



What  
*responsible investing*  
means to us

architass



# CONTENTS

About Architas	1
Our framework	2
ESG integration at Architas	4
Sustainable investing	5
Important information	6



# ABOUT ARCHITAS

Architas is a specialist investment company and a global member of the AXA Group with €33.6 billion of assets under management and advised (as at 31 December 2020)<sup>1</sup>. The company was established in 2008 and focuses on fund research and building investment solutions on behalf of various AXA entities. Architas is dedicated to recommending funds for the AXA Group and building multi-asset solutions for clients across Europe and Asia.

References to 'Architas' in this document - unless specified - refer to Architas Multi-Manager Europe Limited (AMMEL) in Ireland, Architas SA/NV in Belgium, Architas France in France and Architas Asia Limited (AAL) in Hong Kong with the ultimate parent and controlling company being AXA SA (a company registered in France).

## Architas' approach to Responsible Investing: background and framework

Architas is a global asset manager with a duty to act in the best interests of its clients, shareholders and other stakeholders. As a member of the AXA Group, we follow AXA's corporate responsibility agenda of protecting people over the long term and creating stronger and more sustainable societies. In developing our Responsible Investing (RI) policy, we have aimed to align it wherever practicable with AXA's wider corporate responsibility strategy. For more information see [axa.com/en/about-us/responsible-investment](https://www.axa.com/en/about-us/responsible-investment).

## Sustainability related memberships and partnerships

"Architas" has been a signatory of the United Nations supported Principles for Responsible Investment (UN PRI)<sup>2</sup> since 2018, scoring an 'A' rating for our company's approach to Environmental, Social and Governance (ESG) integration (Strategy and Governance). We believe that integrating sustainable/ responsible investment into our investment decisions and processes will benefit our clients and the wider community over the long term.

Signatory of:



AXA Group, our parent company, actively supports various initiatives related to climate change, ESG and sustainability including United Nations Global Compact, Principles for Sustainable Insurance and Climate Finance Leadership Initiative. They work in partnership with non-governmental organisations on sustainability-related topics. AXA has also joined or supported many investor and insurance-led coalitions, including Institutional Investors Group on Climate Change, Montreal Carbon Pledge, and Science Based Targets.

<sup>1</sup>AUM managed and advised by Architas Multi-Manager Europe Limited, Architas SA/NV, Architas France and Architas Asia Limited.  
<sup>2</sup>[unpri.org/pri](https://unpri.org/pri)

*This Architas Group RI Policy applies to Architas Multi-Manager Europe Limited (AMMEL) in Ireland, Architas SA/NV in Belgium, Architas France in France and Architas Asia Limited (AAL) in Hong Kong with the ultimate parent and controlling company being AXA SA (a company registered in France).*

# OUR FRAMEWORK



The Compliance function will be assumed by Architas local Compliance team in agreement with each country's requirements, constraints and regulation.





## AXA's Responsible Investment Centre of Expertise

The responsibility for the development, implementation and monitoring of AXA's Responsible Investment policy sits with the Responsible Investment Committee. The RI Committee's decisions are interpreted and implemented by the local CIOs via the RI "Centre of Expertise". The RI CoE is also charged with communicating and explaining the Group's RI strategy and directives to local ESG and investment teams as well as coordinating joint CIO initiatives.



## ESG Forum

Responsibility for the development, implementation and monitoring of our ESG Policy sits with the Architas ESG Forum. The Forum is responsible for reviewing and updating the ESG Policy as necessary. The nature of the Forum ensures that the impacts of any new ESG related activities and initiatives are adequately assessed, considered and managed and that ESG principles are effectively promoted and adopted within Architas. Some of the ESG Forum areas of focus are:

- ✓ Oversight of the application of UN PRI principles
- ✓ Oversight of qualitative ESG scoring methodology and communication
- ✓ Review of any new and existing ESG propositions by Architas
- ✓ Review of findings from ESG qualitative analysis
- ✓ Oversight of application of AXA Group exclusions to mandates
- ✓ Assess client requirements against our ESG approach



## ESG Function

At Architas we have a dedicated ESG team responsible for ESG integration within the investment team, it benefits from the input of key members of the investment team such as the CIO, the deputy CIO, senior investment managers and several analysts. The team has worked on developing and implementing a comprehensive ESG analysis tool to be integrated in the investment team's fund selection and monitoring process. It is also involved in various projects that form key elements of the ESG strategy throughout the business, including the launch of sustainable funds.





