

March 2021



# SUMMARY OF INSIGHT'S SUSTAINABILITY RISK POLICY

## INTRODUCTION

Insight has implemented a Sustainability Risks Policy (the 'Policy') which sets out Insight's policies on the integration of sustainability risks in its investment decision-making process, as required by the Sustainable Finance Disclosure Regulation ('SFDR'). This document provides a summary description of the key features of the Policy, for the purposes of disclosure on Insight's website.

Under SFDR, 'sustainability risk' means an environmental, social or governance ('ESG') event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment. The Policy therefore approaches sustainability risk from the perspective of the risk that ESG events might cause a material negative impact on the value of our clients' investments.

## SUSTAINABILITY RISK MANAGEMENT

We believe integrating sustainability-related factors into our investment processes can support better investment decisions and has the potential to help our clients achieve their desired outcomes.

Sustainability issues such as a changing climate, supply chain management and corporate governance, can have a significant impact on organisations and the global communities in which they operate. They also represent tangible risks to investments in some client portfolios. For this reason, we believe sustainability risk factors should, where relevant for the asset class, be at the core of investment decision-making processes.

We do not set sustainability risk screens for all investment portfolios. When assessing and valuing individual securities, analysts and portfolio managers incorporate risks and opportunities pertaining to sustainability risk issues where we believe it is material. Sustainability risk considerations are then monitored throughout the investment period and explored as part of our stewardship programme. Where sustainability risks are not currently considered material to investment risk these will not influence portfolios. Conversely, for portfolios with specific sustainability objectives different sustainability tolerance levels may apply.

Investment team leadership supports the oversight of sustainability risk factors and ensures they are applied throughout our investment processes.

As part of its broader risk management processes when invested, Insight has implemented measures to identify, measure, manage and monitor sustainability risks, as summarised below:

### Integrate sustainability risk issues into investment decisions

We integrate ESG issues into our investment processes to support investment decisions where relevant for the asset class. ESG considerations can directly affect the how our investment teams forecast an investment's performance and valuation. It is the discretion of each analyst or portfolio manager to consider the pricing of instruments and what action is required from ESG information.

### Monitor sustainability risk issues

Analysts and portfolio managers incorporate ESG and non-ESG risks and opportunities into their ongoing monitoring and appraisal of issuers. ESG considerations are monitored throughout the investment period and may form part of internal dialogue and external engagement with companies and other issuers

### Apply a stewardship programme focusing on sustainability risks

Engagement may be carried out by portfolio managers, analysts, responsible investment team, or other internal staff members. We identify which issuers or stakeholders are required for engagement, including on what sustainability factor(s), and set appropriate objectives. Engagement is a key method to manage micro and macro sustainability-related risks and it is a core part of how we manage investment portfolios.

### Oversight of sustainability risk activities

We have several internal investment-led teams providing oversight of our responsible investing activities. These groups ensure we effectively evaluate ESG issues, identify engagement themes and have the appropriate governance in place.

### Enable portfolio transparency on sustainability risks

We believe we should be held accountable for the actions that we take and for the outcomes that we achieve. We ensure that clients can access information on the sustainability risks of their portfolio. We provide various levels of information, depending on the relevance of ESG information to the objectives of investment portfolios and their relevance to each mandate. We provide a firm-level report on our activities annually.



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