

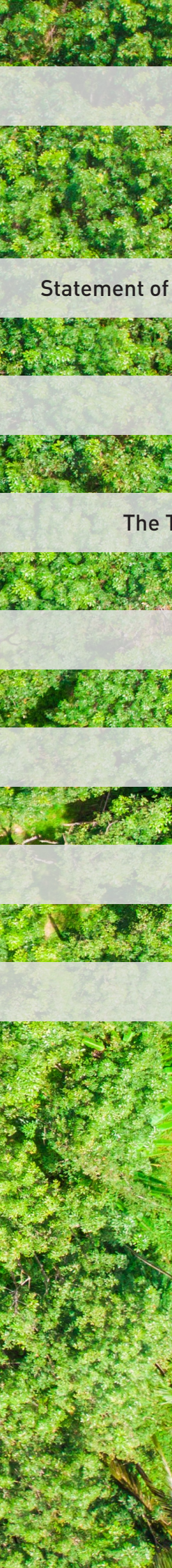
United Nations Global Compact

Communication on Progress

European Fund Administration's annual submission
to the United Nations Global Compact

August 2021





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“ Creating a positive impact ”



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All companies and their employees should recognize their collective and individual responsibility to address societal and environmental challenges. We should all come together to influence and inspire others to create a more sustainable future. Being part of UN Global Compact community allows us to share and collaborate with organizations also focusing on a more sustainable future.

Since its foundation, EFA takes ESG matters very seriously.

This allows Asset Managers with Sustainable investment strategies to keep a high-level of ESG along all the value chain of their funds.

EFA tells its clients, partners and suppliers that it commits to make a positive impact in this world.

I am pleased to confirm that EFA reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

”

NOEL FESSEY
Chief Executive Officer

About EFA - A sustainable and reliable partner



Created in 1996, EFA stands for European Fund Administration. Over the years, our company's range of services expanded far beyond fund administration as the world evolves around us.

EFA is now a specialised financial services company and a market reference for tailor-made services. We promote innovation and continuously develop new products and services by closely tracking market and regulatory trends. We do this in open architecture for investment funds and other investment vehicles and through the provision of specialised institutional services.

While monitoring the upcoming regulations, EFA has not waited on taxonomy to act on ESG. For years, not only it takes measures to reduce its impact on environment but also to ensure a high level of ethics and human rights.

We want EFA to be a leader in providing and creating solutions, which contribute to fundamental improvements in the quality of life.

That's why we integrate sustainability principles into our Business processes and company's life.

www.efa.eu



www.unglobalcompact.org

The Ten Principles of United Nations Global Compact

Launched in 2000, the United Nations Global Compact Initiative is the largest corporate sustainability initiative in the world, with more than 10,500 companies and 3,000 non-business signatories based in over 160 countries. It represents a unique example of cooperation between the business world and the international community as it assembles not only companies but also civil society, NGOs, governments, business associations and UN bodies.

Signatories adhere to align their operations and strategies with Ten Principles in the areas of **human rights, labor, the environment, and anti-corruption.**



The Sustainable Development Goals explained for business

In September 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all - laying out a path over the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet.

At the heart of "Agenda 2030" are the 17 Sustainable Development Goals (SDGs) which clearly define the world we want - applying to all nations and leaving no one behind.

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence, and

Principle 2

make sure that they are not complicit in human rights abuses.

EFA focuses on promoting sustainable and inclusive growth and follows ethical considerations in its activities.

The respect for and promotion of fundamental human rights as laid out in the EU Charter of Fundamental Rights, the UN Declaration of Universal Human Rights and the European Convention on Human Rights guide the relationship with internal and external stakeholders. Consequently, EFA refuses to enter into business with counterparts, which disregard or violate the principle of respect for persons or principles, which affirm the dignity of all people, irrespective of ethnicity, gender, age, disability, sexual orientation, education and religion.

EFA attaches high importance to the maintenance of a multinational and multicultural working environment. Regular staff surveys allow the monitoring of staff satisfaction. The behaviour of EFA staff is governed by a Code of Conduct, which forms part of the employment relationship for all employees and is also applicable to contracts with external consultants employed by EFA.

Diversity

EFA is an equal opportunities employer committed to recruit people regardless of ethnicity, gender, age, disability, sexual orientation, education and religion and it values each individual for its unique talent.

Equality

EFA's collective agreement ensures compliance with the principle of equal opportunities for men and women in respect of access to occupational training and promotion as well as working conditions and salary.

EFA has a formal policy against harassment and discrimination of any nature.



