



RESPONSIBLE INVESTMENT POLICY

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I. KEY DEFINITIONS

- **Active ownership** – Represents actively exercising one’s rights as the shareholder of a company, particularly active engagement with management, voting at Annual General Meetings (AGMs), and discussion on both financial and non-financial environmental, social, and governance (ESG) factors.
- **Engagement** – The act of undertaking constructive dialogue with investee companies/issuers with a view to improve environmental, social, and governance (ESG) practises.
- **ESG factors** – environmental, social or governance aspects. Examples of such aspect are pollution, carbon emissions, health & safety, labour conditions, board diversity, and anti-corruption.
- **ESG Requirement** - it relates to the internal minimum expectation from KTL related to all environmental, social or governance investments’ done depending of type of investments, methodology and process. This minimum expectations may vary depending also on another internal criterias reflecting the applicable regulations and will evolve over time.
- **Exclusion** – The act of barring an entity's securities from being purchased for a portfolio due to business activities that are deemed unethical, harmful to society, or in breach of laws or regulations.
- **PAIs** – principal adverse impacts (PAIs). This refers to the negative impacts of investment decision-making on sustainability factors.
- **Responsible Investment** – Being an active owner and incorporating ESG issues into investment analysis and decision-making processes in order to achieve both financial and societal outcomes.
- **SFDR** –Sustainable Finance Disclosure Regulation. SFDR is a European regulation introduced to improve transparency in the market for sustainable investment products, to prevent greenwashing and to increase transparency around sustainability claims made by financial market participants,.
- **Sustainability risk** – An environmental, social or governance (ESG) event or condition that, if it occurs, could cause a material negative impact on the value of the investment.
- **Voting** – Shareholders (typically) receive – and can choose to exercise – voting rights to be cast at annual or extraordinary general meetings on a range of strategic and environmental, social, and governance (ESG) matters.

II. INTRODUCTION

The aim of this document (hereafter: the “RI Policy”) is to state the key rules, governance, and procedures related to Responsible Investment (RI) within Kredietrust Luxembourg S.A. (“Kredietrust”). Where considered relevant, regulatory requirements and terminology have been taken into consideration in the development of the Policy. The RI Policy applies to Rivertree and Essential Portfolio Selection funds managed by Kredietrust, according to its specific application, as the case maybe.

The current Policy is compliant with the applicable Laws and Regulations of the EU Taxonomy and Sustainable Finance Disclosure Regulation (SFDR), as amended from time to time.

III. POLICY PROVISIONS

3.1. MINIMUM ESG REQUIREMENTS

Kredietrust has developed minimum ESG Requirements for all investments. The development of the Kredietrust RI Policy has been based on the organisation's views on what constitutes being a good corporate citizen, internationally recognised standards such as the United Nations (UN) Global Compact principles (for an overview of the 10 UN Global Compact Principles, please refer to Appendix I.), market best practices, and regulatory requirements.

The minimum ESG Requirements can be seen as the base expectation for all investments and are expected to evolve over time. Since the investment process and applicability differs per asset class and investment method, the application of the requirements will differ between investments, such as in the case of direct investments compared to externally managed assets (i.e. via third-party asset managers, see section 3.7). Also, the consequences of a violation of the minimum ESG Requirements depend on various criteria, such as regulatory requirements, the nature of the violation, and the feasibility of engaging with the entity that is considered to be in violation.

EXCLUSIONS

If an issuer operates in violation of Kredietrust's defined exclusion criteria and either the desired changes related to resolving the violation cannot be achieved given the nature of the violation, or the issuer has not resolved the violation with the timeframe set by Kredietrust, such issuer is excluded from Kredietrust's investment universe. The exclusion criteria for direct investments are categorised as follows:

1. Equities and bonds issued by companies directly and indirectly involved in controversial weapons;
2. Bonds issued by countries under an EU arms-embargo, as well as equities and bonds of companies owned by these countries;
3. Equities and bonds issued by companies deriving significant revenue from the extraction of thermal coal or thermal coal power generation;
4. Equities and bonds issued by companies that are non-compliant with the principles of the UN Global Compact (UNGC) when engagement is not or no longer considered feasible.

