Responsible Investment Policy 2024

Anthos Fund & Asset Management

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Contents

1. Scope

This document describes Anthos Fund & Asset Management's (Anthos') approach to responsible investment (RI). It explains the processes and beliefs that guide us in meeting our clients' needs and values, and how we integrate these values into our investment decisions.
The RI policy applies to every asset category and to all assets under management (AUM). We strive to implement the policy consistently but acknowledge exceptions or challenges due to implementation constraints in the three cases below. Anthos aims to document and report on these for transparency purposes in our annual reporting:

1. We work with select like-minded clients who accept Anthos' RI policy as a baseline, however some of our clients may have specific added requirements, which can be different or more explicit than described in this policy.
2. Legacy portfolios of new clients will undergo a transition period before they become part of the reporting and other requirements of this policy. We will report on this process and aim to complete this transition within one year of onboarding the client's portfolios.
3. Anthos strives to as much as possible use the tools as detailed in Chapter 5, to make decisions and always act in line with our values as described in this policy. However, there are some assets for which implementation of the policy is challenging for several reasons, such as data availability, look through possibility or engagement. These include cash investments, some absolute return strategies, ETFs, and legacy or investments that are winding down.

2. Purpose and Values

Anthos is part of COFRA Holding, which has been family-owned for six generations and is united around the common purpose of amazing its customers and being a force for good. At Anthos, we share this purpose, recognising that successful investments can have both attractive returns and a lasting positive impact on society and the environment. For generations, we have been entrusted with the responsibility of providing comprehensive values-based asset management services for the Brenninkmeijer family and related pension funds. Our approach is inspired by the values of sustainability, human dignity, and good corporate citizenship.

Our mission is to offer only to select like-minded investors trustworthy advice, and holistic values-based asset management solutions, accessing the best managers globally to outperform while contributing to the common good.

Our ambition is to provide leadership in responsible investment, which we term "values-based investing," guided by our focus on sustainability, human dignity, and good corporate citizenship. Sustainability is about meeting the needs of current generations without compromising the needs of future generations. Human dignity recognises the inherent worth of every individual and is reflected in human rights, labour conditions, respect for life, ethics, and justice. Good corporate citizenship is about understanding and enhancing our own corporate, environmental, and social impact, about being a responsible investor and about expecting the same good corporate governance from our investees.

3. Investment beliefs and RI Objectives

Our primary investment objective is to deliver attractive risk-adjusted financial returns, while investing in line with our values. Responsible investment is part of our fiduciary role, and we believe that it does not require us to sacrifice returns in the long term. Moreover, we believe that responsible investment and effective stewardship can help us achieve our primary objective.

More specifically, our responsible investment objectives centre on deploying our invested capital to i) uphold our purpose and values, ii) enhance financial value, and iii) improve the potential for positive impact on the world. We have set the following process and aspirational goals to make sure we can monitor our actions and strategy towards these objectives.

3.1. Objective 1: Upholding our Purpose and Values

Values-based investing also involves choosing where we do not want to invest. We follow international standards and our values of human dignity, sustainability, and good corporate citizenship to put on our monitoring exclusion list investments in companies not aligned with these values. To monitor and reinforce this objective we have set these three ambitions or practices.

- **Continuous improvement:** Attain and/or maintain the highest level of responsible investment implementation assessed by the PRI.
- **Exposure to exclusion list:** 0% of AUM exposure to issuers on the exclusion list in segregated mandates and not more than 5% exposure to issuers per product on the exclusion list in pooled funds. Report an estimated or reported exclusion exposure for all asset classes.
- **Training:** 100% of staff trained on relevant RI or Impact topics annually.

3.2. Objective 2: Enhancing financial value.

At Anthos, we believe that Environmental, Social, and Governance (ESG) factors hold significant financial relevance. We believe that integrating these considerations into our investment decisions not only promotes sustainability but also promotes better risk-adjusted financial returns. To monitor and reinforce this objective we have set these three ambitions or practices.

- **Net-Zero emissions by 2040:** We are committed to achieving net-zero emissions by 2040, aligning with the preferred goal of the Paris Agreement to limit global warming to below 1.5 degrees Celsius.
- **Robust pre-investment assessment:** Before investing, we evaluate the quality of ESG integration and the type of impact for all new investments. This pre-investment assessment is aimed at making sure that our investment choices align with our responsible investment goals.
- **Ongoing monitoring and engagement:** Annually, we check and update our assessment on all funds and engage where it’s needed to enhance their ESG integration and impact. This proactive monitoring process ensures that our investments continually improve towards more sustainable practices.

