

Our mission is to create returns with responsibility through operational excellence, risk-adjusted returns and by being ESG-proactive. By ESG-proactive we mean the integration of environmental, social and governance (ESG) issues into our investment processes and product development. Consequently, we have incorporated responsibility as part of our normal investment activities. We apply these principles in all our listed investments. The framework of responsible investments is defined by several international conventions and norms, including:

- The United Nations Global Compact
- The OECD Principles of Corporate Governance
- The OECD Guidelines for Multinational Enterprises
- The Universal Declaration of Human Rights
- The UN Guiding Principles on Business and Human Rights
- The Children's Rights and Business Principles
- The ILO conventions on labour standards
- The Rio Declaration on Environment and Development
- The UN Convention on Corruption
- The Convention on Cluster Munitions

1 Our Cornerstones

1.1 Screening

Our investments are subject to an annual norm-based screening. The screening is used to identify listed companies allegedly involved in breaches of international law, and norms on environmental protection, human rights, labour standards and anti-corruption. If a company is identified in this screening process, we will initiate an internal assessment process of the company and the incident. Our primary goal is to engage with the company to initiate a change in their operating methods. If a violation of our norms is confirmed and no change in behaviour is seen, we will exclude the company from our portfolio. The norms-based screening also identifies companies that are subject to exclusion based on our exclusion criteria. Topsin Investments S.A. does not invest in companies that are e.g. involved in the production, development or maintenance of illegal or nuclear weapons, or in sovereign bonds issued by governments subject to broad sanctions or failing to respect human rights.

1.2 Responsible Ownership

We believe a sound corporate governance structure is essential for creating long-term shareholder value. The board of directors and senior management are accountable to investors for protecting and generating value over the long term. We expect the board of directors of investee companies to oversee and monitor the effectiveness of the company's governance of environmental, social and business ethics-related issues and risk, and protect shareholder rights. We engage with investee companies and use our vote and /or influence on numerous issues, including shareholder rights, board composition, remuneration and risk management.

1.3 Engagement

We focus our engagement efforts on companies representing our largest holdings, companies selected for our investment portfolios and companies identified to have a high ESG risk exposure to a certain theme or sector issue. Engagement provides an opportunity to improve our understanding of companies that we are invested in and by working individually or collaboratively with other investors we try to influence companies and promote better corporate governance, risk management, performance or disclosure standards and on a wide range of ESG-related issues. As part of our responsible investment strategy we also engage with various standard setters and stakeholders locally and internationally.

1.4 Transparency

Transparency requirements, both voluntary and mandatory, are being developed requiring companies to disclose information on corporate and ownership structures, on their anti-corruption programs, and do country-by-country reporting on taxes and government payments. As investors we demand that businesses take a proactive approach against corruption, implement adequate anti-corruption measures and improve transparency.

2 Listed Equity and Corporate Bond Investments

We apply the following methods for responsible investments in direct investments in equities and corporate bonds:

2.1 Observation of ESG Factors

Effects of environmental, social and governance factors are observed as an integrated part in the investment process. Positive factors in this respect are for example opportunities arising from trends related to the environment and the development of society, which can benefit leading companies. Negative factors relate for example to management of environmental, social and governance related risks in their activities. We identify ESG-risks and possibilities, and thereby create a better ground for sound investment decisions.

2.2 Exclusion

Certain types of business activities, which in themselves are legitimate, can suffer from adverse events such as claims for compensation and negative publicity, which brings risks that are difficult to predict and quantify. Topsin Investments S.A. avoids investments in companies with such a risk profile.

We do not do direct investments in companies whose main area of activity is gambling, tobacco, or weapons production. We do not do direct investments in companies associated with serious violations of human rights, severe environmental damage or corruption. We do not invest in companies involved in the production of coal, tar sands or oil shale or energy produced therefrom.

We expect companies to obey internationally recognized human rights principles and to prevent and manage its impact on human rights. Human rights-related issues include complicity in human right abuses, modern slavery and child labour, occupational safety and health, the rights of indigenous people and displacement of local communities, freedom of association and collective bargaining and international humanitarian law.

We expect companies across the palm oil value chain to make sufficient efforts towards ensuring traceability, creating relevant policies aligned with a No Deforestation, No Peat, No Exploitation (NDPE)

policy and Roundtable on Sustainable Palm Oil (RSPO) standards as well as maximizing the use of Certified Sustainable Palm Oil.

Climate change is one of the single largest threat to world economy and we are working on an ongoing basis to assess climate change risk and the impact of the low-carbon transition on sectors and companies. We support the TCFD recommendations and we want to continue to promote increased transparency, development of tools and methods to manage climate-related risks and opportunities and contribute to best practice in the industry. We will also aim to align our portfolio with the Paris agreement in the long term as well as further reduce the financial risk related to climate change in our portfolios.

3 Government Bond Investments

In Government Bond market, generally accepted methods and criteria for responsibility do not exist to the same extent as for example in the equity market. In practice, the responsibility of a country depends on its willingness and ability to solve the challenges presented to it. Over the longer term, the economies that are well governed have the highest probability of creating added value for their citizens.

We observe the following factors when assessing government bonds from a responsibility perspective: political practices, government strength, social development, economic and financial stability, ability to withstand external shocks, and willingness to reform. A deficiency in any single factor does not in itself cause a negative investment decision. However, deficiencies in several factors, in combination with a regressive policy, can lead to a country being excluded from our investment portfolios.

Topsin Investments S.A. does not invest in sovereign bonds issued by governments which are subject to broad sanctions and fail to respect human rights.

4 Third Party Funds

Responsible investment is a key part of our fund selection activities. We strive to select and recommend funds that act in a responsible way and observe sustainable development.

We demand a certain level of responsibility from our third party funds. The level of responsibility varies somewhat depending on asset class and geographical area. Therefore, we do not presuppose, that the methods of other asset managers should be identical with those we employ ourselves in direct investments in equities and corporate bonds. Our Minimum requirement is that the asset manager has a responsible investment policy or has signed the UN PRI Principles. We exclude funds with large exposure to fossil fuel revenue, and hence do not invest in funds with a revenue share from coal, gas, tar sands or shale oil exceeding 5%.

We demand that asset managers include responsibility as a part of their investment activities. We expect that asset managers define their approach to responsible investments, and that they develop, communicate and report about it in an appropriate way. We encourage asset managers to commit to the curbing of climate change and to support the development towards a less carbon dependent society and observe this in their investment decisions.

5 Private Equity and other non-listed and alternative Investments

When selecting investments managed by external managers, the responsibility criteria regarding the fund's structure relate principally to analysis of the company managing the fund. In this analysis we consider amongst other things the ownership structure, the organizational structure, and the incentive programs of the managing company, internal processes (compliance, trade execution, risk management), and fund

structure (independent and well respected actors as fund administrator, custodian, prime broker, and auditor, and the composition of the board of the fund).