Measurement of outcomes

Active preventive measures for stress

- In collaboration with the Association pour la Santé au Travail des Secteurs Tertiaire et Financier (ASTF), EFA proposes trainings dedicated to our managers: Leadership through the health filter – a training using tools to stay in good shape, to create and organize a healthy environment for managers their teams.
- In 2020, we started a leadership training journey for our managers to enhance their managerial skills. By the end of 2021, we will have trained over 100 employees.

Training of employees on health and safety risks and good working practices

EFA organized the following training in 2019, 2020 and 2021:

- First aid 16 hours training for 36 members of staff (in collaboration with La Croix Rouge)
- Evacuation officer 3 hours training for 39 members of staff
- Handling of fire extinguishers 4 hours training for 36 members of staff
- Electrical qualification 8 hours training for 1 member of staff.

Health check-up for all employees

- Medical tests upon recruitment and upon request by the employer or the employee.
- Yearly medical tests for employees exposed to a risk.
- Eye tests organised on a regular basis for all staff (on a voluntary basis)
- Annual voluntary influenza vaccination program

Protective measures against COVID 19

EFA has been living at the time of COVID 19 since the beginning of the crisis in March 2020.

The measures taken to protect all members of staff have been implemented diligently:

- Remote work effective within two weeks for 90% of the staff – this ratio was maintained until the end of June. Progressively, the number of collaborators on site increased but never over 150 individuals.
- EFA's Executive Committee requested an Audit in June 2020 by the Association pour la Santé au Travail des Secteurs Tertiaires et Financiers (ASTF). EFA obtained the COVID Assessment Certificate.
- Desinfectant liquid, protective masks and rapid tests are available to employees at all times and everywhere in the company.
- A tracing procedure in case of contact with an infected or potentially infected person.
- The CEO's communications highlight the strong will to protect everyone while respecting constraints as much as possible.

Protective measures for employees coming back after a long absence

Whatever the nature of a long absence, we make sure the employee is welcome back in the best possible conditions in order to prevent stress.

Measurement of outcomes

Measures to encourage balance between professional and private life

77% of EFA's staff works full time (against 84% in 2017), i.e. 40 hours per week / 8 hours a day.

23% of EFA's staff works part time (against 16% in 2017).

Historically, EFA has always encouraged part time contracts in order to allow a better balance between professional activities and private life.

The ratio full timers / part timers has increased yearly since 2000.

In 2009, EFA introduced its reduction of working time program, giving possibility to:

- Encourage again members of staff willing to work part time (existing initiative since 2001)
- Purchase extra days off (up to 18 days per annum financed by the 13th month)
- Take a sabbatical leave (from 3 to 18 months) with the assurance to reintegrate the company while keeping advantages linked to seniority

What does "Social Distancing" imply for EFA?

We have enabled home working for the majority of our staff by reinforcing our technical infrastructure, enhancing our communication tools and teleconference capabilities for seamless client experience and to facilitate staff interaction.

The freed office space allows us to adopt proper "social distancing" measures to protect those who work from our office, in line with the recommendations published by the Luxembourgish authorities. For example, we increased the frequency and extent of cleaning of the workplace, desks, keyboards and phones. The desks used are disinfected daily. These measures were assessed by the ASTF (Association pour la Santé au Travail des Secteurs Tertiaire et Financier) and EFA received its certification on June 24, 2020.



Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,

Principle 4

the elimination of all forms of forced and compulsory labor,

Principle 5

the effective abolition of child labor, and

Principle 6

the elimination of discrimination in respect of employment and occupation.

EFA is convinced that the responsible management of human resources is a key factor in the success of the Business. It pays particular attention to working conditions within its Teams (social dialogue, health and safety, promotion of diversity, fight against harassment and discrimination, etc.).

EFA considers its staff to be its most valuable asset. With its internal policies, standards, rules and procedures, EFA acts in accordance with relevant European labour laws and safety standards. It actively supports the wellbeing of its employees and aims to ensure a proper work-life-balance for its staff. EFA encourages staff to keep their skills up-to-date and offers its staff ways to develop additional competencies through dedicated training and development programmes.

10 REDUCED INEQUALITIES 22 Nationalities 3 GOOD HEALTH AND WELL-BEING 65% Seniority +10 years



Measurement of outcomes

Labor relations

EFA has a Staff Delegation made up of a President, a Vice-President, a permanent delegate, a delegate to security, a delegate to equality, 4 members and 9 deputy members. Within this group, the 3 main unions in Luxembourg are represented by OGBL, LCGB and ALEBA.