For further information on each of these categories, see below:

1. Controversial Weapons:

Controversial weapons are weapons that can have a disproportionate and indiscriminate impact on the civilian population. The following weapon types are considered controversial by Kredietrust: anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium ammunitions, and white phosphorus weapons. In addition, involvement by corporate issuers in

nuclear weapons related to countries that are not a signatory to the Non-Proliferation Treaty (NPT) is considered to be a violation of Kredietrust's minimum ESG Requirements.¹

2. EU arms embargoes:

Kredietrust considers sovereign issuers and sovereign-related issuers to be in violation of the minimum ESG Requirements in case of EU arms embargoes targeted at the central government. Since Kredietrust already adheres to regulations concerning various types of sanctions, these regulations are assumed to be co-equal with the minimum ESG Requirements. As such, any explicit criteria in this Policy related to sovereign or sovereign-related issuers must be understood as being in addition to any applicable regulations.

3. Thermal coal:

Thermal coal is widely used as a principle means of generating electricity in much of the world. The International Energy Agency (IEA) found that CO₂ emitted from coal combustion was responsible for over 0.3°C of the 1°C increase in global average annual surface temperatures above pre-industrial levels. This makes coal the single largest source of global temperature increase.

When corporate issuers are deriving more than 10% of revenues either from thermal coal extraction or thermal coal power generation, they are excluded.

An exception to this requirement are green bonds, as Kredietrust believes that investing in green bonds can help companies fund environmental projects that will decrease their reliance on thermal coal in favour of greener technologies. This is consistent with Kredietrust's philosophy to deploy investment in order to create positive change.

4. United Nations Global Compact principles:

Kredietrust expects companies it invests in to operate in accordance with international law and regulations. Kredietrust uses the United Nations Global Compact principles as a reference framework to Kredietrust the conduct of corporate issuers. Corporate issuers that we have determined to severely and structurally violate these principles are considered to be in violation of Kredietrust's minimum ESG requirements. When that's the case, such issuers are only eligible for investment when there's an active engagement process with that issuer to resolve the violation. This is maximised at three years. When engagement is not or no longer considered feasible, such issuers need to be excluded.

3.2. ESG INTEGRATION

Kredietrust believes that investors can make better investment decisions if Environmental, Social, and Governance (ESG) factors and responsible business practices are an integral part of the investment process. ESG integration provides a fuller picture of the opportunities and risks related to individual investments and a portfolio as a whole.

¹ Please note that these criteria always include what is mandated by (local) law and regulation, but also go beyond these requirements (and are therefore stricter), for example with respect to the types of weapons that are considered a violation.

In this policy document, the term ESG integration refers to the use of ESG factors in the investment process to enhance the risk-adjusted return profile by either increasing returns or lowering risk.

The investment processes within Kredietrust can differ between funds. As such, the ESG integration approaches are likely to be different as well, including implementation at the two levels mentioned above. Kredietrust does therefore not have a centralised, prescriptive approach on how to integrate ESG factors, but has taken the following steps:

- In order to stimulate and facilitate ESG integration, investment staff members have access to relevant ESG research and are expected to consider this information in their investment process and to demonstrate how they have done so.
- Kredietrust investment teams have developed internal guidelines, tools, training modules, and supporting materials to further enhance the ESG integration efforts. ESG integration may be either a quantitative or qualitative approach, at either level.
- Kredietrust has identified sustainability risks in the form of environmental, social or governance (ESG) events or conditions that, if they occur, could cause a material negative impact on the value of an investment. These precede and influence investment decisions, continuously managed and monitored. For further details on our approach to the integration of sustainability risks in investment decision-making, please refer to KTL Sustainability Risk Policy.
- In addition, where external (investment) research is a significant part of the investment process, Kredietrust will engage with the investment research provider to ensure ESG factors are considered in the financial analysis and valuation of individual securities.