3.3. Objective 3: Improving the potential for positive impact of our portfolios on the world.

At Anthos, we acknowledge the potential for influence and impact our investments can have over society and the environment. Our commitment extends to not only mitigating negative impacts but also aligning or steering our investment portfolios towards sustainable or impact investments. To monitor and reinforce this objective we have set these three ambitions or practices.

- **Aligning with sustainable or impact investments:** By 2025, we strive to increase the allocation to investments that can potentially "Benefit Stakeholders" or "Contribute to Solutions" to 25% of all AUM. This ambition gives us direction and helps us understand the opportunities for aligning our portfolios with sustainable or impact investments, while maintaining or even improving our primary investment objective to deliver attractive risk-adjusted financial return.
- **Aligning with less financial-only funds:** We aim to limit exposure to funds categorized as "May or Do Cause Harm" to no more than 5% of all applicable AUM by 2025. We do not want to exclude a whole asset class (e.g. cash), so we apply this goal for the asset classes where we can measure the type of impact a fund can have and where there is a choice between a financial only and a fund that aims to avoid harm or have a positive contribution.
- **Reporting alignment with SDGs:** Measure impact alignment to the SDGs across all asset classes and report impact performance by 2025. This approach will allow us to transparently report on our impact alignment with the SDGs, and understand on a look through level where possible the potential for impact of the underlying investees.

4. Stakeholder impact and sustainability risk management

Every investment has some impact on people and the environment (stakeholder impact) and there are sustainability risks that can potentially have an impact on our investments (financial impact). To be able to manage these risks every organization could go through a process of identifying and assessing materiality in order to prioritise and then incorporate in due diligence, develop mitigation strategies, monitor and report. We did this in 2022, for both stakeholder impacts and sustainability risks. To identify and assess the materiality of risks we performed a Materiality assessment based on the double materiality principle taking into account both types of impact. We will refresh this materiality assessment every three years or earlier if needed. These are the topics that we can focus on to incorporate in our due diligence, management, monitoring and reporting.

4.1. Stakeholder impact: impact of Anthos' investments to people and the environment.

Stemming from our values, in discussion with our stakeholders and in reflection of our commitment to international standards, we have identified sustainability, human dignity and good corporate governance practices as core focus themes from a risk, opportunities and an impact perspective. These broad values guide our expectations and assessment of the external managers we invest in, aligned with international norms and conventions. As a result of the stakeholder materiality assessment which included external managers, clients, and thematic experts internally and externally, we identified climate change, good corporate governance, human rights and labour practices, financial inclusion and decent/safe work

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opportunities, and biodiversity - to be themes of interest regarding the impact of our investments to the world.

4.2. Sustainability risks: impact of ESG issues to Anthos portfolios

Anthos aligns with the SFDR definition of sustainability risks as "an ESG event or condition that if it occurs, could cause an actual or a potential material negative impact on the value of the investment"[1]. Anthos also has an Enterprise Risk Management (ERM) framework that encompasses relevant risks faced by Anthos in executing its strategy. The risks faced by clients through the investments Anthos manages on their behalf are an integral part of this. In our ERM framework - which monitors that we have the right processes in place to mitigate the risks we identify in the first line and that these are executed correctly - we assess the risk that could come if RI or sustainability considerations are not sufficiently incorporated in the design or execution of the services and products we offer. This includes the sustainability risks identified by the first line of defence. In terms of sustainability risks coming from outside in, we currently have implemented climate change as the most quantifiable one. We will be looking to expand this with other relevant sustainability risks.

Our risk management process follows the four stages: Identify, assess, manage and monitor. It is primarily the responsibility of the first line of defence to identify and assess the risks with second line challenging this. The management is fully with the first line of defence: Investment department, oversight, Data and technology team, Client Advice and strategy and the management team. The monitoring is fully the responsibility of Risk and Compliance department, thus second line. More about this is described in the Risk Management policy and Investment handbook, both internal documents.

4.3. Remuneration policy and sustainability risks

Anthos remuneration policy for investment professionals and other senior executives includes a non-financial part which includes risk elements on top of the fact that incentives are conditional on the assessment by the Risk and Compliance departments. More specifically, as part of Anthos' incentive scheme and remuneration policy, we have integrated KPIs linked to the annual RI roadmap and the RI policy targets, for all the relevant employees including the management team, portfolio managers, research team. These are designed to incentivise investments in funds that have good policies for implementing environmental, social and governance issues from both risk and values perspective. They incentivise researching options for investing in sustainable and impact funds, as well as systematic engaging with the external managers to improve the management of these ESG issues in the underlying investments.

