinetra has an Engagement Policy (found here <https://www.trinetra-im.com/responsible-investing>) that defines how we engage with investee companies. Consideration of ESG issues is integrated into each stage of Trinetra's investment process, including engagement activities.

We actively engage with management during our due diligence process. We have two objectives:

1. Communicate potential solutions people in EMs see to their own problems: for this part we will produce videos we have filmed in consumer's homes and play the videos to management to hear it from the consumers themselves. We find that this way management is more receptive to change.
2. Assess management's risk management plan: we talk to management about their global risk assessment that their internal audit might have done and try to understand how the board is managing those risks. We independently do a similar exercise through our pre-mortem exercise, and we can discuss with management to make sure that they have a complete view of all their risks including ESG risks.

We consider proxy voting as a formal way for us to convey our support or lack thereof to management on a specified set of issues, including ESG issues.

Engagement allows more nuanced discussions and sharing of opinions on a broader set of issues.

Engagement is core to our approach to Responsible Investment and has several strands. Long-term shareholder value and sustainability are the overarching principles within the discussions that we hold, and which we see as being interdependent. While the scope of our engagement activity can be broad, it tends to focus on two areas: how management can solve some of the social issues that we identify during our Immersion studies; and identification of risks. These issues are invariably discussed with management on a standalone basis.

For issues other than consumers/social and risk, each time we engage, we consider whether to do so on a standalone basis, as the firm, or as part of a collaborative effort. A key factor in deciding how to proceed is outcome, hence we consider what we believe will be the most effective basis of engagement to obtain the best outcome.

The issues over which we will engage show a large degree of overlap with the policy areas in our **Proxy Voting Policy** (<https://www.trinetra-im.com/responsible-investing>). One of Trinetra's purposes is to give Emerging Market consumers a voice, as we relay those voices direct to the management of our investee companies. We identify social issues during our Immersion studies, giving us valuable insight into the problems, needs, aspirations and future trends of specific groups of Emerging Market consumers. That also provides us with insight into how to potentially solve some of their problems. We seek to invest in companies that are able to supply those consumers with what they are looking for, and to solve their problems.

Engagement on social issues involves providing insights into evolving trends based on our ethnographic studies of consumers – Immersion studies. The Trinetra Executive Committee last approved the Engagement policy in December 2023.

References to international standards

As part of our commitment to sustainability in financial markets, Trinetra considers itself to a role model for other market participants, abiding by our principles and the best practices that we adhere to.

United Nations Sustainable Development Goals

Trinetra supports the objectives of the United Nations Sustainable Development Goals, and we explicitly map at least one sustainable attribute of each of our investee companies to one or more of the 17 Sustainable Development Goals, as well as at least one adverse impact related to SDGs based on the taxonomy established by SDI Asset Owner Platform.

Task Force on Climate-related Financial Disclosures (“TCFD”)

We are supporters of the TCFD and regularly encourage investee companies to make appropriate disclosures.

UN Principles for Responsible Investment (“PRI”)

Trinetra has been a signatory of the UN’s Principles for Responsible Investment since 2017.

The Paris Agreement

We support the goals of the UNFCCC Paris Agreement, and encourage the companies in which we invest to strive towards helping the world to meet its goals.

Financial Reporting Council’s UK Stewardship Code

Trinetra has been accepted by the Financial Reporting Council as a signatory to the UK Stewardship Code 2020 since March 2022.

Table 2

Additional climate and other environment-related indicators

| Adverse sustainability impact | Adverse impact on sustainability factors (qualitative or quantitative) | Metric |
|---|---|---|
| Indicators applicable to investments in investee companies | | |
| CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS | | |
| Water, waste and material emissions | 7. Investments in companies without water management policies | <p>Share of investments in investee companies without water management policies</p> <p>29% of companies have confirmed they have a water management policy in place.</p> <p>21% have no water management policy in place.</p> <p>50% have not responded to our information request.</p> <p>Compared to the previous period, the disclosure rate have improved, which may be due to a higher awareness regarding ESG.</p> |

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

| INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS | | |
|--|---|--|
| Adverse sustainability impact | Adverse impact on sustainability factors (qualitative or quantitative) | Metric |
| Indicators applicable to investments in investee companies | | |
| Anti-corruption and anti-bribery | 15. Lack of anti-corruption and anti-bribery policies | <p>Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption</p> <p>93% of our investee companies have Anti-corruption and Anti-bribery policies in place.</p> <p>Where this is not the case or else it has not been possible to establish, we will continue to engage with the investee company during 2024.</p> |