

Human Rights Statement 2022

Anthos Fund & Asset Management



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1 Our connection to human rights

Anthos Fund & Asset Management is a values based fund of funds asset manager, located in Amsterdam and investing globally. For all our investments we aim to increase our positive impact on the world, and understand, avoid or minimize the negative. **An essential aspect of our spiritual heritage is the value of Human Dignity, the very same that has inspired the UN Declaration of Human Rights, which we adopt as our standard.** We recognize that as a fund of funds asset manager, we have a responsibility to respect human rights throughout our own activities as an employer and business owner, and also through our investments via our external managers. We understand that we can only truly live up to our values if we take all possible measures to understand our role, via our capital allocation decisions, and take the appropriate action to prevent human rights risks from occurring in our own activities and in the activities of our business partners, as well as to incentivise and reward positive practices.

This Human Rights Statement is our next conscious step towards further strengthening our capacity to live up to our commitments. In the coming months we will review our business activities and decisions to form a better understanding of where potential impacts on people and planet reside within our operations. The Human Rights Statement will guide the establishment of a policy that will commit Anthos and set expectations for our internal and external stakeholders. We will share our human rights statement online, and also with our clients, external managers and employees, making sure they understand our role and our expectations, to include appropriate steps to meet these expectations, and we will commit to reviewing and continuously improving our stance.

2 Our commitment

Anthos is committed to respecting internationally accepted human rights as defined in the United Nations (UN) Universal Declaration of Human Rights and associated covenants, treaties and human rights instruments, and we commit to integrating human rights considerations into our daily business operations. At Anthos we consider respecting internationally recognized human rights as a responsibility for companies like us, and also recognise that States and their governments bear the primary responsibility to protect human rights within their respective jurisdictions and populations.

The principles and guidelines listed below, provide us with the guidance we need to further integrate human rights in our investment approach, and also to understand how to best take up our role. We do not use all of these in the same way, or to the same extent. We will elaborate on this in the coming policy. We expect our external managers and partner organisations to use the following or other relevant, internally recognised norms and frameworks:

- OECD Responsible Business Conduct for Institutional Investors
- UN Guiding Principles on Business and Human Rights (UNGPs)
- ILO core conventions
- UN Global Compact

3 Our roles and expectations

Anthos Fund & Asset Management has identified the three main areas of impact on human rights: as an investor on behalf of our clients, as an employer and as a procurer. We believe that the potential biggest risks to human rights can be found in our investments, and here too are the biggest opportunities to have a positive impact. We understand our role as described by the OECD guidance for Institutional Investors, stating that “investors, are not generally responsible for the actions of the entity with which they have a business relationship but rather for their own conduct, including their efforts to influence or encourage that entity”. Anthos commits to using its leverage, where possible, to encourage responsible business conduct of entities with which it has a business relationship.

As an investor, we are most likely potentially linked to harms through investments by our external managers, or those caused/contributed by those managers themselves. We understand that we have a responsibility to use our leverage to prevent or mitigate those harms and adverse impacts, and also enable remedy. We also see our role as an investor in terms of collaboration and participation in industry and multi-stakeholder initiatives. We endorse the PRI's collaborative engagement on human rights, Advance, and have joined the Investor Alliance for Human Rights.

While we already include human rights in our Responsible Investment integration in investments, our human resources and procurement processes, we will work to improve this and integrate human rights throughout our activities and make it more tangible in the coming years.

We see these three roles, investor, employer and procurer, as most prominent for us and most of our external managers. We will work to further develop our approach and expect the same from our managers. Below are some of these initially identified responsibilities in three areas linked to our different roles.

3.1 Our investments – aligning with the UNGPs

As an indirect investor we will further develop the below steps for ourselves and expect our managers to have or develop:

1. Public policy commitment on human rights
2. Ongoing due diligence processes that include:
 - (1) Identification of actual and potential negative outcomes for people and the environment arising from investees
 - (2) Preventing and mitigating the actual and potential negative outcomes identified
 - (3) Tracking ongoing management of human rights outcomes
 - (4) Communicating to clients, beneficiaries, affected stakeholders and publicly about outcomes and the actions taken to address harms
3. Enabling access to remedy and grievance mechanisms.

