

Corporate Social Responsibility Report
Euryton Trust Management BV



Date: 28.12.2017

Introduction

ETM sees corporate social responsibility as a process; therefore this report is a reflection on ETM's view and way of working as per today. Goals may change with time.

Corporate social responsibility (CSR) is an integral vision of sustainable business practices and is reflected in ethical and careful decision making in choosing the parties with who the business is done.

ETM recognizes the approach to CSR based on the European Commission's definition: corporate social responsibility refers to companies taking responsibility for their impact on society, and furthermore defines CSR as: performing our services in an ethical manner in the interests of the environment, the social environment and the economy.

CSR policy pertains primarily to our core processes, in which context we also take responsibility for our role in the chain. This implies that we maintain relationships with relevant stakeholders on the basis of transparency and dialogue, and provide answers to justified questions from society.

Goal

ETM aim is to use its expertise, technology, and partnerships to create a positive impact. We trust that being socially and environmentally responsible is good for people and the planet, and essential to the long-term sustainability of our business. ETM believes that this is directly connected to its objective as a gatekeeper, and needs to be part of the core processes within the organization. ETM's goal is to ensure that CSR is reflected in major policies of ETM, such as:

- Client acceptance (KYC) (including assessment of efforts of client in relation to social, environmental, financial and ethical aspects (e.g. labor rights human rights, protecting environment, corruption and good, governance) and periodical reviews;
- Fiscal Policy;
- Interaction with other stakeholders and openness to the society;
- Be in line with ETM's own business operation;

Strategy

We have identified the following areas, which we find most important:

1. Business ethics (Good Governance);
2. Clients and Feeder's integrity, including tax integrity (Client and feeder's screening);
3. Our people (Human resources);
4. Society (Social Involvement);
5. Environment.

1. Business ethics

Good governance and ethical conduct provide the foundation for our work. They help us earn trust, manage risks, foster sustainable growth, and build a resilient business. We aim to make our communications and processes simple, hold everyone accountable, and empower all our employees to do what's right. Our Code of Conduct and tailored training, helps employees make ethical decisions.

According to its business ethics ETM strives to maintain trust of its employees and community, through being transparent and leading by example.

Furthermore, ETM strives to cooperate with its stakeholders (e.g. clients (corporate and private), employees, team member, society and be transparent regarding its ethics, values and business operations.

Furthermore, ETM partners with suppliers and sub-contractors, who share the same business ethics and values as ETM.

ETM has implemented its mission, vision, strategy document as well as its fiscal policy, which is available for interested third parties.

| Objectives | Target Date |
|--|---|
| 100 percent of eligible 1 employees to complete Trust Officer Course | Q3 2015 → target was met; |
| New Target: 100% percent of employees with integrity sensitive function participate in permanent education plan, with focus on international taxation and corporate social responsibility. ETM wishes that every employee completes such course within the 1 st year of their employment. | Start Q 1 2018 Implement by Q 4 2018 |

2. Client's and feeder's integrity

We believe that quality of clients and industries served by ETM is better served if integrity of clients and feeders is monitored and kept to standard while avoiding rendering services to clients / industries which do not conform to the acceptance standards as set in ETM's manual ("Manual"), SIRA, fiscal policy.

2.1 Client Acceptance

We are selective on acceptance of clients. ETM accepts any low risk by default. An increased risk should be mitigatable and controllable with a view to decrease the net risk to the acceptable level. Overview on increased risk indicators are provided in ETM's Manual and SIRA (*including*

risk appetite). Furthermore, in the Manual of ETM, there are clear guidelines of assessing client integrity risk in relation to the company being active in fields such as Construction, Food industry, etc.

Based on its SIRA (Including risk appetite) and this CSR policy in certain cases ETM shall automatically refuse by default to provide services. These cases are, but not limited to, individuals/companies:

- having activities related to child labor
- having activities related to forced labor
- having activities related to adult industry
- having activities related to human trafficking
- having activities related to illegal drugs, pharmaceuticals and chemical
- having activities related to tax fraud
- activities related to FATF defined High-risk and non-cooperative jurisdictions for which a call for action applies. As of December 2017, these countries are Iran and North Korea
- making use of an aggressive tax planning structure
- have activities in illegal trade, under Dutch and/or international law, as well as are subject to international boycott, e.g. dangerous pharmaceutical, pesticides, dangerous chemical products);
- Trading with threatened species of animals and non-sustainable fishing;
- Sanctioned persons;
- Bearer shares (of non-listed enterprises), if they are held by the UBO, and are not mobilized;

ETM wishes to implement in its client acceptance procedure, to request CSR policies of its client corporations, where available, in order to get more understanding of their values, in relation to ecology, social, fiscal and ethical aspects.