3.3. ADVERSE IMPACTS

Kredietrust considers and mitigates principal adverse impacts (PAIs) of its investment decision-making, where possible and feasible, through a combination of methods (voting, exclusion, engagement, and portfolio construction). These methods are further described in this Policy document. Given the variety of financial products that Kredietrust employs to meet different client needs, the exact way and degree the adverse impacts are considered depends on the type of financial product and is further detailed in product-specific disclosures.

3.4 ACTIVE OWNERSHIP

Kredietrust believes that active ownership enhances the long term economic and societal value of the investee company over time. As such, exercising the influence Kredietrust has as an investor and investment manager in order to achieve beneficial change, is consistent with both our fiduciary duty towards our clients and our objective to be a responsible company. Kredietrust's ownership practices consist of dialogue and engagement with investee companies, and the exercise of voting rights to hold investee companies' management accountable.

In addition, since Kredietrust invests a significant share of the assets entrusted to us by our clients via third-party funds, Kredietrust is well positioned to stimulate active ownership and Responsible Investment practices of fund managers through the work of Quintet's Fund Solutions Team. By actively engaging with fund management companies and allocating capital to their funds on the basis of ESG

and RI considerations, Quintet, acting on behalf of Kredietrust, can further contribute to the development of Responsible Investment in the asset management value chain.

3.4.1. VOTING

Kredietrust believes that exercising shareholder rights enhances the economic value of companies and contributes to the goal of providing an optimal return to our clients. In addition, Kredietrust considers voting to be an essential part of being an active owner, and will therefore seek to vote, where possible and feasible, at shareholder meetings of the companies in which we invest for our clients. Our Active Ownership policy and voting guidelines, which draw upon the expertise of our external service provider, emphasises governance, environmental, and social matters. We partner with GlassLewis, a global proxy voting provider, to for proxy research and recommendations and to cast our votes. We review in detail voting when the investment is large or there is an increased level of controversy, or on request from members of our investment team, as further explained in our Active Ownership Policy.

Voting is implemented across Rivertree and Essential Portfolio Selection funds.

3.4.2. ENGAGEMENT

The primary focus of Kredietrust's engagement is to address companies' key risks, challenges, and opportunities, covering environmental, social, governance, strategy, risk and communication matters. Our ultimate objective is to create value for investors, the company, and people and the planet.

Since Kredietrust represents a diverse group of clients with diverse holdings across the investment universe, we invest in a wide range of companies. As many of these companies are large, our direct investments may be small relative to the size of the firm. To be effective in engaging with these companies, we believe that collaborative engagement is likely to achieve better results than efforts we might undertake on our own. We have therefore partnered with EOS² at Federated Hermes, a specialised service provider, which conducts engagement on our behalf. In cases where collaborative engagement is not practical, we may undertake direct engagement ourselves with the companies we invest in.

We have instructed our engagement partner to give special attention to companies that violate the principles of the UN Global Compact, or that are involved in significant ESG controversies.

Kredietrust allocates a significant portion of its client's assets to external managers. In addition to engagement for direct lines, Kredietrust engages with external fund managers. Active ownership to create sustainable investor value is important for all investments, and we incorporate this conviction into the selection and monitoring of external managers. We also engage with these managers to communicate our beliefs and to understand theirs, and for insight into their active ownership policy and practice.

For more Information on our engagement policy and practices please refer to our [Active Ownership Policy](#).

² Equity Ownership Services

3.5. REPORTING AND TRANSPARENCY

Reporting is an integral part of being a responsible investor. In addition to any regulatory requirements for entity and product level reporting, Quintet group reports to external stakeholders about its Responsible Investment activities including KTL in the following ways:

- Annual active ownership report
- Disclosure of Kredietrust's voting decision's online, dating back to the past 12 months.
- PRI transparency report

Furthermore, depending on the exact product or proposition, Kredietrust also provides Responsible Investment related reporting to clients beyond regulatory requirements, such as for example on specific engagement cases and the ESG performance of their portfolios.

3.6. THIRD-PARTY MANAGED ASSETS³

Since Kredietrust's RI Policy includes all asset classes, Kredietrust also applies RI requirements to third party managed assets held in Rivertree and Essential Portfolio Selection funds, which are intended to reflect the intentions and objectives behind the guidelines for internally managed assets.

