as of 03/2021

TRANSPARENCY regarding the promotion of environmental or social characteristics

DJE KAPITAL AG

1. Introduction

As a financial market participant within the meaning of Article 2 No. 1 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on Sustainability-Related Disclosures in the Financial Services Sector (hereinafter the "Disclosure Regulation"), DJE Kapital AG and its subsidiary DJE Investment SA are legally obligated, under Article 10 thereof, to ensure transparency with regard to:

- **any financial products (within the meaning of Article 8 of the Disclosure Regulation) which promote, among other characteristics, environmental and/or social characteristics.**

The relevant information to be published in accordance with Article 10 of the Disclosure Regulation may be found within this document for the following sub-fund:

DJE – Umwelt & Werte (Environment & Values)			
Anteilklasse XP (EUR)	ISIN LU2262057305	WKN[1]	A2QHT5

2. Description of environmental or social characteristics

DKE Kapital AG, the fund manager of the DJE – Umwelt & Werte sub-fund administered by DJE Investment SA (hereinafter the "Sub-Fund"), is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and thereby obligated to integrate various environmental, social and corporate governance (ESG) factors into its investment analysis, its decision-making processes and the active exercise of its rights as shareholder. Because of this obligation, sustainability risks are necessarily taken into account in all investment decisions involving the Sub-Fund.

Further information may be found in the relevant sections ("ESG integration" and "Consideration of sustainability risks") in the sales prospectus specifically for this Sub-Fund.

In managing the Sub-Fund, DJE Kapital AG takes into account many different factors specifically including environmental and/or social characteristics and strives to invest only in companies with good corporate governance practices. The fund manager pursues a best-in-class approach, using an investment exclusion process as described in the Sub-Fund's investment policy.

The ecological and social characteristics of this product are attained through the following measures:

In order to achieve the investment objectives, at least 75 percent of the Sub-Fund's assets are invested in companies which take sustainability criteria into account and whose shares are listed on a stock exchange or on another regulated, recognised and publicly accessible market with regular trading. For this purpose, "companies" do not include public-law institutions.

Companies which take sustainability criteria into account are those that contribute to the attainment of the Paris climate goals (environment) or that have a positive impact on society through their products, processes or special commitments or that have no negative impacts on society or positive impacts in excess of negative impacts (social).

Companies are exposed to different sustainability risks across the range of environmental, social and corporate governance (ESG) criteria to varying degrees depending, in particular, upon the industries in which they do business. For example, while the issue of data privacy (social) is of relatively high importance to a software company, environmental issues in production processes (environment) generally do not require any special attention – and vice versa in the case of a typical industrial company. As a general matter, moreover, any company which attaches only subordinate importance to its potential in terms of ESG criteria must be regarded as presenting a risk. Therefore, companies are deemed to take sustainability criteria into account when they address the sustainability risks to which they are exposed with a risk management system which at least adequate to these risks. Because companies with an inferior ESG rating (B or CCC) do not meet these requirements by definition[2], these are excluded from investment. Should the ESG rating of an existing investment holding be downgraded to B or CCC, the fund manager decides, on the basis of protecting investor interests, whether or not to liquidate the investment holding.

More specifically, companies are excluded from investment if they are active in or generate revenue from any of the following objectionable or controversial business areas:

- Banned or objectionable weapons (e.g. land mines, cluster bombs, weapons of mass destruction)
- Other (conventional) weapons[3]
- Adult entertainment (pornography)[3]
- Gambling[3]
- Nuclear energy[3]
- Coal energy[3]
- Genetically modified seeds[4]
- Tobacco[4]

DJE Kapital AG further excludes any company that engage in controversial business practices, specifically meaning any company that clearly and demonstrably violates any one or more of the Ten Principles of the United Nations Global Compact, which may be found at https://www.unglobalcompact.org/what-is-gc/mission/principles. These Ten Principles span human rights, labour standards, environmental protection and anti-corruption and thus a company which fails to meet these does not meet our standard of good governance.

