



Responsible Investment Policy

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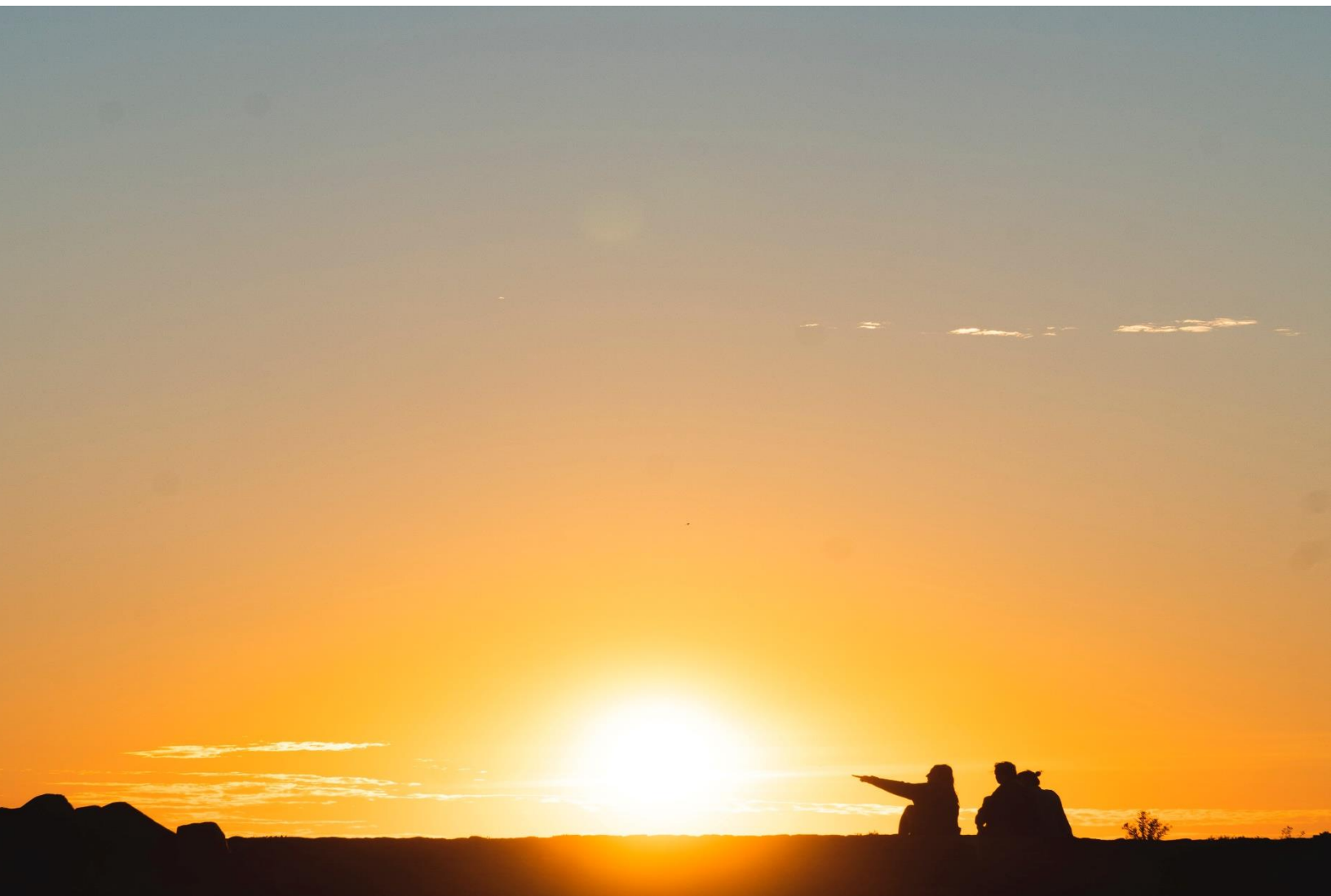


“Peak performance begins with your taking being responsible for your life and everything that you do.”