While Kredietrust cannot unilaterally determine the investment approach in pooled investment funds, we can leverage our position in the asset management value chain as a fund selector. By asking questions, stimulating certain types of behaviour/approaches, and ultimately, allocating capital accordingly, Kredietrust can positively influence the development of the Responsible Investment field as a whole.

Kredietrust makes a distinction between:

- Funds managed by a third-party for which Kredietrust can determine the investment approach
- Funds managed by a third-party for which Kredietrust cannot determine the investment approach
- Passive Funds

3.6.1 FUNDS MANAGED BY A THIRD-PARTY FOR WHICH KREDIETRUST CAN DETERMINE THE INVESTMENT APPROACH

For third-party managed assets that are managed for by Kredietrust on a discretionary basis (i.e. where Kredietrust has a formal say on how the assets are managed) external managers are expected to follow the same requirements and guidelines as Kredietrust applies to its internally managed assets. Feasibility and (potential) cost implications will be assessed on a case by case basis.

3.6.2. FUNDS MANAGED BY A THIRD-PARTY FOR WHICH KREDIETRUST CANNOT DETERMINE THE INVESTMENT APPROACH

For that activity, Kredietrust relies on the capabilities of Quintet group Fund Selection Team that has developed specific third party fund selection RI guidelines, which utilises research in order to

³ In this section, we refer interchangeably to "assets," "funds," and "mandates."

validate that fund managers stick to their commitments. Quintet Fund Selection Team require fund managers to fill out a rigorous questionnaire in order to assess how ESG factors have been integrated into the investment process.

All fund managers should at least meet Kredietrust's Responsible Investment criteria:

- 1) Integrate ESG factors in financial analysis and portfolio construction (for active funds)
- 2) Be active owners: engage with investee companies and where applicable vote at shareholder meetings.
- 3) Exclude issuers involved in controversial weapons (applies only to issuers of cluster munitions)

Furthermore, for funds held in Rivertree and Essential Portfolio Selection that have additional sustainable characteristics beyond the minimum required by this Policy, third-party funds are analysed based on the following 5 key pillars:

1. Intentionality (explicit and intended link to ESG in the objectives)
2. Sustainability of the portfolio (sustainable characteristics of the holdings)
3. Quality of sustainable research (sufficient skill, capacity & tools embedded in robust methods and processes)
4. Active ownership (high quality engagement and proxy voting, supported by clear policies)
5. Transparency (frequent reporting on voting, engagement and progress on ESG targets)

For a more detailed information about this approach, please refer to our fund sustainability due diligence policy.

3.6.3. PASSIVE FUNDS

With passive funds or ETFs no interview with the fund manager is conducted. The questionnaire is partly answered by the fund manager and partly by the underlying index provider.

IV. POLICY GOVERNANCE

The Policy owner the Conducting Officer of Kredietrust in charge of Portfolio Management.

This Policy, as well as any future (material) modifications shall be validated by both the Board of Directors and by the Authorized Management Committee of Kredietrust.

This Policy will be updated and evaluated by the Board on an adhoc or annual basis, according to the applicable regulation, as the case maybe.

6.1. 1st line of defense

The first line of defense is responsible for controlling their risks and for ensuring an effective monitoring and controls environment is in place to meet all policy requirements as laid out in this document. Create process and procedures to make sure policy implemented. Escalate any concerns related to the interpretation of this policy.

6.2. 2nd line of defense

Compliance and Risk Management provides support to Kredietrust's management committee. Checks and challenge of regulatory aspects are part of compliance monitoring plan and risk management controls. Compliance team provides 1st line of defense with assistance regarding the interpretation of relevant regulatory environment and ongoing monitoring of regulatory landscape. Risk Management oversees the management of the risks through the independent risk controls.

6.3. 3rd line of defense

Independent assurance: Internal Audit acts as the third line of defense providing independent assurance over Kredietrust's investment strategy and implementation by the business. External Audit, on an annual basis, provide independent, critical and objective review of the first two lines of defence.