3.2 Our people – we respect all employees' human rights

1. We include and review respect for human rights in the compliance and code of conduct policy in house
2. We will provide training on human rights and related tools as relevant to the employee's role

3.3 Our vendors

1. We will inform our vendors of our own human rights standards, by way of this statement and any future policy.
2. Where necessary, we will engage with our vendors to improve their own processes and commitments around human rights in their operations

4 Our approach to implementing Human Rights

4.1 Policy commitment

Human rights is embedded, as a topic, in our Responsible Investment Policy. In the future we will also have a separate Human Rights Policy in line with best practice.

The ultimate responsibility and accountability for implementation of our RI policy lies with our Board, with regular updates on implementation from senior leadership. Day to day responsibility and accountability for implementation and coordination lies with our Investment department when it comes to investments, Human Resources department when it comes to employees wellbeing and the Operations department when it comes to procurement.

4.2 Due diligence process

We prioritise Human Rights issues which have severe impact, high likelihood and irremediability, and as a fund-of-fund investor we assess the capacity of our managers to perform this analysis on their own portfolio companies.

Due diligence in the context of human rights is an on-going, proactive and reactive, and process-oriented activity. The dimensions used as the basis for prioritisation of human rights risks by the UNGP are severity of impact, based on scale, scope, irremediability, in addition to likelihood. Under the OECD Guidelines, “the nature and extent of due diligence, such as the specific steps to be taken, should be appropriate to a particular situation and will be affected by factors such as the size of the enterprise, context of its operations, the specific recommendations in the OECD Guidelines, and the severity of its adverse impacts.” As a relatively smaller indirect investor, we will often depend on our external managers to do the analysis of companies and their impacts. This is why the assessment of the capacity of our managers to do that during the investment due diligence and our engagement with them after investment are the two crucial Human Rights due diligence (HRDD) related activities for us.

4.2.1 Identification of actual and potential negative outcomes

Given our position as a fund of funds and the fact that some of our clients are also committed to implementing the OECD Guidelines and UNGPs, we need to examine our oversight and governance practices to provide us insight as to where in the investment value chain appropriate due diligence processes are in place and where there may be gaps. We use our ESG scorecard, which covers human rights issues, to assess the quality of integration of ESG risks which includes assessment of adverse impacts by our fund managers.

4.2.2 Preventing and mitigating the actual and potential negative outcomes identified

Once identified, the potential adverse impacts need to be mitigated, prevented or ceased and remedied if they already occurred.

To **prevent actual or potential adverse impacts** in our portfolio, we have developed our ESG positions and Exclusions Policy, which reflects our values and themes we prioritized due to our risk assessment and target setting, such as climate change. We are in the process of surveying our stakeholders on the prioritization of these topics from a double materiality perspective (stakeholder impact and financial risk). This will enable us to further develop and focus our identification of risk and prevention approaches.

In each global portfolio there will always be actual or potential adverse impacts that cannot be prevented **and need to be mitigated**. Once these have been identified either through human right assessment and reporting from our managers, news or through our external engagement service provider, we rely on the process outlined in our Stewardship policy to respond to these. We will in the forthcoming process consider the adequacy of the current processes to become aware of incidents in a more systematic and actionable way.

When an enterprise causes or contributes to adverse impacts, it is expected to remedy them dependent on its level of contribution to the harm. As a fund of funds, Anthos will rarely be causing or contributing to a negative impact and will most often be directly linked (see Figure below) to it through its business relations. As a result we would seek to use our leverage with the external fund manager, who in turn would encourage the underlying company to cease, prevent, mitigate, and remedy based on prioritization of the worst adverse impacts.