In line with ICGN Guidance on executive remuneration, Anthos believes that "Performance metrics should be consistent with the creation of sustainable long-term value and achieving superior performance. They should also support the strategic objectives of the company, and should include any relevant environmental, social or governance considerations"[2].

5. RI tools and implementation

To live up to our values and make sure these are integrated in everything we do, but also to live up to the increasing regulatory requirements we are using the relevant tools for responsible investment: ESG integration, stewardship, investing for impact and where possible exclusions. These approaches all have

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[1] Article 2 SFDR
[2] ICGN Guidance on Executive Remuneration (2016).pdf

their merits in various parts of the investment universe, and the extent to which they are applied may vary depending on the asset class. These approaches and polices will be briefly summarised below.

5.1. ESG Positions

As an asset manager Anthos is exposed to systemic ESG risks across all sectors. It is therefore important to improve our understanding of these risks so that we can better position our portfolios and create more value for our clients. At the same time, we take account of the potential adverse impacts that our investments may have on the world. We use the three broad themes at the heart of our corporate heritage – sustainability, human dignity and good corporate citizenship – reinforced with the stakeholder materiality exercise, to structure our thinking around the ESG issues on which we have developed positions. These themes are not an exhaustive list and will develop as our and our clients' thinking evolves on the most important issues impacting our investments and the world.

Some of these themes lead to exclusion, and others to engagement, while others are also investible for creating or aligning with impact. Read more about this in our **ESG positions paper.**

5.2. ESG integration

Except in the case of government bonds, our investments through external investment managers are channelled via pooled funds and sometimes via a segregated mandate. As an indirect investor and a fund selector, ESG integration means carefully selecting the funds we invest in and the external investment managers we partner with. Our analysts and portfolio managers incorporate the risks and opportunities pertaining to ESG and impact investing issues from the very start of the selection process. For this purpose, we have developed a proprietary RI scorecard based on the due diligence questionnaire in the UN-backed Principles of Responsible Investment (UN PRI) and on guidance from the Impact Management Project (IMP). This scorecard helps us to systematically assess and rank managers from laggard to leader, while also creating alignment across the various asset classes. The IMP scorecard helps us assess the type of potential impact the fund aims to have.

We invest across various asset classes: equities, fixed income, private equity and debt, real estate, and absolute return strategies. Integrating ESG factors into our investment process considers both sides of the double materiality (impact to people/environment and financial risks to our portfolio. Our scorecard helps us assess both the manager's ESG integration process but also their approach to identify, manage and mitigate the potential risks and negative impacts of the investments.

In the spirit of our ambition to improve the impact of our investments and be a part of the transition, we not only invest through managers rated as leaders in our scorecard, but also recognise our ability to positively influence the system by working with lower-rated external investment managers when there is a willingness to change. Through engagement we encourage them to address specific issues for the benefit of our clients and the broader financial system. The RI scorecard supports a structured approach to these post- investment monitoring and engagement activities, which we keep working to improve.

We offer further detail on the asset class specific implementation to our clients through our Investment Handbook where this asset class specific integration is further elaborated.

5.3. Stewardship policy

Stewardship is a key element of our responsible investment policy because we believe in the steering power of capital and that investing can contribute positively to society and the environment. We aim to achieve this by directly engaging with i) external investment managers; ii) indirectly with the underlying companies and iii) policy makers through industry organisations. As a fund of funds, we rely on our external managers to vote, and we assess their capacity to do so.

Our Stewardship policy provides more detailed information to our approach to engagement and voting and on our broader stewardship.

5.4. Sustainable and impact investments

All investments have an impact on the world or people, either negative or positive. We use the IMP norms to understand the potential for impact and the types of impacts the funds that we invest in are aiming to have. We distinguish between financial only investments, which do not take account of environmental and social characteristics and "may/do cause harm;" responsible investments, which "act to avoid harm;" sustainable investments, which "benefit stakeholders", and impact investments, which "contribute to solutions". Being a responsible investor, most of our portfolio falls into the act to avoid harm category, we monitor the movements of the portfolio across these dimensions quarterly and report annually.

For more information on the definitions, please refer to our Positive & Impact Investment policy.