VI. VERSION CONTROL & METDATA

Kredietrust Responsible Investment approach will continue to evolve, building upon the framework that has been established in this Policy.

To ensure that the Policy remains an effective and suitable governing framework for Responsible Investment within Kredietrust, this Policy shall be reviewed biennially. Any change will be recorded in the 'Change Log' (see the table below), so that readers can always understand the context and evolution of the latest version of the Policy.

Furthermore, there are various topics that have not been included in this Policy, but which may become relevant to include at a later stage, either following requests from Kredietrust's clients, market developments, regulatory changes, or progressive insight about how ESG factors impact Kredietrust's investments. Such topics will be monitored by the Quintet Group Sustainable Investment Team, by following market developments and using inputs from Kredietrust's ESG research providers, proxy voting provider and engagement provider.

APPENDIX I – THE UN GLOBAL COMPACT PRINCIPLES

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

APPENDIX II – THRESHOLDS FOR PRODUCT INVOLVEMENT

Product Involvement	Thresholds			Criteria	
Adult Entertainment	Adult Entertainment Production	Adult Entertainment Distribution			
This involvement area provides an assessment of whether companies derive revenue from adult entertainment. This includes producers of adult movies, cinemas that show adult movies, adult entertainment magazines, and the broadcasting of adult entertainment.	5%	15%			revenue %
Alcoholic Beverages	Alcoholic Beverages Production	Alcoholic Beverages Retail	Alcoholic Beverages Related Products/ Services		
This involvement area provides an assessment of whether companies derive revenue from alcoholic beverages. These include producers of these beverages as well as retails and distributors and suppliers of alcohol-related products/services to alcoholic beverage manufacturers.	5%	15%	15%		revenue %
Gambling	Gambling Operations	Gambling Supporting Products	Gambling Specialized Equipment		
This involvement area provides an assessment of whether companies derive revenue from gambling. This includes companies that offer gambling services (operation of casinos, lotteries, bookmaking, online gambling, etc.), gambling products (slot machines and other gambling devices) or supporting products/services to gambling operations.	5%	15%	15%		revenue %
Genetically Modified Organisms (GMO)	Genetically Modified Plants and Seeds Development	Genetically Modified Plants and Seeds Growth			
This involvement area provides an assessment of whether companies derive revenue from the development and/or cultivation of genetically modified seeds and/or plants, as well as the growth of genetically modified crops	5%	15%			revenue %
Nuclear Power	Nuclear Production	Nuclear Distribution	Nuclear Supporting Products/ Services		

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<p>This involvement area provides an assessment of whether companies are involved in the production or distribution of energy from nuclear sources or developing products or services that support the nuclear power industry.</p>	5%	15%	15%		revenue %
<p>Tobacco</p>	Tobacco Products Production-	Tobacco Products Related Products/Services	Tobacco Products Retail		
<p>This involvement area provides an assessment of whether companies derive revenue from tobacco products including cigarettes, cigars, tobacco, electronic cigarettes, paper used by end consumers for rolling cigarettes, filters, snuff tobacco, etc. It includes tobacco products manufacturers, retailers and distributors, as well as companies providing tobacco-related products or services.</p>	0%	5%	5%		revenue %
<p>Nuclear & Civilian Weapons</p>	Nuclear Weapons Non tailor-made or non essential	Nuclear Weapons Tailor-made and Essential			
<p>This involvement area provides an assessment of whether companies are involved in the manufacturing of controversial weapons or components or services thereof.</p> <p>Controversial weapons, in contrast to conventional weapons, have a disproportionate and indiscriminate impact on civilian populations, sometimes even years after a conflict has ended. Certain controversial weapons are illegal, as their production and use are prohibited by international treaties and bans. In various countries there is legislation in place regarding investments in controversial weapons.</p>	involvement	involvement			Involvement or no involvement
<p>This involvement area provides an assessment of whether companies derive revenue from firearms. It includes manufacturers of firearm weapons such as guns, rifles, and pistols, manufacturers of components of these weapons and retailers.</p>	0%	0%	5%	5%	revenue %