

CADELUX

FUND MANAGEMENT

Société anonyme

287, Route d'Arlon L-1150 Luxembourg

R.C.S. Luxembourg: Section B, number B 183243

RESPONSIBLE INVESTMENT AND SUSTAINABILITY RISKS

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1. INTRODUCTION

CADELUX S.A. (hereafter “CADELUX” or “the Company”) is a Luxembourg-based management company subject to Chapter 15 of the UCI Law of 17 December 2010, and to chapter 2 of the AIFM Law of 12 July 2013 as amended. CADELUX is the management company for UCITS and alternative investment funds or sub-funds (“the Funds”).

As part of Delen Group, CADELUX is a signatory of the United Nations Principles for Responsible Investment (hereafter referred to as “UN PRI”).

The purpose of this document is:

- to reflect Delen Group’s commitment to the UN PRI guiding principles on environmental, social, and corporate governance (“ESG”) issues; and
- to provide information on the integration of sustainability risks in the investment decision-making process as required by the EU Regulation 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”).

2. DECLARATION ON UN PRI SIX GUIDING PRINCIPLES

As a signatory of the UN PRI, Delen Group abides by the above Principles and acknowledges the following statement:

"As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (“ESG”) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).

We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

- Incorporate ESG issues into its investment analysis and decision-making processes ;
- Be active owner and incorporate ESG issues into its ownership policies and practices ;
- Seek appropriate disclosure on ESG issues by the entities in which it invests ;
- Promote acceptance and implementation of the Principles within the investment industry;
- Work together to enhance its effectiveness in implementing the Principles ;
- Report on its activities and progress towards implementing the Principles.

In signing the Principles, we as investors publicly commit to adopt and implement them, where consistent with our fiduciary responsibilities. We also commit to evaluate the effectiveness and improve the content of the Principles over time. We believe this will improve our ability to meet

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commitments to beneficiaries as well as better align our investment activities with the broader interests of society.

We encourage other investors to adopt the Principles.”

3. RESPONSIBLE WEALTH MANAGEMENT

The mission of Delen Group is fundamentally sustainable in nature: to protect our clients' assets across generations. Corporate responsibility is therefore in our genes. This is reflected consistently in the way in which the group undertakes and invests. The Corporate Social Responsibility (CSR) Council involves Executive Committee members and people from all branches of the group in setting out the strategic direction of responsible asset management.

Three paths to responsible investment:

In addition to estate planning, portfolio management is at the heart of the group activities. As we take corporate responsibility seriously sustainability must also permeate the investment policy of the fund managers of Delen Group. This is done in three ways: exclusion, engagement and integration.

The United Nations is showing us the way. We fully endorse their vision of sustainability as set out in the UN Principles for Responsible Investment (UN PRI). This is not without obligation: we regularly demonstrate in an extensive report that we not only talk about sustainability, but also act in a sustainable manner.

Delen Group recently received a very good report from the UN PRI. It was awarded the maximum A+ score for the 'Strategy & Policy' module. We see this as an incentive to continue on this path. In our role as investor and active shareholder, we strive for continuous progress.

Read more about our efforts in the area of the three policy elements of exclusion, engagement and integration.

[Exclusion: What does not belong in our portfolios](#)

[Engagement: A constructive dialogue as an active shareholder](#)

[Integration: Non-financial parameters are also taken into account](#)

[Duurzaam investeringsbeleid Cadelam](#)

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4. ANNUAL VOLUNTARY REPORTING

By signing the UN PRI, Delen Group commits to report annually on its activities, following the framework and guidelines and using the tools provided by the UN PRI organisation.

Please find more information: [Sustainability Report](#)

5. SUSTAINABILITY RISKS

Sustainability risk is defined by the EU Regulation on Sustainable Finance Disclosure (“SFDR”) as 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 investment.

Whether a sub-fund promotes sustainability factors or not, its investments remain exposed to sustainability risks.

CADELUX has integrated sustainability risks into its risk management framework, including its Risk Management Process (“RMP”), as required by the CSSF Circulars 11/512 and 18/698.

6. INTEGRATION OF SUSTAINABILITY RISKS IN THE INVESTMENT DECISION-MAKING PROCESS

CADELUX can either delegate the investment management function to Investment Managers or perform it internally.

As CADELUX has delegated the portfolio management of the Funds to several Delen Group Investment Managers, the Company’s role is crucial when performing the oversight of these delegates.

Where the investment management function is delegated, the delegate is responsible for the investment decision-making process, in accordance with the terms of the investment management agreement and of the offering documents. CADELUX has initiated discussions with each of the Investment Managers on its integration of sustainability risks (and ESG criteria in general) in this process, which lead to considering specific sustainability risks for each particular sub-fund. Those are described in the offering documents of each fund. CADELUX performs oversight of each of the delegated Investment Manager on different topics in order to monitor the quality of the service provided, including the integration of sustainability risks.

7. CONSIDERATION OF ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS*

Principal adverse impact is generally understood to mean the negative impact, caused by an investment decision or investment advice, on these factors. This statement describes how Delen Group considers principal adverse impacts (PAI) of our investment decisions on sustainability factors, as per Article 4 of the SFDR.

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Asset Managers of the Delen Group consider principal adverse impacts of their investment decisions on sustainability factors. Through our Sustainable and Responsible Investment strategy, we identify, prioritise and monitor adverse impacts that entities have on sustainability factors such as climate, environment, resources use, labour and human rights as well as business ethics.

Subject to data availability, our asset managers together with the Investment Office department monitor the selected PAI indicators for the managed assets. Issuers identified as laggards, or exhibit high adverse impact across several indicators, are subject to further analysis and monitoring.

Please refer to the following PAI statement for more details: [PAI Statement](#)

8. INTEGRATION OF SUSTAINABILITY RISKS IN THE REMUNERATION POLICY

We refer to the remuneration policy of CADELUX, as disclosed on our website.

9. PROMOTION OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS AND OF SUSTAINABLE INVESTMENTS

We refer to the offering documents of each sub-fund and to the dedicated section on our website.

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