Responsible Investing Policy Bank Nagelmackers

April 2026

NAGELMACKERS

Nagelmackers has a long term commitment to sustainability and responsible investing. As a company serving the Belgian and international markets, we feel it our duty to incorporate the United Nations Sustainable Development Goals (SDG's) to serve as guides to help us work towards a better world. The SDG's have been integrated into the company's daily organisation and inform our corporate social responsibility (CSR). Nagelmackers has set up a dedicated CSR team. On this team are people from a range of different departments within the company under the supervision of the Director of Human Resources who independently reports to the CEO. All initiatives taken by the CSR are aligned with the UN's SDGs.

In January 2019, Nagelmackers as an investment manager became Signatory of the United Nations Principles for Responsible Investment (UNPRI). The PRI network is the most important proponent of responsible investment in the world. It seeks to understand the investment implications of environmental, social and governance (ESG) factors, and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. Becoming a signatory of the UNPRI was an important step in giving concrete shape to our sustainable development goals. Later that year, we launched a complete, dedicated sustainable offer to our clients. As we moved into 2020, we continued to expand our sustainable product offer and optimised our responsible investing structures.

Nagelmackers' mission is to create value for our clients (private, professional, and institutional) by combining financial performance with ecological, social and governance ambitions. Sustainable solutions go hand in hand with responsible investment and Nagelmackers has therefore integrated ESG principles (Environment, Social & Governance) into its fund management and selection process.

The policy outlined in this document applies to all portfolios actively managed by Nagelmackers, via discretionary management mandate to a third party, and investment funds managed by Nagelmackers. This document details the approach Bank Nagelmackers takes to responsible investing for both its mainstream and sustainable strategies, under mandates or in the funds it manages.

Nagelmackers bases its responsible investment policy and strategy on international and European conventions and norms. To this end, Bank Nagelmackers has signed the United Nation Principles for Responsible Investment (UNPRI) and aligns its investment approach with the UN Global Compact and the World Bank's World Governance Indicators (WGI), thus underscoring the bank's commitment to integrate non-financial, sustainable criteria into its investment analysis and decision-making process. In addition, Nagelmackers complies with the European legal framework for sustainability in the financial sector.

Nagelmackers’ Strategies

All strategies

Nagelmackers has set clear expectations with respect to responsible investment and investment performance in its advising management, discretionary mandates and fund management. To this end, it expects the companies it invests in to act in compliance with its commitment to the Principles for responsible investment of the United Nations (UNPRI).

The Bank has defined its position with regards to the activities it will invest in, and to this end performs norms-based negative screening for controversial activities on a regular basis. This ensures that companies that conduct business activities that are not in line with the Banks’ expectations are ruled out as eligible investments for the investment advice, mandates or the bank’s funds.

Norms-based screening & negative screening of controversial activities

- International sanctions & Embargos
  - Countries subject to the sanctions of the United Nations, US and the European Community;
  - EU embargos on financial assets.

- Controversial weapons
  Controversial weapons consist of anti-personnel mines, biological and chemical weapons, cluster weapons and depleted uranium ammunition.
  - Companies involved in the production of controversial weapons or weapon parts (including cluster munitions, anti-personnel mines and depleted uranium) are excluded by virtue of Belgian legislation (Mahoux Act). A company is considered involved if the activity consists in manufacturing, using, repairing, putting up for sale, selling, distributing, importing or exporting, storing or transporting anti-personnel mines, submunitions and/or inert ammunition and armour with depleted uranium or any other industrial uranium within the meaning of the Act, and with a view to its dissemination.
  - Nuclear weapons
    All companies which are directly involved in nuclear weapons and derive more than 10% of their revenues from nuclear weapons, are excluded from all eligible investment universes for mandates and funds.

- Countries that are systematically corrupt, severely neglect basic social and political rights, or that are subject to UN Security Council sanctions are excluded from the investment universe.
  These countries include: Afghanistan, Burundi, Central African Republic, Congo DRC, Iran, Iraq, Libya, Mali, Myanmar, North Korea, Somalia, South Sudan, Sudan, Syria, Yemen, Zimbabwe.

