

ESG Senior Leadership Statement

April 2021



EMCORE adopted a sustainability mission statement at the end of 2020 to serve as the basis for our future investment activities in the context of sustainability. We aim to generate a long-term sustainable and positive risk-adjusted return for our clients and investors in the risk-return profile with our niche investment solutions in an asymmetric context. To meet this intention also under the principles of sustainability, certain exclusion criteria are applied to our investment activities, so that explicit activities in the area of outlawed and controversial means of war, gambling, pornography and alcohol (excluding beer and wine) have been completely avoided since our foundation in 1998. We made an early commitment to sustainability and as a responsible investment boutique, signed the United Nations Principles for Responsible Investment (UNPRI) guidelines in June 2019 committing to continuously integrate ESG principles into our investment decisions.

ESG considerations, such as moral and ethical aspects, are also gaining clear relevance among our investors and clients. By implementing and addressing this dynamic issue earlier, we aim to bring more transparency to our ESG considerations. Anticipate future developments at an early stage so that foreseeable investments are in line with the fundamental values of our customers. Therefore, responsible issuer selection and best-in-class ESG practices are essential elements of our risk and decision-making processes.

For more than 23 years, we have been dealing with various security aspects as well as optimization possibilities through asymmetric security investments as a specific niche provider. We believe that our clients appreciate the consistent risk and investment process, which has been tested for decades, as well as the more defensive positioning. Consequently, a high reputation, reliable credibility, high service quality, continuous support and social acceptance are important attributes for EMCORE's long-term sustainable thinking and acting.

At all stages, we deepen our ESG understanding, our ESG analysis and our ESG planning. The results are incorporated into our security selection and investment process. To this end, we have currently identified four fields of action, which we are implementing accordingly:

As a first step, we exclude companies from our investment process where serious and systematic violations of the principles of the UN Global Compact (human and labor rights, serious environmental degradation, corruption, etc.) have been identified. Companies that mine coal or generate a significant amount of electricity from coal (sales

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tolerance 30%) are also not included. In addition, we have defined minimum ESG requirements for all securities in our portfolios. Sensitive industries must also meet higher criteria for us in order to track them. These measures are complemented by engagement activities and a special inclusion of climate risks.

We have also identified one key insight from ESG implementation for us as a company. ESG can only be successful if it is an integral part of the corporate culture. Our employees have different duties and responsibilities. It is therefore our responsibility to conduct targeted internal training so that our employees have a sound knowledge of the complex interplay between sustainable and financial influencing factors and their integration into the investment process. Furthermore, our employees are proactively and transparently informed about all ESG issues.

As part of our overall efforts regarding the integration of ESG measures, our internal processes are continuously reviewed and improved in order to always be compliant with current regulations and to create an appropriate congruence of interests between customers, employees and the company.