

EXCLUSION POLICY

July 2021

Scope	<p>This policy is applied by Quaero Capital SA, Quaero Capital LLP and Quaero Capital (France) SAS (each a "Quaero Entity and together, "QUAERO") with respect to listed investments held by a collective investment scheme managed by a Quaero Entity¹ other than managed accounts or dedicated vehicles not marketed to third parties (each a "Fund").</p>
Policy	<p>1. PRINCIPLES</p> <p>QUAERO applies a principles-based approach to responsible investment matters. As part of this, companies which are regarded as unsuitable investments will be put on an Exclusion list maintained by the ESG Team.</p> <p>QUAERO will act in accordance with the United Nations Global Compact ("UNGC", see Annex 1) as well as international treaties on controversial weapons.</p> <p>2. EXCLUSION LIST</p> <p>QUAERO will assess the behaviour of companies applying the UNGC. Those companies that are deemed to be in severe and systemic breach of these principles are excluded from QUAERO's investment screens. QUAERO will focus on the following areas to screen Companies:</p> <p>a) Human Rights</p> <p>While protecting and fulfilling human rights is a legal obligation and the responsibility of governments, it is widely recognized that all businesses have the potential to impact human rights.</p> <p>Companies are expected 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, the rights of indigenous people and displacement of local communities, and international humanitarian law.</p> <p>QUAERO will exclude companies that are deemed to have severely and systemically breached the UNGC principles regarding human rights.</p> <p>b) Labour Standards</p> <p>Companies have a responsibility to uphold internationally recognised standards and rights for their labour force.</p>

¹Note: this policy does not apply to Quaero Capital Funds (Lux) – Yield Opportunities and Quaero Capital Funds (Lux) – World Opportunities which are sub-managed by asset managers outside of the Quaero Group.

This applies to issues such as abolition of child labour, elimination of all forms of forced and compulsory labour, defence of the freedom of association and effective recognition of the right to collective bargain, and elimination of discrimination.

QUAERO will exclude companies that are deemed to have severely and systemically breached the UNGC principles regarding labour standards.

c) Corruption

Correlation between corrupt business practices and the negative effects on long term financial return is growing. Corruption induces business-related costs and market inefficiency and hinders economic, political and social development.

Companies are expected to take a proactive approach towards corruption, including extortion and bribery, implement adequate anti-corruption measures and improve transparency.

QUAERO will exclude companies that are deemed to have severely and systemically breached the UNGC principles regarding corruption.

d) Environment

Care for nature, the environment and preserving biodiversity are important business responsibilities. Companies should take a precautionary approach to environmental challenges, promote greater environmental responsibility, and encourage environmentally friendly technologies.

QUAERO will exclude companies from its screen which are deemed to have severely and systemically breached UNGC principles regarding the environment.

e) Sanctions

QUAERO will not invest in sovereign bonds issued by governments which are subject to broad sanctions and fail to respect human rights.

f) Controversial Weapons

QUAERO sees illegal weapons (i.e. anti-personnel mines, cluster munitions, chemical and biological weapons) and uranium and nuclear weapons (collectively “Controversial Weapons”) and their potential use as controversial given their indiscriminate effect on human populations.

Companies that are involved in the production or development of Controversial Weapons and do not comply with the following treaties are excluded from QUAERO’s universe:

- The Ottawa Treaty, which prohibits the use, stockpiling, production, and transfer of anti-personnel mines
- The Oslo Convention on Cluster Munitions, which prohibits the use, stockpiling, production and transfer of cluster bombs
- The Chemical Weapons Convention, which prohibits the use, stockpiling production and transfer of chemical weapons
- The Biological Weapons Convention, which prohibits the use, stockpiling, production and transfer of biological weapons
- The Treaty of the Non-Proliferation of Nuclear Weapons (1968) which limits the spread of nuclear weapons to the group of so-called Nuclear Weapons States

3. IMPLEMENTATION

a) Governance

The Management Committee and Executive Committee are responsible for reviewing and approving the exclusion prepared by the ESG Team.

The Exclusion list will be reviewed at least twice a year to check if relevant changes have been made to any of QUAERO's activities or behaviour that are on the list. A review of such changes may lead to the exclusion being lifted, and additionally the inclusion of new companies to the list.

b) Dialogue and divestment

Companies new to our exclusion list may already be an investment. In such an instance, we would engage in dialogue with the management of QUAERO to encourage a change. If such change is not evident within 12 months, we will commit to divest.

c) Scope

QUAERO will apply this Exclusion Policy to all funds investing in equities and fixed-income instruments and on which QUAERO has full management discretion, including those funds sub-managed by group members and discretionary mandates (unless the client specifies otherwise). It will not apply to fund of funds.

d) Screening of portfolios

The Risk Department is responsible for ensuring that any order related to funds in scope of the Exclusion Policy is screened against the exclusion list.

ANNEX 1 – UNITED NATIONS GLOBAL COMPACT PRINCIPLES

Human Rights

Businesses should

- (1) support and respect the protection of internationally proclaimed human rights; and
- (2) ensure that they are not complicit in human-rights abuses.

Labour Standards

Businesses should uphold

- (3) the freedom of association and the effective recognition of the right to collective bargaining;
- (4) the elimination of all forms of forced and compulsory labour;
- (5) the effective abolition of child labour; and
- (6) the elimination of discrimination in respect of employment and occupation.

The Environment

Businesses should

- (7) support a precautionary approach to environmental challenges;
- (8) undertake initiatives to promote greater environmental responsibility; and
- (9) encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Businesses should

- (10) work against corruption in all its forms, including extortion and bribery.