The delegation is elected every 5 years and has a permanent delegate.

The Staff Delegation meet Management Representatives during meetings at least 3 times a year formally, and on specific topics according to needs.

Health and wellbeing

In collaboration with the Association pour la Santé au Travail du Secteur Financier, EFA promotes health, safety and wellbeing of its employees:

- In 2021, EFA trained and certified a team of 12 Mental Health Aiders in collaboration with ASTF and the Ligue Luxembourgeoise contre le Suicide.
- Measures for the integration of employees with disabilities. In line with the government, guidelines accessibility for disabled persons, the building is properly equipped (access ramp, toilets, lifts, dedicated parking spaces, workstations adapted to any disability requirements according to the person's needs).
- Fresh organic fruit offered by EFA on a regular basis
- EFA improved its facilities for the wellbeing of its staff. Our staff can benefit from the use of showers, a chill-out room, a large kitchen, a room dedicated to our activities during the lunch break or other "soft sports" sessions, lockers and showers.
- Yearly medical tests for employees exposed to a risk (our employees working nightshifts).
- Equipment of the workplace with particular attention for our handicapped members of staff and collaborators with back or sight problems (specific armchairs, adapted computer screens, dedicated toilets, footrests, etc...).
- Eye tests organized on a regular basis for all staff (on a voluntary basis)
- Seasonal flu vaccine campaign every year.
- Awareness to health and wellbeing issues through presentations and campaigns.

Child and forced labor

EFA is a signatory to the United Nations Global Compacts and undertakes not to hire and/or use children (under 18 years of age) without complying with applicable laws. EFA also undertakes not to hire and/or use persons, whether children or adults, who are not in possession of a valid work permit.

Diversity, discrimination & harassment

A specific policy on diversity and the fight against discrimination and harassment is set out in our company agreement.

Equal remuneration

The EFA agreement guarantees the principle of equal pay for men and women in terms of access to training and professional promotion, as well as working conditions and pay.

EFA will, where appropriate, provide access to upgrading measures for employees who are absent due to a career break in order to enable them to assume the tasks assigned to them.

Psychosocial risks & right to disconnect

EFA, in collaboration with the Staff Delegation, is committed to the prevention of psychosocial risks over the medium and long term.

In its new company agreement, EFA commits itself, together with the Personnel Delegation, to define a specific regime to support the right to disconnect.

Principle 7

Businesses should support a precautionary approach to environmental challenges,

Principle 8

undertake initiatives to promote environmental responsibility, and

Principle 9

encourage the development and diffusion of environmentally friendly technologies.

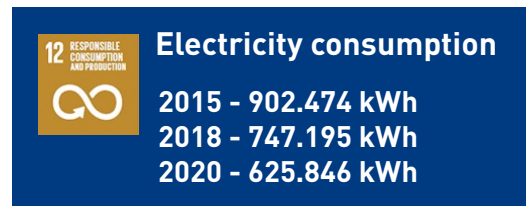
EFA strives to increase environmental responsibility and awareness both inside and outside the company. It promotes the efficient use of resources, supports environmentally friendly technologies and encourages a behavioral shift towards sustainability.

EFA encourages its employees to identify and limit their impacts on the environment (e.g.: better use of natural and energy resources, waste management, etc.).

As far as our environmental impact is concerned, the close proximity of our office building to the train station and its transport hub results in approximately **70%** of our staff using public transport.

The introduction of free public transport from March 2020 onwards in Luxembourg should further improve its usage.

EFA's travel policy encourages staff to use public transport during business travel.



Measurement of outcomes

Evolution of paper consumption

Although we are certified and have numerous eco-labels, our policy of reducing paper consumption remains a priority.

In 2020 we consumed 250,000 fewer sheets of paper than in 2019. The downward trend remains steady.

Evolution of waste recycling

Reducing waste (recyclable or not) is an important priority in our goal to reduce our ecological footprint.

Since we have eliminated plastic water bottles and installed filtered water fountains, the amount of PET waste has been drastically reduced. The ban on plastic cutlery has also reduced the amount of waste.

Evolution of water consumption

Although our water consumption remains below average for the number of employees in our building, a slight increase has been noted due to the connection of water fountains for employees.

