

Kabouter Management Declaration of Acceptance of the UN Principles for Responsible Investment

Kabouter Management hereby states that it accepts the UN Principles for Responsible Investment outlined below.

Kabouter Management is an asset management company that seeks to invest in under-appreciated international companies in sustainable secular growth industries. Kabouter believes in the principles set forth by the PRI and its operating practices already incorporate the tenets of the PRI, as disclosed below.

[Principle 1] To incorporate Environmental, Social and Corporate Governance (ESG) issues into investment analysis and decision-making processes.

Kabouter generally seeks to fulfill its stewardship responsibilities in the following ways:

- Integrate environmental, social, and corporate governance (ESG) in the investment sourcing and decision-making process.
- Recommend improvements to ESG business practices by portfolio companies.
- Offer strategy and transaction recommendations.
- Promote ESG disclosure and improved transparency by portfolio companies.
- Work with third parties to improve the accuracy of their reports on portfolio companies.

[Principle 2] To be an active owner and to incorporate ESG issues into our ownership policies and practices.

When communicating with the investee companies' senior management ("Management"), Kabouter may offer advice, recommendations, and contacts for business development and to inform of best practices with an aim toward the sustainable growth of the companies. Kabouter focuses its ESG engagement activities in three key areas:

- Improve disclosure of existing ESG policies and key metrics.
- Audit third party ESG reports to ensure portfolio companies are given credit for the policies and business practices they disclose.
- Promote ESG best practices by recommending improvements to policies or the adoption of specific sustainability practices.

[Principle 3] To seek appropriate disclosure on ESG issues by the entities in which we invest.

Kabouter generally encourages reporting on material ESG metrics by the companies to investors and data providers. Kabouter may audit the quality of disclosure by both the reporting company and by the data aggregators, recommending corrections where appropriate. Kabouter believes that measuring and monitoring these metrics may create long term value for the company.

[Principle 4] To promote acceptance and implementation of the Principles within the investment industry.

Kabouter generally supports ESG awareness in the investment industry in several ways, including:

- Work closely with clients to create screened portfolios based on specific ethical or faith-based principles.
- Engage with third-party ESG ratings companies to improve their understanding of portfolio companies and the industries these companies operate in and, therefore, improve the content of their published reports.
- Educate clients on positive screening and ESG integration as tools to identify opportunities and mitigate risks.
- Educate portfolio company management teams about the importance of disclosure and adoption of ESG best business practices.
- Meet with fellow shareholders in portfolio companies to share our evaluation of material risks and opportunities and a course of action to remedy such risks or further exploit such opportunities.
- Attend conferences and seminars on sustainable investing in the US and abroad.
- Become signatories of sustainable investment organizations like the Japanese Stewardship Code.

[Principle 5] To work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles.

As a PRI signatory, Kabouter looks forward to working with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles as well as supporting awareness of sustainable investment practices.

[Principle 6] To report on our activities and progress towards implementing the Principles.

Kabouter plans to report its activities and progress towards implementing the Principles.

In addition, Kabouter regularly communicates to its clients and beneficiaries how it fulfills its stewardship responsibilities. Kabouter discloses voting activity upon client request and to the extent required by any applicable regulatory authority.