



Brussels, 31.10.2022
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ANNEXES 1 to 4

ANNEXES

to the

COMMISSION DELEGATED REGULATION (EU) .../...

amending and correcting the regulatory technical standards laid down in Delegated Regulation (EU) 2022/1288 as regards the content and presentation of information in relation to disclosures in precontractual documents and periodic reports for financial products investing in environmentally sustainable economic activities

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Discretionary sustainable portfolio management

Legal entity identifier: Philipse & Co. B.V.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

Yes

No

It will make a minimum of sustainable investments with an environmental objective: ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: ___%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 90% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



What environmental and/or social characteristics are promoted by this financial product?

The portfolio management target investment is to invest a minimum of 90% in article 8 and 9 mutual funds and/or ETF's. Individual stocks and or bonds should have a minimum "A" ESG rating.

Article 8: These are funds/ETF's that promote environmental and/or social characteristics, but do not have sustainability as their primary objective. These type

of investments should integrate environmental and/or social factors into their investment strategies, but their primary goal may be financial return.

Article 9: These are the type of investments with sustainability as their primary objective. They are explicitly designed to have a substantial positive impact on environmental and/or social factors. They often include specific sustainable objectives, such as climate change mitigation, renewable energy or social impact goals.

We are in the process of finding a suitable reference benchmark as the classification of (ESG) financial products is still in development.

[indicate the environmental and/or social characteristics promoted by the financial product and whether a reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product]

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

We analyse each of the individual investments, mutual funds, and ETF's. We use the EU taxonomy and the UN's SDG's as a reference. Furthermore, we check if the negative exclusions of our clients are met.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The overall aim of our sustainable investment portfolio is to generate positive environmental and/or social impact alongside financial returns for our clients. Within our investment strategy we currently focus on energy transition, sustainable food production and distribution, resource efficiency, circular economy and health and well being.

It is important to assess as carefully as possible the specific objectives and strategies of the financial instruments we invest in, in order to understand how these investments will contribute to sustainability goals.

[include, for financial products that make sustainable investments, a description of the objectives and how the sustainable investments contribute to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes]

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Ensuring that sustainable investments do not cause significant harm to environmental or social sustainable investment objectives is a critical aspect of our

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

sustainable portfolio and responsibility to our clients. We strive to achieve this by doing due diligence on the financial instruments we invest in. Evaluate the potential negative impacts, risks, and controversies associated with investments. This includes implementing screening criteria to exclude companies or projects with significant negative impacts on sustainability goals, such as those involved in environmentally harmful activities or human rights abuses.

Also we include active engagement with portfolio managers and product specialists to encourage responsible business practices and mitigate potential harm, and requiring the financial instruments we invest in to disclose their environmental, social, and governance (ESG) performance and impact.

Our ultimate goal is a sustainable strategy which is holistic and proactive that aims to maximize positive impact while minimizing harm.

[include a description for the financial product that partially intends to make sustainable investments]

— — — *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The integration of indicators for adverse impacts on sustainability factors into our sustainable portfolio has become increasingly important as we seek to align our portfolio with environmental, social, and governance (ESG) principles and promote sustainability. We conduct ESG analysis to evaluate the sustainability performance of (potential) investments in our sustainable portfolio. We rely on ESG data and ratings from various third-party providers. These sources aggregate and analyze ESG-related information for a large number of investments. Ratings and scores often consider adverse impacts on sustainability factors, helping us to identify investments with potential ESG risks. Lastly, we conduct negative screening to exclude investments involved in industries or activities with significant adverse impacts on sustainability.

[include an explanation of how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I, are taken into account]

- — — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: [include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]*

We are currently focussing our sustainable portfolio to be sure that it is in line with EU taxonomy, ESG screening and taking into account the Principle Adverse Impact Indicators. We believe there is some extent an overlap with the OECD guidelines and the UN guiding principles.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes, _

[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

We have published this on our website www.philipse.com under “toezicht”

[If the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]



What investment strategy does this financial product follow?

We have a bi-weekly investment policy meeting in which we discuss and implement our asset allocation. We also discuss the geopolitical and macro economic effects that influence our choices with respect to the asset allocation. We review our current positions across all strategies, including the sustainable portfolio. If action deemed necessary we initiate changes in the portfolios.

[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

ESG screening of investment products and individual investments, exclusion of sectors/activities and in some cases positive inclusion of investments. Furthermore, engagement with portfolio managers of mutual funds should that be required.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

We currently focus on our screening capabilities with respect to ESG and the exclusions. We do not have a minimum rate in place for the scope of emissions, however, we focus in our sustainable portfolio on renewable energy and energy transition investments and maximise our effort to avoid investments in fossil fuels. Also we make an effort (within our set of capabilities) to identify the scope 1,2 and 3 emissions implicated by the investments we intend to make.

[include an indication of the rate, where there is a commitment to reduce the scope of investments by a minimum rate]

- ***What is the policy to assess good governance practices of the investee companies?***

We focus on the available resources and data with respect to ESG data. This information is in development. We combine all data with our our knowledge and assesment capabilities to strive for the best choices in sustainable investments.