For this ETM shall add to its CIF (Client Information Form) and CAF (Client Acceptance Form) form questions regarding CSR policy of the client. Where this is not available, ETM will make a CSR assessment of the client based on available information, and note in the CAF and Client Information file any possible risks of the company.

| Objectives | Target Date |
|---|---------------|
| Input CSR elements in the acceptance of all clients and feeders. Make sure that the CSR risks are analyzed by the 1 st line and 2 nd line reviews upon acceptance of new clients. | Q1 2018 start |

Furthermore, based on this CSR policy, ETM will pay special attention to activities related to:

- Animal testing;
- Dual use goods;
- Fur production;

- Genetic manipulation;
- Activities in protected natural areas, such as UNESCO world heritage sites.

2.2 Taxation

It is important that everyone pays in a timely manner applicable taxes when conducting business, in order to:

- Contribute to the public finances of the host country through the timely payment of taxes.
- Comply with local tax laws on all levels / jurisdictions.

ETM has adopted fiscal policy in accordance to this consideration and continually encourages clients to move their holding structures to more reputable jurisdictions and to eliminate tax heaven jurisdictions in their holding structures. ETM also screens its clients/potential clients, as well as their structures based on CPI Index and identifies countries with index lower than 43 as a high risk, and makes relevant assessments.

ETM also screens all aspects in relation to the functioning of the potential, as well as existing client structures, in order to avoid all types of tax aggressive behavior. ETM also screens all consultancy and loan agreements of client companies that are used to syphon funds to low tax countries.

Next to this ETM monitors its companies for sectors in which the client structures are active, and activities of the client structure.

2.3 Combating Corruption

ETM believes that transparency is central in fighting corruption. By following these, you will contribute to a better investment climate in the country. ETM has implemented in its client acceptance and transaction monitoring enhanced due diligence for transactions related with parties located in low CPI countries (less than score 43). A detailed analysis is made on all agreements concerning the related parties, business parties and subsidiaries of our client companies, which are located in countries with a low CPI score.

For internal control measures, ETM has implemented a gift and whistleblower policies to eliminate risks of bribery internally.

2.4 Periodic KYC Reviews

ETM plans to fully implement this CSR policy through periodic review process.

The intention is that in 2 cycles of periodic reviews, all of the CSR specific items will be used to assess our entire client portfolio.

The idea is that by the first periodic review, the Company Lawyers will assess the CSR elements, which will be additionally analyzed and commented upon by the Compliance Officers. The CSR will then be analyzed in the following period, by which time it is expected that all items will be

implemented in the monitoring and day to day analysis of the Object companies and the client structures.

| Objectives | Target Date |
|--|-------------------------|
| Input into the periodic review the assessment of the activities of the client structures on all levels and test against the CSR defined high risk activities, starting from the first reviews in 2018, according to the /CSR policy and SIRA, including risk apatite | 1 2018 start of reviews |
| Completion of first periodic review of entire portfolio with included CSR elements | Q3 2018 |
| Completion of second periodic review of entire portfolio with included CSR elements | Q3 2019 |
| Insertion of CSR elements in the new Client Onboarding Procedure | Q2 2018 |

3. Our people

Our employees contribute significantly to our shared vision. ETM's success depends on our ability to attract, retain, and develop talented people. We offer attractive benefits and career opportunities, and foster work culture that promotes initiatives and inspires our employees to perform at their best to learn and grow. We offer employees 1 free day per year, to participate in social/charity events.

| Objectives | Target Date |
|--|--------------------|
| 1. Strengthen recruitment by building a clear picture of what ETM offers prospective employees | Target met in 2015 |
| 2. Contribute to the society and environment by volunteer work | Q 4 2018 |

4. Society

We use our expertise, technology, and resources to make a positive contribution to society. As a corporate service provider we aim to serve clients from industries that promote innovation in areas such as health care, and clean energy.

Euryton Trust Management B.V. is a limited liability company domiciled in Amsterdam, where it is registered with the Trade Register under number 34206371. All our services are governed by our General Terms and Conditions, which, inter alia, include limitation of liability and choice of forum. These general terms and conditions can be found on our website www.etmtrust.nl and have been deposited with the Chamber of Commerce in Amsterdam and the Registry of District Court in Amsterdam under number 21/2017

Additionally, ETM also makes yearly donations to support poor children with food.

| Objectives | Target Date |
|--|--|
| Increase number of clients from clean tech industries by 10% | -Target for year 2016 was met; -New Target Q 4 2018 |

5. Environment

Energy consumption and greenhouse gas emissions are the most important and most complex environmental issues of our time. ETM recognizes that as a small organization the impact of our energy saving initiatives and recycling policies is rather small. However, we strive to set good example for environmental responsibility.

Furthermore, the lease car provided by ETM is an electric car.

| Objectives | Target Date |
|---|---------------------|
| Recycle 90% of all paper used in our office | Q 1 2018. |
| Reduce printing by raising awareness | Started in 2015; |
| Raising awareness in the office in order to minimize waste of food products | Started in Q 2 2017 |