Responsible Investment Policy

Eurinvest Partners S.A.

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1. Introduction

1.1 Purpose of the Policy

The purpose of the Responsible Investment Policy ("RIP") is to describe the framework governing the approach of Eurinvest Partners S.A. (hereinafter 'EIP') to responsible investments and sustainability risks. These risks cover a full spectrum, from individual asset risk and business model risk to political and regulatory risk. In addition, this RIP reflects how we implement our responsible investing approach, including how we deal with the adverse impacts of our investment decisions.

This approach is based on four key building blocks:

1) the application of restriction criteria;
2) the execution of active ownership in the form of engagement and voting activities;
3) the systematic incorporation of ESG risks and opportunities into the investment process and
4) a transparent reporting.

1.2. Scope of the Policy

This RIP is aligned with regulatory requirements, EIP's investment approach, and the best interests of EIP's clients. It reflects risk perspectives and requirements resulting from applicable legislation such as the Sustainable Finance Disclosure Regulation, which forms part of the EU's Sustainable Finance Action Plan.

The RIP applies to all assets, but with different requirements. Sustainability considerations will obviously be applied differently in active funds than in passive funds and ETFs, or listed equities.

This RIP is designed with a view to comply with the requirements set out in:

- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR");
- Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;

- Commission Delegated Regulation (EU) 2021/2139 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

1.3. Governance

This RIP shall be approved by the Board of Directors, and the Risk Management team is responsible to decide on exclusions and engagements as well as monitor engagements. The Risk Management team is also responsible for the maintenance and implementation of this RIP.

2. Definitions

The key definitions in consideration of the general ESG Framework can be provided as follows:

Controversial Weapons: Controversial weapons include biological, chemical, and nuclear weapons, cluster weapons and munitions, personal landmines and antipersonnel mines.

Controversial behavior: behavior that violate the United Nations Global Compact Principles covering human rights, labor rights, environment and corruption & bribery considerations. EIP acts in accordance with the UN Global Compact to assess the behavior of investee companies.

ESG: "**E**" stands for ***Environmental*** considerations which refer to climate change mitigation and adaptation, as well as the environment more broadly and the related risks. Environmental risks include climate change, natural resource utilization, pollution and waste, the use of clean technology and energy efficiency, consideration of ESG impact on investment decisions and workforce standards and protections.

"**S**" stands for ***Social*** considerations which refer to issues of inequality, inclusiveness, labour relations, investment in human capital and communities. Social also includes civil and human rights, diversity and equitable opportunities, access to capital and education, global health and medical technologies, affordable housing, Government and community relations as well as labour management relations.

"**G**" stands for ***Governance*** of public and private institutions, including management structures, employee relations and executive remuneration. As such, a good Governance plays a fundamental role in ensuring the inclusion of the ***Social*** and ***Environmental*** considerations in the decision-making process. Governance also includes Board composition, accountability and executive compensation, business ethic and compliance, shareholder rights and stakeholder dialogue, cyber security and internal control.

ESG Factors: The EBA (European Banking Authority) defines this concept as factors with environmental, social or governance characteristics that may have a positive or negative impact on the financial performance or solvency of an entity, sovereign or individual.

Investment Advice: Means the provision of personal recommendations to a client, either upon its request or at the initiative of EIP, in respect of one or more transactions relating to financial instruments, as defined in point (4) of Article 4(1) of Directive 2014/65/EU.

Serious violation: means countries that are in serious violation of ESG, particularly with regard to political stability or where the governance structure is deemed as unsustainable. EIP excludes all investments issues or listed in countries that are considered controversial and deemed as high-risk jurisdictions by the United Nations Security Council.

SFDR: Sustainable Finance Disclosure Regulation EU 2019/2088 from 27th November 2019.
The SFDR aims to "strengthen investor protection for end-investors by reducing information asymmetries and improving disclosure regarding sustainability related matters" by creating various categories ("Articles") for undertakings for collective investment. The Regulation establishes harmonized rules for financial market participants and financial advisers relating to transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes as well as the provision sustainability information regarding financial products.