Environmental, Social and/or Governance screening in the investment process

We believe that extra-financial metrics such as ESG or environmental, social and governance factors are equally important as financial factors in investment decisions. That is why we screen all investments (i.e. listed equities, bonds, funds and ETF’s) and potential investments based on ESG factors. Based on these analyses, the investments are integrated in the appropriate strategies, based on investors sustainability preferences, values and ethics. The assessment is based on a critical review of ESG information and data provided by external data providers, brokers, asset management companies and/or our own research. Other sources of information are used as well, following direct contacts with companies and management teams, other shareholders, brokers and asset management companies. These ESG metrics in our investments are monitored on a regular basis and are accessible to all Nagelmackers managers and investment specialists.

Sustainable strategies

In addition to our exclusion criteria (see "all strategies" above), applied to all direct investments within the bank, we apply more stringent exclusions for our sustainable strategies (specific mandates, or funds managed by Nagelmackers) and fully integrate ESG criteria into the selection process. In our sustainable strategies we strive for financial performance whilst maintaining a strong focus on contributing to sustainable characteristics. Investments that do not meet the 'do no harm' criterion will be avoided. Note that the additional restrictions related to the activities outlined below are the minimum criteria to be met for the sustainable strategies. In addition, a specific sustainable strategy can apply more stringent criteria. Consult the investment guidelines for the respective mandates and funds for more details on each sustainable strategy's restrictions and the ESG methodology applied in the investment process.

Additional exclusions or restrictions

- Controversial activities
  - **Adult Entertainment**
    All companies that derive more than 5% of their turnover from the production of adult entertainment material.
    Companies that derive more than 15% of their turnover from the distribution of adult entertainment material.
  - **Gambling**
    All companies that derive more than 5% of their turnover from gambling activities such as operating a casino or receiving royalties from gambling machines manufactured.
  - **Tobacco**
    All companies that derive more than 5% of their turnover from the production of tobacco or tobacco products.
    All companies that derive 10% or more of its revenues from the distribution and/or retail sales of tobacco products or services.
  - **Nuclear weapons**
    All companies that manufacture or sell nuclear weapons or tailor-made components of nuclear weapons to countries that have not signed the non-proliferation treaty (NPT).
  - **Weapons**
    All companies that derive more than 5% of their turnover from the production of weapons or tailor-made components.
  - **Alcohol**
    All companies that derive more than 10% of their turnover from the production of alcohol-based products.

- Normes internationales
  - Companies in severe breach of the UN Global Compact Principles
    The ten principles of the United Nations Global Compact cover responsibilities in the areas of human rights, labour, the environment and anti-corruption. The principles are outlined in annex 1.
  - Companies that seriously or systematically breach one or more of the ten UN Global Compact Principles without taking any appropriate measures to rectify the breach, are excluded from the sustainable strategies.

Incorporation of Environmental, Social and/or Governance criteria into the investment process

After the exclusionary screens are applied, a bottom-up ESG analysis is applied within the sustainable strategies. ESG principles are integrated into the overall investment decisions and into the assessment of a company or a country's fundamentals when evaluating the feasibility and financial return on a long-term investment. This additional, extra-financial and complementary assessment, which is aimed at enabling investment specialists and portfolio managers to make a better-informed investment decision, takes ESG risks and opportunities into account in the assessment.

ESG assessment within funds managed by Nagelmackers

Company

The assessment of a company's environmental, social and governance performance is based on an in-house scoring model that evaluates a company taking into account the following non-financial criteria:

- Environment: Energy efficiency, efficient water usage, reduction of waste intensity and greenhouse gas (GHG) emissions and environmental innovations, etc.
- Social: Equal opportunities, diversity, work-life balance, employee health & safety, respect for labour laws and human rights, including applying standards for suppliers, the social impact of products and services, etc.
- Governance: Voting rights, executive compensation, independent audit committee, Board independence, Board diversity, shareholder rights, etc.

As the materiality of the different ESG criteria can differ depending on the sector, business activity or company, this will also be reflected in the ESG scoring model and overall assessment of the company. The criteria with the greatest impact on the company's principal drivers and most important financial metrics will have a bigger weight in the ESG scoring model. Potential controversies and impacts will be analysed for each company, enabling us to create potential value by identifying those companies with lower ESG risks and better ESG performance.

Country

- Environment: Climate policy, ratification of international accords (Kyoto protocol, Paris Agreement), GHG emissions per capita/GDP, extreme weather conditions linked to climate change, etc.
- Social: respect of human rights, freedom of opinion, freedom of the press, anti-discrimination measures with respect to gender, race, ethnic minorities, etc.
- Governance: Anti-corruption laws, tax evasion, anti-money laundering laws, involvement in (weaponed) conflicts, military spending, etc.