5.5. Exclusion policy

It is only in investments made under a segregated mandate that we can fully implement exclusions. However, Anthos mainly invests through pooled funds, where our ability to implement exclusions is more limited. Nevertheless, we aim to report exposure to excluded categories within the pooled funds, select managers with similar policies, and will engage with the fund managers to exclude specific categories from the funds we are interested in investing in. We have set an ambition for monitoring of the exposure as described in Section 3.1 above.

We exclude from three main reasons: legal expectations and international norms, values and beliefs and climate ambition. Our exclusion topics with the relevant details can be found in our Exclusion Policy.

6. Regulation, voluntary frameworks and thought leadership

Given the rapidly increasing regulations in the field of responsible investment, we strive to keep our RI policy and implementation up to date. Our RI policy also reflects the risk perspectives and requirements resulting from applicable legislation such as the Sustainable Finance Disclosure Regulation (SFDR), which forms part of the EU's Sustainable Finance Action Plan. We strive to anticipate legislation and regulations and to contribute to positive systemic change by collaborating and voluntarily participating in the following industry initiatives:

- UN Principles of Responsible Investment (UN PRI) (since 2019)
- Dutch Climate Agreement (2019)
- Clean, Renewable and Environmental Opportunities (CREO) Syndicate
- Global Impact Investing Network (GIIN) (2020)
- Partnership for Carbon Accounting Financials (2020)
- Impact Frontiers (2021)
- The Institutional Investors Group on Climate Change (2021)
- Investor Alliance for Human Rights (2022)

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Recognising the importance of global standards for managing the negative and increasing the positive impact, we support the managers we invest in and expect them to support the UN SDGs and make progress towards complying with global norms and recommendations such as:

- OECD Guidelines for Multinational Enterprises and more specifically for institutional investors
- OECD Principles for Corporate Governance
- UN Global Compact
- International Bill of Human Rights
- UN Guiding Principles on Business and Human Rights

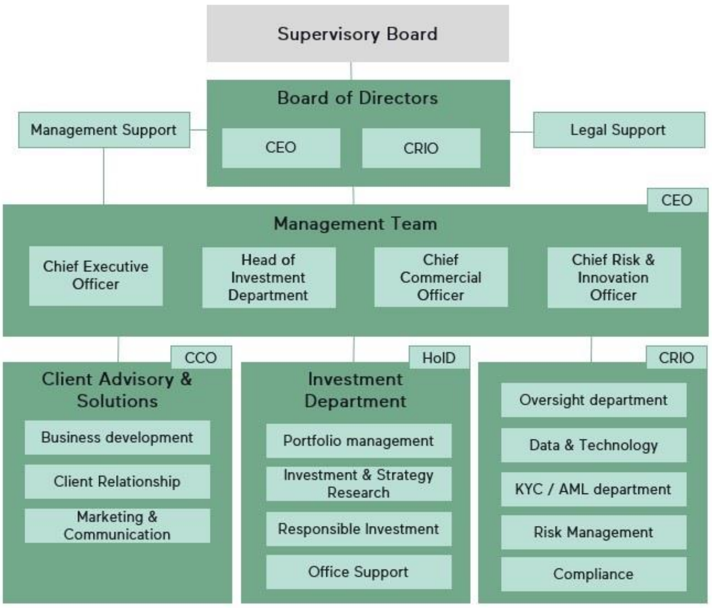
We support integrated reporting as described by the International Integrated Reporting Council (IIRC), as well as recommending the Sustainability Accounting Standards Board (SASB) framework as a starting point for determining financially material issues, and the Global Reporting Initiative (GRI) for sustainable reporting. We also promote the adopting of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

We seek to be leaders in thought and action on responsible and impact investment. This work, which is co-ordinated by our RI team in close collaboration with our investment teams and other parts of the COFRA organisation, focuses on relevant topics related to sustainability themes and the risks and opportunities facing the investment industry.

7. Governance, monitoring and review

7.1. Good governance of RI

We believe a sound governance structure is key to achieving our responsible investment objectives. We have a fiduciary duty to act responsibly on behalf of our clients. Our responsible investment policy provides a solid structure for making and implementing well-informed decisions.



Our governance structure ensures that responsible investment is systematically integrated into our organisation and that there is effective ownership by all relevant departments:

- The Board of Directors and the management team have formal oversight and accountability for implementing this policy.
- Our investment teams are responsible for integrating sustainability and ESG considerations into the process for manager selection and investment decision-making.