Waste management and recycling

- All workstations are equipped with paper bins with a separator for “other” waste,
- The cleaning company has two bins to separate the two types of bins,

This waste is then stored in large containers (blue for paper and black for “other” and organic office waste). On each floor in the kitchens there is a large bin dedicated to aluminum cans, and to plastic bottles,

- On each floor in the kitchens there is a large bin dedicated to organic waste,
- In each kitchen there is a recycling bin for bottle caps,
- The glass bottles are put in a glass container dedicated to the cleaning company and recycled,
- Toners are recycled via our service provider for printing, via dedicated recycling boxes, made available and collected on site by our service provider (Ecobox)
- Used batteries are stored in a dedicated container and recycled,
- The aluminum coffee capsules are managed in a dedicated container and taken back by the company that supplies the capsules for recycling (Nespresso),
- Computer and electronic waste is stored in a dedicated room to be taken back by a specialized company for recycling,
- “Other” waste, such as defined furniture, non-EU pallets are also stored in a dedicated room to be taken back by a specialist company for recycling,
- The polystyrene is stored in dedicated bags in order to be recycled by a specialized company.
- Neons and compact fluorescent bulbs are stored in dedicated boxes in order to be recycled by a specialized company.

Measurement of outcomes

Evolution of energy consumption

For several years now, our policy of reducing energy consumption has been bearing fruit:

- Replacement of IT equipment by less energy consuming equipment,
- Replacement of the failed lamps and luminaires with LED models, when possible,
- Replacement of boilers with more efficient models,
- Finer time programming of consumer elements (car park ventilation, archives) etc...

In 2020, Electricity consumption reached its lowest level (-24.4 MWh).

Despite the efficiency of our boilers, gas consumption increased slightly due to the longer than usual winter period (+18.3 MWh).

Total energy consumption continues to decrease every year (-6 MWh).

ENERGIE 100% RENEWABLE

- EFA has just signed a Switch BLUE Quality 2 contract with the Luxembourg energy supplier Electris.
- The energy supplied is energy produced by the natural force of water, without CO2 emissions, without any polluting waste and 100% renewable.



Green IT

EFA has taken the following actions in order to reduce energy consumption:

1. Data centres:

Our data centres provider has a strong environmental commitment based on its corporate EARTH values (Excellence; Agility; Responsibility; Trust and Human), it aims at reducing the environmental impacts thanks to its differentiating strategy through excellence, quality and sustainable involvement.

Our provider bases its green program on international certifications such as :

- ISO 14001: Environmental Management
- ISO 50001: Energy Management

The data centres of our provider are operated with 100% green energy.

2. Office hardware:

EFA has reduced the electrical consumption of its workstations to a minimum with the use of ThinClients. 98% of the workstations are ThinClients which use 40 times less power than standard PC's (5 Watt).

3. Virtualisation:

EFA intensively uses virtualisation on our AIX, Linux and Windows environments.

Virtualisation is a proven solution to increase energy efficiency through flexibility. Virtualisation contributes to eliminate server sprawl and underutilisation of servers.

Currently more than 95% of our applications run in a virtualised environment.

4. An important reduction of the volume of printed paper thanks a to intensive use of ECM (Enterprise Content Management) and OCR (Optical Character Recognition) technologies throughout our production processes.

Measurement of outcomes

Reduction of energy consumption through innovative technologies

For years, EFA takes actions in order to reduce energy consumption, for example:

- We replaced old screens with “**ENERGY STAR CERTIFIED**” screens.
- 210 screens of these old screens were loaned to users for teleworking in order to limit travel - COVID-19.
- No use of air conditioning in working areas (open spaces). Client meeting rooms are the only air conditioned areas.
- The ECM project launched in 2013 allowing electronic archiving instead of paper archiving, has reduced paper printouts and toner consumption about 40%.
- Relocation of IT-rooms in modern data centres enabling 35 % reduction of the electricity consumption.
- Use of natural gas for heating purposes.
- Automatic lowering of space temperature for nights and weekends.

Every year, EcoVadis assesses EFA for its sustainability and societal impact. Since 2018, EFA's engagement is awarded Gold Recognition level placing EFA in the top 5% of companies assessed with a top of the class score for business integrity and ethics.

EcoVadis' methodology is based on international CSR standards, including the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000.

Categories assessed are:

- **Environment:** greenhouse gas emissions, consumption of energy, water, commodities (paper), waste and the impact of financial products on sustainable consumption.
- **Social:** health and safety of employees, working conditions, social dialogue, career management and training, discrimination and fundamental human rights.
- **Ethics:** corruption, anti-competitive practices, responsible marketing
- **Procurement:** environmental and societal performance of providers



Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

EFA is a Luxembourg company which has the approvals of Specialist Professional of the Financial Sector (PSF) and support PSF, in accordance with the law of 5 April 1993 on the financial sector.