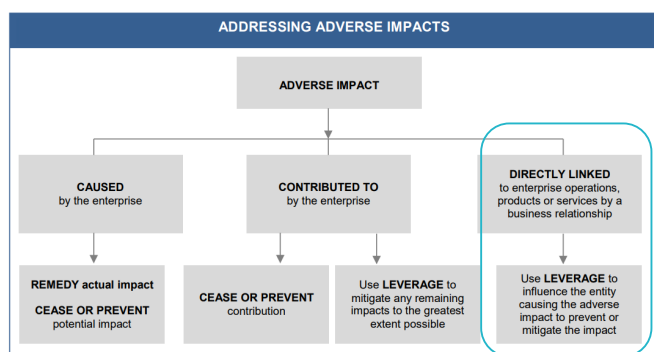


Figure 1 OECD Guidelines for Institutional investors

In terms of our position in the value chain, exclusion of companies is not always the most useful strategy to address impacts on people and can, in some cases, make things worse when not done in a rights-respecting fashion. In line with the OECD guidelines divestment is in most cases a last resort reserved only for the most severe adverse impacts, where despite engagement efforts companies are not willing or able to mitigate those impacts, and in the asset classes where this is possible. Exceptions to this are highly damaging industries or products with potential systemic negative impacts (weapons, thermal coal, oil sands, tobacco, etc.) which we maintain on an exclusion list and screen for exposure aiming to keep it below 5% for all AUM.

4.3 Tracking, monitoring and reporting to stakeholders

Investors are expected to “know and show” how they manage adverse impacts linked to their portfolios. In the future we aim to report according to the [UNGPs Reporting Framework](#) specifically for human rights.

5 Our next steps

In the coming years we will be developing our approach to human rights.

Year 1 (2022): Awareness and commitment

- Raise awareness internally through workshops and connect and engage with the relevant partners and stakeholders
- Make the necessary commitments (Human Rights statement)

Year 2 (2023): Implementation and capacity building

- Publish a Human Rights policy
- Update current tools for external managers selection in DD and monitoring (ESG Scorecard)
- Training for engagement with our external managers
- Client support for human rights policy and implementation where needed

Year 3 and beyond (2024 -): Collaborating, engaging and working towards targets

- Report according to UNGPs Reporting Framework
- Set targets for external managers engagement and outcomes
- Continue improving tools and engagement
- Continue training, reporting and organizing events

Annex: The Universal Declaration of Human Rights

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|---|--|---|--|--|
| 1. All are born free and equal in dignity and rights | 2. Everyone is entitled to these rights and freedoms – no discrimination | 3. Right to Life, Liberty, Security of Person | 4. Freedom from Slavery or Servitude | 5. Freedom from torture or degrading treatment |
| 6. Right to recognition before the law for everyone, everywhere | 7. Equality before the law and right to protection against discrimination in | 8. Right to remedy for acts violating fundamental rights | 9. Freedom from arbitrary detention, arrest or exile. | 10. Right to a fair public hearing by independent tribunal |
| 11. Right to the presumption of innocence and ban on retroactive penance | 12. Right to privacy and protection | 13. Freedom of movement and residence | 14. Right to Asylum | 15. Right to Nationality |
| 16. Right to marry and found a family | 17. Right to own property and not be arbitrarily deprived of it. | 18. Freedom of Religion or Belief | 19. Freedom of opinion and expression | 20. Right to freedom of assembly and association |
| 21. Right to take part in government, equal access to public service in own | 22. Right to social security as a member of society. | 23. Right to work, equal pay for equal work, just remuneration, trade unions. | 24. Right to rest and leisure, periodic holidays with pay. | 25. Right to an adequate standard of living. Motherhood and childhood, special |
| 26. Right to education, free in elementary stages, compulsory. Parents have a | 27. Right to participate in cultural life, enjoy arts, share in scientific | 28. Right to social and international order, to realize this rights. | 29. Everyone has duties to the community. | 30. No one can abuse this declaration to destroy any of the rights and |