– Nara Partners

“Responsibility is demonstrated by actions and deeds; not by words or information inserted in some glossy reports or corporate websites.”

– Nara Partners



NARA's Responsible Investment Policy

We are cognizant of the responsibility we have as investors to contribute to building the world of the future in a sustainable way.

Our Understanding

NARA Capital Partners SGEIC. (hereafter referred to as "NARA"), as an asset manager, integrates sustainability and responsible business principles into our core business and engage with our stakeholders to make this an integrated effort. Responsible investment is a key element of NARA's business strategy and investment criteria.

NARA's primary concern, in setting its investment strategy, is to act in the best financial interests of the funds and investors, seeking the best return that is consistent with a prudent and appropriate level of risk. We believe that in order to fulfill this commitment and to protect and enhance the value of the fund's investments we need to invest on the basis of environmental, social and governance factors (ESG).

At NARA, we see opportunities to meet our risk-return requirements while at the same time delivering a positive impact on the societies in which we operate. Responsible investment is integral to our investment philosophy. We strive constantly to institute and maintain high standards of governance and business ethics within our firm and our portfolio companies.

By taking an active approach to consider ESG issues in our investment decisions, we reduce risks and explore new opportunities to serve our clients' interests and society at large. We firmly believe that ESG factors can have an impact on the performance of its investments, and that the management of risks and exploitation of opportunities related to ESG can add value to the portfolios.

NARA aims to contribute broadly to wellbeing and sustainable development through ESG integration, impact investing and our commitment to the Standards (please refer to Appendix I).

Scope

This policy applies to all funds managed by NARA and companies where NARA has management control.

Definitions

NARA defines ESG factors as the interaction of its investments with: the physical environment (Environmental); communities, workforces, wider society and economies (Social); the governance structures of the organizations and markets we invest in, as well as of our agents (Governance).

Environmental factors refer to issues impacting the natural environment, including but not limited to climate change, greenhouse gas emissions, resource depletion and water scarcity, waste and pollution, biodiversity and deforestation.

Social factors refer to issues affecting employees, customers, suppliers or society at large including but not limited to human rights, bribery and corruption, human capital management, diversity and inclusion, workplace health and safety, managing operations in conflict zones and community relations.

Governance factors refer to issues regarding how companies are 'governed' including but not limited to board composition and skills, executive remuneration, board diversity and structure, tax, accounting and audit practices.

Investment analysis and decision-making process

Our investment approach involves bottom-up research. As well as studying financial results, our portfolio managers and analysts carry out additional qualitative analysis of potential investments. We examine the business, customers and suppliers and visit the companies in person to develop a view of every company in which we invest and ESG factors are embedded in this research process.

Our investment due diligence processes involve advisors that exercise professional judgment regarding material drivers of value. We recognize that a broad range of financial and ESG factors may be relevant in making investment decisions on behalf of our Funds.

In addition to integrating ESG factors into the mainstream investment processes, we also report how the companies evolve in terms of their positive impact on ESG.



The sustainability performance of companies can impact their ability to create long term value for investors, and therefore we consider ESG integration an important instrument to improve the risk-return profile of the investments we make. At NARA, we structurally integrate ESG factors into our investment decision making process, across all asset classes. The focus is on ESG factors that are material from a financial or risk point of view.

Engagement and stewardship

We believe in the value of engaging in an active dialogue to influence a company's approach on ESG factors that are material and relevant for each specific circumstance. Also, we consider divesting from and excluding companies when our efforts to change company behavior do not make sufficient progress. The Exclusions List can be found in Appendix II.

To promote the long-term success of companies, NARA acknowledges the importance of investor stewardship. It is in the best interest of our clients that we monitor the companies in which we invest, that we vote on the shares that we hold, and that we engage with companies on issues like strategy, risk and corporate governance.

