



**Alpina Fund Management S.A.**

**Disclosure implementing the requirements  
of Article 4 (1) of Regulation (EU)  
2019/2088 on sustainability-related  
disclosure requirements in the financial  
services sector for the transparency of  
adverse sustainability impacts at the level of  
the company  
("PAI Disclosure Policy")**

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# 1. Introduction

Alpina Fund Management S.A. (hereinafter "**Alpina**") is a management company authorized by Luxembourg supervisory authority "Commission de Surveillance du Secteur Financier" pursuant to Chapter 15 of the Luxembourg Law of December 17, 2010 on Undertakings for Collective Investment (hereinafter "**UCI Law**") and is also authorized as a manager of alternative investment funds pursuant to the Luxembourg Law of July 12, 2013 on Alternative Investment Fund Managers (hereinafter "**AIFM Law**").

Within the scope of its regulatory authorization, Alpina manages funds that qualify as undertakings for collective investment in transferable securities ("**UCITS**") or alternative investment funds ("**AIF**") (hereinafter "**Investment Funds**").

## Sustainability-related disclosure requirements in the financial services sector

On November 27, 2019, Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector (hereinafter "**SFDR**") was published and entered into force on March 10, 2021.

The main objective of SFDR is to create transparency on:

- how sustainability risks are considered in the management of investment funds; and
- whether the principal adverse impacts of investment decisions on sustainability factors are taken into account in the management of investment funds ("comply or explain").

In principle, these transparency requirements apply to both Alpina and the managed Investment Funds.

## Principal adverse impacts ("PAIs")

PAIs are defined as "those impacts of investment decisions and investment advice that have a negative impact on the sustainability factors" (Recital 20 SFDR). Sustainability factors include environmental, social and employee matters, respect for human rights and the fight against corruption and bribery (Art. 2 (24) SFDR).

Further clarifications and definitions are included in the Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR.

## Sustainability risks

Sustainability risks are defined as environmental, social or governance related events or conditions, the occurrence of which may have an actual or potential negative impact on a company's net assets, financial position, results of operations and reputation (Art. 2 (22) SFDR). In the same way as for PAIs, the starting point is the identification and consideration of relevant sustainability indicators and factors.

In addition to their macroeconomic nature, sustainability risks can also be described in connection with the direct activities of the company. In the environmental and climate spheres, macroeconomic sustainability risks can be subdivided into physical risks and transition risks. Physical risks describe, for example, extreme weather events or global warming. Transition risks manifest themselves, for example, in connection with the changeover to low-carbon energy production. In connection with the direct activities of a company, sustainability factors such as compliance with core labour rights or measures related to the prevention of corruption as well as environmentally compatible production are present. Sustainability risks of an investment, caused by the negative effects of the aforementioned factors, can lead to a

significant deterioration of the financial position or reputation, as well as the profitability of the company.

## 2. Purpose of the policy

This Policy describes Alpina's decision with respect to the requirements of Article 4 (1) of SFDR regarding the consideration of PAIs in the investment decision-making process.

Pursuant to Art. 4 (1) (b) SFDR, financial market participants may also decide not to consider PAIs, provided they give clear reasons for why they do not do so, including, where relevant, information as to whether and when they intend to consider such adverse impacts.

As the employee count of Alpina does not exceed 500, Alpina is not legally required to consider PAIs of investment decisions on sustainability factors.

### 2.1. PAI consideration at entity level

Alpina has chosen for the time being not to consider PAIs of investment decisions on sustainability factors in accordance with Art. 4 (1) (b) SFDR at the entity level, after having taken into consideration the following:

- The content of the pre-contractual disclosures made with regards to each financial product and the current product classification of the managed investment funds under SFDR,
- The ongoing regulatory developments and clarifications from the European Supervisory Authorities as well as the European Commission in 2022 and the anticipated updates regarding PAIs for the year 2023; and
- The additional time and resources required for Alpina and its delegated portfolio managers to ensure that target funds/ portfolio companies across all investment products can provide accurate information on PAIs. In order to be able to consider the most important negative impacts, the availability of data from the target investments is particularly important. At present, this data is not yet sufficient in many areas, which is why the consideration of PAIs cannot yet be carried out to the same quality and extent for all investments. This is in particular the case for fund-of-fund strategies that would further require a "look through" to the individual underlying investments which requires an unproportionate amount of effort and resources considering the size of Alpina. Thus, the main adverse sustainability impacts are currently not considered.

### 2.2. PAI consideration at entity level – forward looking

Alpina will actively follow the regulatory and market developments regarding consideration of PAIs (incl. data quality and availability) at both the entity and the financial product levels and may review its current position.

### 2.3. PAI consideration at product level

However, individual financial products managed by Alpina may choose to consider PAIs as part of their sustainability strategy. Information on this can be found in the legal documentation (i.e. sales prospectuses) of such funds. For the majority of financial products, however, PAIs are not currently taken into account.

#### 2.4. Principal adverse impacts - engagement policy

The Management Company has published its Engagement Policy in accordance with the requirements of Article 3g of Directive 2007/36/EC (Directive with regard to the promotion of long-term shareholder participation) on its website.

### 3. Review of the policy

This policy will be reviewed and updated at least annually and adapted on an ad-hoc basis in case of relevant changes. For example, in the event of changes to the organizational structure of Alpina, changes to the regulatory framework governing this Policy, or if otherwise deemed necessary.

Following such review, the statement must be approved by the Board of Directors, communicated to the employees and disclosed as per applicable legal requirements and regulations.