1) WKN = German securities identification code

2) Per MSCI ESG Research LLC rating methodology

3) Exclusion if related revenue exceeds 5% of total revenue

4) Exclusion if revenue from production of these items exceeds 5% of total revenue or if revenue from sale of these items exceeds 25% of total revenue

3. Information on the methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the sustainable investments selected for the financial product, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics or the overall sustainable impact of the financial product

To determine whether they are fundamentally suitable for investment, all companies are subjected to an initial screening process which excludes those companies to which one or more of the above exclusion criteria applies. In addition to company data, the fund manager relies upon ESG data from MSCI ESG Research LLC as a basis for making this determination. In case of doubt, the fund manager may submit a potential target company, including all relevant information, for committee review. Through this review process, the committee may come to the conclusion that the database information does not adequately capture the actual prevailing situation and may, if appropriate, change the determination to more accurately reflect reality.

Companies that grossly violate the UN Global Compact are fundamentally excluded because such violations are indicative of elevated sustainability risk within the sense of Article 2 No. 22 of the Disclosure Regulation. This exclusion process reduces company-specific investment risks because it helps to avoid various ESG risks arising from violations of human rights, labour rights or environmental standards. Under Article 2 No. 22 of the Disclosure Regulation, a "sustainability risk" specifically means *"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.****"*

Companies which remain following this initial exclusion process are then scored using a proprietary in house rating methodology, based upon ESG information from a third-party research provider (MSCI ESG Research LLC) as well as the company's own research results. Using the indicators within the DJE Kapital database, an aggregate overall rating is calculated for each company as the sum of various components. The analyst reaches a final assessment through fundamental analysis and personal interviews or contacts with the target company. As with other components of the overall rating, the analyst's assessment is quantified with a score of –10 to +10. Together with the quality of the personal interaction with the company, the analyst's assessment is included in the overall assessment of each potential investment. Should any existing investment holding subsequently be negatively assessed through application of this methodology and should the aforementioned committee concur with the database-derived assessment, these holdings are generally liquidated. During this review process, the committee takes into account additional criteria, such as likely future developments as these involve ESG factors, the exercise of voting rights and the general economic outlook.

The scoring model rewards those companies which are determined to be acting to counter the sustainability risks to which they are exposed through adequate or even exemplary sustainability risk management. In addition, the model specifically takes the CO2 intensity of each target company into account in order to mitigate the risk of environmental or climate-related declines in asset value, thereby avoid such potential "stranded assets".

As already described in the context of the rating methodology, the fund manager relies upon ESG data and ratings from MSCI ESG Research LLC as a basis for making investment decisions, not only for companies but also for countries or other relevant issuer entities. These ESG ratings incorporate various factors including, for example, CO2 emissions (relative to revenues and based on country and raw material consumption), water quality, biodiversity and corruption. As already described, companies with an inferior ESG rating (B or CCC) are excluded from investment. Should the ESG rating of an existing investment holding be downgraded to B or CCC, the fund manager decides, on the basis of protecting investor interests, whether or not to liquidate the investment holding.

Through the exclusion of any company that clearly and demonstrably violates any one or more of the Ten Principles of the United Nations Global Compact (which may be found at https://www.unglobalcompact.org/what-is-gc/mission/principles), company-specific investment risks are reduced because the exclusion process helps to avoid various ESG risks arising from violations of human rights and labour standards (social), environmental standards or anti-corruption standards (governance).

The fund manager creates and maintains exclusion lists and positive lists as these are applicable to the Sub-Fund.

4. Information per Article 8 of the Disclosure Regulation

The information to be published in accordance with Article 8 of the Disclosure Regulation is included within the Sub-Fund's published sales prospectus, in particular within the annex specific to the Sub Fund.

5. Information per Article 11 of the Disclosure Regulation

The information to be published in accordance with Article 11 of the Disclosure Regulation is included within the Sub-Fund's published annual report.

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