As a result, EFA is subject to a set of regulations which implies compliance by its employees with demanding principles of quality and integrity. Among the rules applicable to it, EFA is required to define an internal code of conduct and to ensure its correct application. Within the framework of compliance with the code of conduct, EFA's compliance function is also required to cover areas of ethics and professional conduct, and even fraud.

As a professional in the financial sector, EFA is strongly committed to the fight against money laundering and the financing of terrorism.

All employees are therefore required to contribute actively and effectively, in particular through the proper application of the customer due diligence obligation (knowing the customer and monitoring the business relationship). In this regard, employees must ensure that any new contact is made in accordance with the relevant EFA procedures.

 **100% Employees**
AML/KYC training



AML / KYC
policies & procedures



Measurement of outcomes

Regulatory compliance & governance

EFA is subject to the supervision of the Luxembourg Financial Sector Supervisory Commission (CSSF) and is compliant with all relevant CSSF circulars relating to information technology or information security.

EFA has in place a dedicated IT Security & Risk Management department that is in charge of identifying, analysing and managing IT risks related to information security, IT systems and IT development projects. It ensures the consistency of EFA's IT risk management approach and the respect of its corporate security measures and policies in this area.

EFA appointed the Head of IT Security & Risk Management as Chief Information Security Officer (CISO) in line with the requirements of CSSF Circular 12/552 on Central administration, internal governance and risk management.

Our external auditors review our processes and produce an ISAE 3402 report on a half-yearly basis. This report includes a review of information security aspects as well. The ISAE 3402 report may be provided to selected contractual clients or counterparts on specific demand.

ISAE 3000 on AML / KYC policies and procedures

At EFA, we're serious about getting AML/KYC right for our clients. That's why we submitted our policies and procedures to independent ISAE 3000 audit.

From on-boarding, to daily name screening and transaction monitoring, and to regular ongoing review, we commit to keep our clients safe. And being digital, everything we do is logged and available for our clients to see.

Laws and regulations

We apply the highest standards of business and personal ethics, and follow all applicable laws and regulations in the countries where we operate.

Corruption & anti-competitive practices

High priority and importance is given to training on the subject of Anti Money Laundering.

Every year, all employees are submitted to an e-learning AML test. The content of this training is updated to reflect changes in legislation.

Protection of trade secrets

- EFA generally enters into non-disclosure agreements in order to assure the confidentiality of certain trade secrets, information and other materials which have been or may be disclosed in the course of discussions exploring the potential business relationship with others companies.
- In addition, standard agreements entered with EFA's clients include a confidentiality clause covering any data or information (thus including trade secret) relating to any party to this agreement or to the affairs of such party and disclosed during the life of the agreement.

Professional secrecy and confidentiality requirements for all EFA employees – all EFA employment contracts content an appropriate chapter.

Measurement of outcomes

Transparency and accountability

We are committed to transparency and accountability in our business dealings and strive to detect and prevent illegal and unethical activities conducted through commercial transactions via the screening of our business partners, transactions and materials.

Data protection, data privacy and information classification

EFA is subject to professional secrecy regulations under article 41 of the Luxembourg law of 5 April 1993 on the Financial Sector and must comply with the requirements of the amended Luxembourg law of 2 August 2002 on the Protection of Persons with regard to the Processing of Personal Data (hereafter the "2002 Law").

As EFA processes personal data, the European General Data Protection Regulation of April 2016 (hereafter "GDPR") on the protection of natural persons with regard to the processing of personal data and on the free movement of such data applies to EFA, either when acting as a Data Processor or a Data Controller, starting May 25, 2018.

When acting as the administrative service provider to the investment fund, EFA is considered to be the Data Processor and processes the personal data on behalf, under the authority and following the instructions of the fund. In that case, the fund is the Data Controller that determines the purpose and the means of the personal data to be processed. The fund, acting as Data Controller, and EFA, acting as Data Processor, shall collect and use information on natural persons in a fair and lawful manner and keep data subject information private and safe, in accordance with the provisions of the 2002 Law and GDPR.

Documentation and personal data, which are used to demonstrate orderly data processing, will be stored in accordance with Luxembourg legal retention periods. Data subjects' personal data is erased, if and when permitted by the 2002 Law and GDPR or any other applicable laws.

EFA Suppliers' CSR Charter

EFA has committed to apply, promote and support the basic principles of Corporate Social Responsibility (CSR).

Our Suppliers' CSR Charter aims to share the principles of sustainable procurement at EFA with suppliers (existing and potential) and specify the commitments expected from suppliers.

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