Sustainable Investment: means a direct or indirect investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Sustainability Factors: means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Sustainability Risk: Means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments conducted by EIP.

3. Responsible Investment Policy

EIP responsible investment framework is built around four blocks:

3.1. ESG Exclusion and Restriction criteria

The ESG framework includes exclusions that are categorized into three main categories 1) norms-based exclusions 2) sector-based and/or values-based exclusions and 3) other exclusions to align with the fund's investment policy. Before EIP starts analyzing and selecting individual investments, EIP shall form an opinion on the investment universe in general and apply this to all our assets under management. EIP may decide to apply an exclusionary screening for particular issuers, industries, jurisdictions and geographic areas. This exclusionary screening is resulting in a list of companies that cannot be part of EIP investment universe. For more details on this, see "Exclusion List Policy".

EIP shall also use a list of sustainability risks when performing the analysis of an issuer. This list allows the manager to assess the ESG profile of an issuer. The list has been defined by EIP, and can be found in the "Sustainability Risk Policy" under section 4.

Additionally, EIP is using a quantitative external ESG scoring model. The rating model, developed by MSCI, performs a complete analysis of a target company and provides a rating, ranging from CCC to AAA. At EIP, the ratings CCC and B are considered as non-ESG investment.

Tier-funds are also part of the investment universe of EIP. Therefore, when dealing with tier-funds, EIP is looking at the regulatory classification, as expressed by article 6, 8 or 9 of SFDR.

3.2. Active Ownership

Active ownership consists of both engagement and voting. Through engagement and voting, asset managers can obtain more insights into the risks and opportunities of their investments and stimulate senior management of investee companies to adopt relevant ESG policies or targets to create beneficial change.

EIP managers are expected to use those tools, as well as managers of tiers-funds which are part of EIP investment universe. Furthermore, for any financial products promoting ESG characteristics, or products with explicit sustainable investment objectives, EIP expects the managers of tiers-fund being part of its investment universe to engage with investee companies on financially material ESG issues, to engage on the most important negative impacts on sustainability factors (also called principal adverse impacts), to vote at shareholder meetings of the companies they own on our behalf, to report on their engagement activities, and to publicly disclose their votes. The exact application depends on the asset class and investment strategy. For example, voting only applies to listed equities.

Furthermore, the implementation is also dependent on available market solutions. For example, for passive funds or Exchange Traded Funds (ETFs) the exclusion requirements are more difficult to be reflected than for active funds. As such, EIP currently makes temporary exceptions for passive funds and ETFs while exploring alternatives that will still allow EIP's clients to benefit from the advantages that they offer, but with increased alignment with its sustainable development objectives.

As such, passive funds and ETFs are currently exempted from the requirements that are described in this document. EIP expects that it will be possible to introduce specific requirements for passive funds and ETFs by end of 2022, after which the managers of these funds will receive up to 12 months to ensure they meet the new requirements.

3.3. ESG Risk Incorporation

Investment decisions shall be duly assessed against regulatory and legal requirements before their execution. EIP incorporates Sustainability Risks as deemed relevant into the investment decision.

EIP shall ensure that Sustainability Risks are considered as applicable with the fund's specific investment strategy.

EIP shall perform a pre-trade check to verify whether the investments are compliant with the SFDR. In addition, EIP shall use quantitative and qualitative indicators for the identification of ESG risks as part of its investment strategy.

3.4. ESG Reporting

EIP shall decide to identify which information shall be disclosed and what ESG standard(s) or framework(s) to use according to several factors, which include, inter alia, the following:
- commonly disclosed and relevant for the industry;
- company strategy and focus;
- reporting requirements, and;
- intended audience of the ESG report.

4. Disclosure of Sustainability Risk Policy

EIP shall post this RIP on its website, www.eurinvestpartners.com, and mail it to its customers upon request.

5. Updates and Senior Management Approval

The Board of Directors of EIP will review this RIP at least once a year and update it as necessary to reflect changes in actual circumstances and practices.