[include a short description of the policy to assess good governance practices of the investee companies]



[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- of:
- **turnover** reflecting the share of revenue from green activities of investee companies
 - **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
 - **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

In term of asset allocation our sustainable, balanced portfolio has a traditional 50/50 equities/bonds approach. Furthermore, the regional asset allocation seeks to align with the world index. For the sustainable portfolio we strive to invest only in Article 8 and 9 mutual funds and ETF's. Individual investments must have a minimal "A" ESG rating in order to qualify.

[include a narrative explanation of the investments of the financial product, including the minimum proportion of the investments of the financial product used to meet the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy, including the minimum proportion of sustainable investments of the financial product where that financial products commits to making sustainable investments, and the purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards]

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

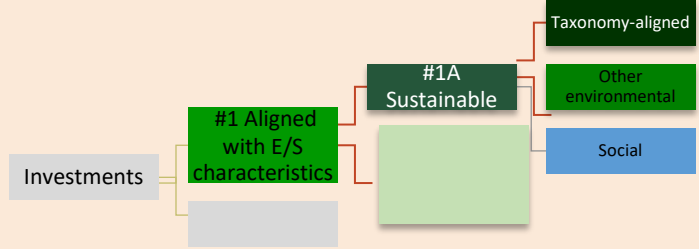
We do not use any derivatives in our sustainable portfolio.
[for financial products that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain the environmental or social characteristics they promote, describe how the use of those derivatives meets those characteristics]



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Before an investment is selected, for example a mutual fund, we conduct a thorough

[Include only relevant boxes, remove irrelevant ones for the financial product]



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

[include the note below where the financial product commits to making sustainable investments]

- The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
 - The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

investigation of the ESG claims made. Often this is provided by the research in the fund in question. Also, in the case of an article 8 or 9 investment, often information is

provided to which extent the investment is aligned with the EU Taxonomy. If this is not the case, we ask if the fund manager is able to provide such information.

With reference to article 6 of the EU taxonomy, we realise that the classification system and the documentation of investments is still in development and that is not an exact science. Sound and qualitative research is required. We believe that we can offer added value for our clients in that respect.

[include a section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 15(1), point (a), of this Regulation, the description referred to in Article 15(1), point (b), of this Regulation, a clear explanation as referred to in Article 15(1), point (c), of this Regulation, a narrative explanation as referred to in Article 15(1), point (d), of this Regulation and the information referred to in Article 15(2) and (3) of this Regulation]

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

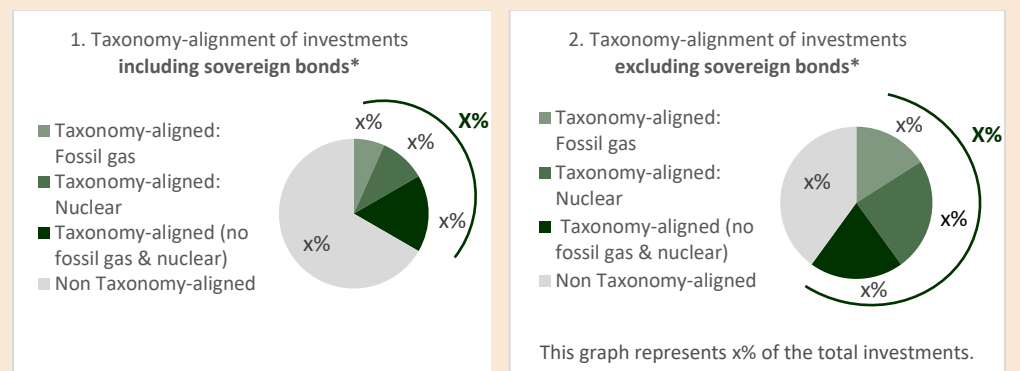
Yes: *[specify below, and details in the graphs of the box]*

In fossil gas In nuclear energy

No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

[only include in the graphs the figures for Taxonomy aligned fossil gas and/or nuclear energy as well as the corresponding legend and the explanatory text in the left hand margin if the financial product makes investments in fossil gas and/or nuclear energy]



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]



are

sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What is the minimum share of investments in transitional and enabling activities?**

To fill in the percentages in the above graphs is not possible for us. The “look-through” with respect to (exact percentages) of sectors would provide an unsatisfactory and unclear answer on an aggregated level. What we do know is that we make a serious effort and strive to invest only in renewable and transitory energy investments

[include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5% As an estimation.

[include section only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not Taxonomy-aligned]



What is the minimum share of socially sustainable investments? *[include section only where the financial product includes sustainable investments with a social objective]*

20% As an estimation



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

We are searching for a set of suitable benchmarks. Up until now unsuccessfully. Moreover, the benchmarks for sustainable investing are still in a process of development.

[include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found]

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*
- *How does the designated index differ from a relevant broad market index?*
- *Where can the methodology used for the calculation of the designated index be found?*



Where can I find more product specific information online?

More information regarding sustainability with respect to sustainability can be found on: www.philipse.com under 'Duurzaamheid' and under "Toezicht en registratie"