

## Strategies of DJE Investment S.A. for dealing with sustainability risks and for taking into account adverse sustainability impacts with regard to investment decisions at corporate level

### 1. Introduction

As a financial market participant as defined in Article 2(1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial sector (hereinafter the “Disclosure Regulation”) DJE Investment S.A. is obliged to provide transparency on

- strategies for dealing with sustainability risks<sup>1</sup> and
- adverse sustainability impacts on corporate level<sup>2</sup>.

The relevant information is available in this document.

Advertising of ecological or social features of the funds managed by DJE Investment S.A. is generally not intended and will only be implemented for selected funds/sub-funds. The corresponding information is published for these funds in accordance with Art. 10 of the Disclosure Regulation, which can be obtained under the respective fund/sub-fund.

#### a) What is meant by the term “sustainability risks”?

A sustainability risk within the meaning of Article 2 item 22 of the Disclosure Regulation is defined as *an event or condition in the fields of environment, social affairs or corporate governance, which could have actual or potential material negative effects on the value of the investment.*

These effects may have an impact on the net assets, financial position and results of operations of the respective fund managed by DJE Investment S.A. as well as on the reputation of DJE Investment S.A. Sustainability risks can have a significant impact on all known risk types (market risk, liquidity risk, counterparty risk and operational risk) and contribute as a factor to the materiality of these risk types. Companies in which investments are placed may be subject to the physical risks of climate change such as temperature fluctuations, sea level rise, etc.

#### b) What is meant by the term “sustainability factors”?

Sustainability factors as defined in Article 2(24) are *“environmental, social and labor concerns, respect of human rights and the fight against corruption and bribery”.*

#### c) What are “ESG factors”?

“ESG” refers to factors such as environmental, social and corporate governance. The abbreviation comes from the English terms “Environmental”, “Social” and “Governance”.

ESG factors refer to the following topics, among others:

#### Environmental

- climate protection
- adaptation to climate changes
- protection of biological diversity
- sustainable use and protection of water and maritime resources
- transition to a circle economy, waste prevention and recycling
- pollution prevention and control
- prevention of healthy eco systems
- sustainable usage of land

#### Social

- compliance with recognized labor law standards (no child labor, no forced labor, no discrimination)
- compliance with occupational safety and health protection
- appropriate remuneration, fair conditions at the workplace, diversity, and opportunities for training and continuing education
- freedom of trade union and assembly
- ensuring adequate product safety including health protection
- equal requirements for companies in the supply chain
- including projects or the consideration of interests of communities and social minorities

#### (Corporate) Governance

- tax honesty
- measures to prevent corruption
- sustainability management by the executive board
- remuneration of the executive board in relation to sustainability
- enabling of whistle blowing
- guarantee of employee rights
- ensuring data protection
- disclosure of information

### 2. Strategies of DJE Investment S.A. for the handling of sustainability risks with regard to investment decisions<sup>1</sup>

Die DJE Investment S.A. outsourced the portfolio management of its managed funds/sub-funds to following financial market participants:

- DJE Kapital AG
- Robert Beer Management GmbH

Consequently DJE Investment S.A. does not make its own investment decisions.

1) as per article 3 disclosure regulation

2) as per article 4 disclosure regulation

Therefore, any information published by the above-mentioned financial market participants must be taken into account for strategies regarding the handling of sustainability risks when making investment decisions.

Documents concerning DJE Kapital AG are published here: <https://www.dje.de/unternehmen/uber-uns/Verantwortungsvolles-Investieren/>

The documents concerning Robert Beer Management GmbH can be obtained upon request via email: [service@robertbeer.com](mailto:service@robertbeer.com)

### 3. Transparency of adverse sustainability impacts at company level<sup>3</sup>

#### a) Identification and weighting of the of the main adverse sustainability impacts and sustainability indicators

DJE Investment S.A. currently sees the most important adverse sustainability impacts and sustainability indicators equally in the following points:

- violation of the 10 principles of the UN Global Compact
- controversial/outlawed weapons (e.g. landmines, cluster bombs, weapons of mass destruction)
- armaments
- corruption

For certain funds the following additional adverse sustainability impacts and sustainability indicators are also considered depending on the particular investment strategy

- entertainment for adults (pornography)<sup>4</sup>
- gambling<sup>4</sup>
- nuclear energy<sup>4</sup>
- coal of power plants<sup>4</sup>
- genetically modified seeds<sup>5</sup>
- tobacco products<sup>5</sup>

#### b) Measures related to the main adverse sustainability impacts

The statement above applies to the management of funds by external asset managers, who take into account the main adverse sustainability impacts of investment decisions based on legal regulations or a voluntary commitment.

DJE Investment S.A. does not make any investment decisions.

Therefore, measures relating to the most significant adverse sustainability impacts must take into account the information published by the above-mentioned financial market participants.

Documents concerning DJE Kapital AG are published here: <https://www.dje.de/unternehmen/uber-uns/Verantwortungsvolles-Investieren/>

Documents concerning Robert Beer Management GmbH can be obtained upon request via email: [service@robertbeer.com](mailto:service@robertbeer.com)

#### c) Brief summary of the participation policy of DJE Investment S.A.

Within the framework of the joint portfolio management of its managed funds DJE Investment S.A. is responsible, among other things, for subscribing, buying, selling or exchanging financial instruments within the scope of the permitted investment strategy, exercising subscription rights or otherwise disposing of them or exercising rights arising from these financial instruments or taking all other measures that appear appropriate in the context of the management.

DJE Investments S.A. is aware of its responsibility with regard to the exercise of shareholders' rights concerning shares held by its funds. In cases where DJE Investment S.A. holds a number of shareholdings or voting rights the exercise of which can be expected to influence business policy and/or strategy, DJE Investment S.A. commits to cast a vote on the items on the agenda of a general meeting. In this regard DJE Investment S.A. has published principles for the exercise of voting rights, which can be accessed via its homepage [www.dje.lu](http://www.dje.lu).

More detailed information on the participation policy can be found in the participation policy published on the homepage [www.dje.lu](http://www.dje.lu) in accordance with Art. 7 (1) of the Act of May 24, 2011 on the Exercise of Certain Rights of Shareholders in General Meetings of Listed Companies (in its currently valid version).

#### d) Observance of a Code of Conduct for Responsible Corporate Governance

As a member of ALFI<sup>6</sup> DJE Investment S.A. undertakes to comply with the defined *ALFI Code of Conduct for Luxembourg Investment Funds*. In accordance with the Code of Conduct the management and Board of Directors of DJE Investment S.A. work towards good corporate governance at DJE Investment S.A. Reporting on DJE Investment S.A. is carried out in accordance with the regulatory and legal requirements.

### 4. Review and update of the sustainability policy

This Sustainability Policy is subject to regular review and is updated by regulatory requirements and any process and strategy adjustments. The currently valid version of the Sustainability Policy will be published on the website of DJE Investment S.A. [www.dje.lu](http://www.dje.lu).

3) as per article 4 disclosure regulation

4) exclusion if sales > 5% of total sales

5) exclusion if sales from the manufacture of these goods > 5% of total sales or sales from distribution of these goods > 25% of total sales

6) Association of the Luxembourg fund industry