Monitoring

Several monitoring tools have been put in place to put our ESG policy into practice. These tools are applied to all our funds managed internally that promote ecological and/or social characteristics (SFDR Article 8), and are regularly monitored. In the event that one of the criteria previously mentioned, or the overall ESG assessment, is no longer compliant with the ESG policy in the sustainable strategy, the management team will then undertake an in-depth analysis of the company (or country) and review previous analyses. Following this analysis, the manager will then decide to exclude or maintain the company (or country) in the portfolio. All maintained and excluded companies are listed and documented for transparency and

reporting purposes.

Third party Funds

Increasingly diverse approaches to ESG integration are being deployed by asset managers in the market. It is crucial for Nagelmackers to obtain a thorough understanding of the quality and specificity of the responsible investing policy and ESG investment approach applied by each asset manager.

For the selection of third party instruments, Nagelmackers has developed a transparent process to assess and select third party funds. This internal screening model is called the “7P-method”.

1. **People**: The people behind the management
2. **Philosophy**: The philosophy on which management is based
3. **Process**: The investment process behind the management
4. **Portfolio** construction: The composition of the fund
5. **Performance**: The returns
6. **Protection**: Shareholder protection & Risk management
7. **Principles**: The principles for sustainable investing

One of the 7 screening criteria is called “Principles”. This “7th P” establishes a process by which Nagelmackers evaluates third party funds according to ESG norms. This is a multi-level (company and product levels) assessment of sustainability in order to place the third party funds into categories. These categories are:

1. **Traditional Funds** which don’t take any ESG factors into account in the investment process
2. **ESG Screening Funds** which is the minimum application of ESG factors for each holding
3. **ESG Integration Funds** which integrate ESG factors into financial analysis and manage ESG tail risk
4. **SRI Funds** which identifies holdings based on their ESG practices and sustainable product/services with a positive contribution to returns
5. **Thematic Funds** which focus on a sustainable theme, such as water or green bonds
6. **Impact Funds** which invest in companies (or issues) that offer a solution to one of the world’s major environmental and/or social challenges, such as climate change

The third party “principles” assessment is based on both publicly available data as well as private data gathered through a questionnaire. All external asset managers have to disclose their policies on sustainable investing, i.e. international sanctions and embargo policy, responsible investing policy, proxy voting policy, human rights policy, compensation policy etc. Nagelmackers will also sent out questionnaires to external asset managers to better understand their responsible investing policy in order to integrate it into our own process. The questionnaire includes topics such as the disclosure of the company’s and product’s responsible investing policies, SFDR classification, being a signatory of external initiatives such as UNPRI or not, to what extent is sustainability applied to the investment process, external labels, exclusions, proxy voting, etc. At the same time we will initiate a dialogue with external asset managers on compliance with our minimum standards.

For the specific sustainable investment solutions we offer, only sustainable investment managers with a strong sustainable investment process combining an ESG-constrained universe (incorporating additional sectoral exclusions such as tobacco, gambling and armaments…) and an ESG-focused, sustainable themed or impact investment selection, will be eligible. Periodically a re-assessment of the asset manager’s investment approach towards sustainability and its policies in place, is performed based on an internal monitoring model and cross-checked against data available from external data providers and/or labelling agencies.

Nagelmackers monitors portfolio holdings on a regular basis based on their ESG ratings and controversy level. We will dialogue with delegated investment managers if ratings fall below our expectations or severe controversies arise. Where appropriate, we then engage with these investment managers over the long term to improve sustainability and manage ESG risk when necessary.

Asset Managers that no longer comply with our minimum standards or who are in breach of their own policies will be removed from our selection of sustainable third party funds.

Diversity and inclusion policy

Nagelmackers has a dedicated Diversity Policy setting out its commitment to developing a diverse workforce and a healthy work environment in which every employee is treated fairly and with respect. Nagelmackers' talented and diverse workforce is key to our success in meeting the needs of our clients by delivering high quality products and services.

Annex

Annex 1
United Nations Global Compact Principles

Human rights

Businesses should
(1) support and respect the protection of internationally proclaimed human rights; and
(2) make sure that they are not complicit in human rights abuses.

Labour

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.`

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.

Source: https://www.unglobalcompact.org/what-is-gc/mission/principles as of 01/04/2026.

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