We believe that actively engaging with companies to improve sustainability performance and corporate behavior is more effective than excluding companies from our investment universe.

When a company does not meet our Responsible Investment standards, we enter into dialogue with company management. During this engagement process, we share our concerns or the ESG risks that we identified for the company and make suggestions for improvement. After the engagement, we closely follow the progress made by the company.

Policy Review

This Policy will be reviewed at least every two years, or more frequently as required.

Appendix I: Standards

The Responsible Investment Policy describes the values and beliefs that NARA applies to its investments. Some principles are covered in more detail in several standards that we consider in our investment decision-making processes.

Principles for Responsible Investment

NARA is signatory to the Principles for Responsible Investment. By implementing this set of principles on ESG integration, NARA contributes to a more sustainable financial system. More information can be found at www.unpri.org

United Nations Global Compact

The United Nations Global Compact asks companies to incorporate principles in the areas of human rights, labor, environment and anti-corruption into their strategies, policies and procedures. At NARA, we expect companies to adhere to the Global Compact. In case of serious violations of the principles, we will raise our concerns and engage with company management to aim for improvements.

Sustainable Development Goals

We link our business impact to the Sustainable Development Goals (SDGs). These 17 goals form the United Nations 2030 Agenda for Sustainable Development, and cover issues like poverty, education, diversity, water, climate change and inequality. We see the SDGs as a framework to identify opportunities for investments in durable impact.

Appendix II: Exclusion List

- **Companies associated with controversial weapons**

We consider the production and use of weapons that have an indiscriminate and disproportional impact on civilian populations as unacceptable.

- **Companies involved in genetic engineering, abortion and embryonic research**

- **Companies involved in gambling**

Gambling addiction is associated with a wide range of emotional, physical, and psychological health problems that prevent gamblers from having a normal life.

- **Companies involved in environmentally damaging practices**

- **Companies involved in tobacco production and distribution**

Smoking poses a big threat to public health. Tobacco use is one of the main risk factors for a number of chronic diseases, including cancer, lung diseases and cardiovascular diseases.

- **Any company resulting in the limitations of the rights or freedoms of individuals.**

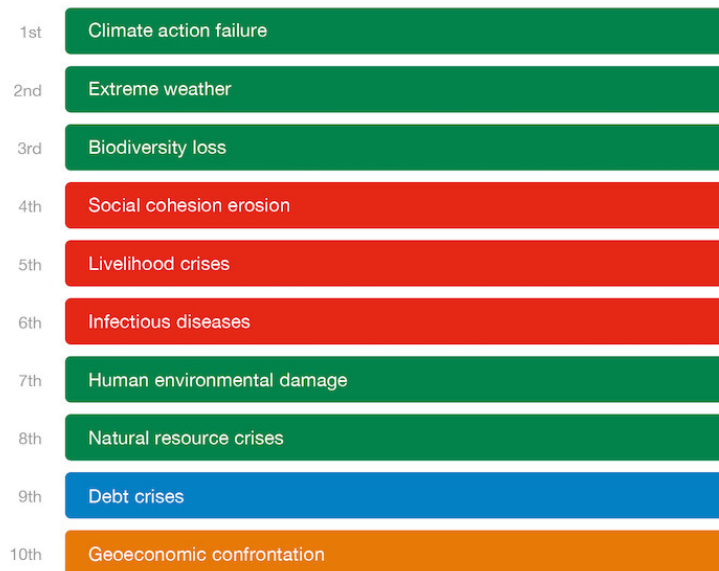


Appendix III: ESG risks

ESG risks account for four of the top five risks in terms of impact, according to the 2022 World Economic Forum's *Global Risks Report*.

Top 10 Global Risks by Severity

Over the next 10 years



■ Economic ■ Environmental ■ Geopolitical ■ Societal ■ Technological

Source: World Economic Forum Global Risks Report 2022

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