- Our responsible investment team works closely with the Investment & Strategy Research (ISR) team and the other investment teams by undertaking research and ensuring these teams are provided withinput and guidance on best practices for sustainability, ESG integration and stewardship. In addition, the RI director handles driving the RI strategy and for maintaining and evolving our proprietary responsible investment and impact tools in close collaboration with our investment teams.
- The Operations department supports RI implementation in our systeminfrastructure and processes.
- The Risk Management and Compliance departments execute (2nd line) monitoring of the execution of RI-related processes and compliance with internal policies as well as applicable laws and regulations.
- Our Client Advisory & Solutions team collaborates closely with our clients to support and guide them in implementing RI.

At Anthos we work through cross-departmental working groups convened around specific issues such as climate, human rights, SFDR and regulatory changes, the measurement of impact and other relevant topics. We provide annual training on responsible investment for all our staff and assess their responsible investment capabilities and training needs continuously.

7.2. Monitoring

To monitor that Anthos makes sufficient progress towards the objectives set out in the RI policy, Key Risk Indicators (KRIs) are developed and linked to RI & Sustainability risk category and risk appetite. These KRIs are the basis for the 2nd line risk opinion and are reported on a quarterly basis as part of the Enterprise Risk Report. This report is discussed in the Business Risk Committee, after which the management responses are added. This report is approved by the Board of Directors and reported to the Supervisory board. In addition to this RI implementation is a part of the regular deep dive sessions between the CEO, Head of investment department and the portfolio managers, and regular reporting goes from the Director of RI to the management team for reporting progress.

7.3. Continuous Improvement and Review

We review this policy annually and enhance it to stay aligned with best practices and any changes in our organisation. Feedback from clients, fund managers, and other stakeholders informs our ongoing efforts to refine our approach.

8. Conflicts of interest

Anthos endeavours to prevent, and if nevertheless occurring, mitigate, manage, and monitor conflicts of interest in view of Anthos, the Anthos Funds, the fund participants and its clients. The Conflicts of interest policy sets standards how to identify and deal with potential or actual conflicts of interest that could arise in relation to Anthos in the course of providing services and where there may be a material risk of damage to the interests of a fund participant or client. The policy applies to all Anthos employees, the members of the Board of directors, COFRA group and shareholders and any service providers in case of outsourcing, subject to Anthos' outsourcing policy.

The applicability of the Conflicts of interest policy relates to all the services that Anthos is providing, which can be distinguished in fund management activities and investment services. Related to responsible investment, Anthos recognizes at least the following type of conflicts of interests in view of Anthos or its relevant persons:

- Conflicts that may arise because of the integration of sustainability risks and impacts into the processes, systems, ESG KPIs in remuneration and internal controls of Anthos. These can be different from the ambition of our clients described in their RI policies. To manage this, we select like-minded clients and align where possible the ambition related to financial return and sustainability preferences.
- Conflicts that may arise when engaging with external managers or where relevant executing voting rights. Anthos relies on the voting and engagement policy of its external managers because Anthos will in general not hold direct investments in portfolio companies on behalf of its clients and/or the Anthos Funds.

The process to identify, assess and manage, and report these conflicts is described in the Conflict of Interest policy which is available on request at our offices.

9. Reporting and Transparency

We publicly report on our responsible investment actions and outcomes through our Annual RI Report and the PRI reporting framework, in which we address developments and progress made towards our specified ESG targets, including climate metrics in alignment with our commitment to the Dutch Climate Agreement and our commitment to achieving net-zero emissions by 2040. We also provide an annual TCFD report containing details of climate-related financial disclosures on governance, strategy, risk management, and metrics and targets used to assess the risks and opportunities related to climate change.

Our client reporting on responsible investing has a quarterly cycle: as well as the standard performance and risk reporting, our Quarterly Reporting Package provides progress updates on our Responsible Investment Implementation Plan, outlining its strategic objectives, achievements, and industry initiatives in the past quarter and ESG activities for each asset class. We also provide mandate monitoring of compliance with the exclusion lists on a quarterly basis. During our quarterly review meetings, we also discuss ESG integration, stewardship (engagement and voting) and impact investing initiatives implemented by Anthos and its external investment managers, as well as industry initiatives Anthos has been involved in. Details of this policy and other relevant disclosures required under the EU SFDR are available on our website.

10. Appendix

10.1 Overview of documents related to this RI policy.