# ESG INTEGRATION AT ARCHITAS

We define ESG integration as the integration of environmental, social and corporate governance considerations into investment management processes and ownership practices in the belief that these factors can have a material impact on financial performance, in line with the UN PRI definition.

By including ESG considerations into our investment process, we are able to analyse each investment's ability to create, sustain and protect value with the aim of ensuring it can deliver returns in line with our clients' expectations.

In 2017, Architas was appointed by AXA to lead the ESG integration in AXA's unit linked business both in Europe and in Asia.

Architas' integration of ESG issues in investment processes relies on two key pillars: **ESG due diligence** and **quantitative ESG scoring**.



## 1. ESG due diligence

The objective is to perform a qualitative ESG assessment of underlying funds by adding a dedicated questionnaire in the request for information ("RFI") process, followed by face-to-face due diligence meeting(s), to cover:

- ESG policy and governance
- Integration in investment decision process
- Engagement and voting
- Monitoring and reporting

Using collected information, sector analysts will form a view on the robustness of the ESG process (including peer comparison) and present findings back to the investment team. Our ESG function is responsible for maintaining the qualitative scoring system with a minimum threshold, under which the fund is flagged for further review; this could result in removal from approved buy lists.



## 2. Quantitative ESG scoring

The scoring methodologies analyse how issuers are facing ESG trends to avoid risks and benefit from future opportunities. Funds are scored based on underlying securities' ESG scores when inventories are available and methodology applicable.



# SUSTAINABLE INVESTING



## Collaboration and Advocacy

We maintain close relationships with delegated asset managers and industry bodies which are promoting the adoption of sustainable investing such as the UK Sustainable Investment and Finance Association (UKSIF), UN PRI and the Investment Association (IA). Recently, we contributed to the IA's consultation on sustainable investing which resulted in the responsible investment framework.

[uksif.org/](https://uksif.org/)

[unpri.org/pri](https://unpri.org/pri)

[theia.org/](https://theia.org/)

[theia.org/sites/default/files/2019-11/20191118-iaresponsibleinvestmentframework.pdf](https://theia.org/sites/default/files/2019-11/20191118-iaresponsibleinvestmentframework.pdf)



## Voting policy and disclosure of voting activity

Architas controls the voting strategy for assets it holds directly, such as investment trusts. Records of our voting activity for these assets are available on request.

Delegate asset managers exercise voting activities for underlying funds held by Architas. Voting records are not currently available for delegated assets.

AMMEL : [ie.architas.com/globalassets/ireland/policies/ammel-shareholders-rights-directive-disclosure.pdf](https://ie.architas.com/globalassets/ireland/policies/ammel-shareholders-rights-directive-disclosure.pdf)

Architas France : [fr.architas.com/globalassets/france/policies/Politique-dengagement-actionnarial.pdf](https://fr.architas.com/globalassets/france/policies/Politique-dengagement-actionnarial.pdf)



## Marketing

Architas is committed to promoting the integration of ESG considerations in investment decisions and to sharing our views and research on responsible and sustainable investing with advisers and the wider public. We regularly publish content on our website.

[architas.com/](https://architas.com/)



## Conflicts of interest

We maintain a Conflicts of Interest Policy that includes in its scope potential conflicts relating to stewardship. We also expect our delegates to operate conflicts management in line with MiFID or equivalent local requirements. As we do not directly invest into particular companies, we do not typically encounter specific conflicts relating to stewardship.



# IMPORTANT INFORMATION

The Architas Responsible Investing Policy refers to Architas Multi-Manager Europe Limited (AMMEL) in Ireland, Architas SA/NV in Belgium, Architas France in France and Architas Asia Limited (AAL) in Hong Kong with the ultimate parent and controlling company being AXA SA (a company registered in France).

AXA is a worldwide leader in financial protection and wealth management.

The AXA Group includes other fund management companies which we refer to as in-house managers, such as AXA Investment Managers and Architas Multi-Manager Europe Limited. We, Architas, may choose to include funds managed by in-house managers, which we refer to as in-house funds, in our multi-manager funds.







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