



Engagement Policy

Cardano Risk Management B.V.

February 2021

Cardano Risk Management B.V. (“Cardano”) provides investment services (investment management and investment advisory services) to professional clients. We strive to deliver better and more secure financial outcomes: **stability in an uncertain world.**

Where Cardano directly invests in bonds, loans, money-market funds or interacts with financial counterparties via derivative transactions, we will incorporate Environmental, Social and Governance (“ESG”) factors.

Cardano does currently not include direct investment in company stocks or bonds in its portfolios or advise on direct investment, therefore Cardano does not engage directly with investee companies. Cardano is not subject to the Shareholders Directive II regulation, that requires an engagement policy.

Cardano does believe that incorporating Environmental, Social and Governance (“ESG”) factors into the investment decision process produces better investment outcomes and is necessary to effectively manage risk in investment portfolios. We do so as a Responsible Investor, by fully integrating environmental, social and governance factors into our investment decision making and our interaction with our clients, wider stakeholders and counterparties to which clients are exposed.

We believe that a commitment to engagement will help improve the quality of the approach to ESG across the investment industry. We promote awareness of ESG factors amongst clients, investment managers, trading counterparties and issuers.

This Engagement Policy sets out how Cardano promotes engagement. Note that the scope is limited, as the services Cardano provides are limited to Liability Driven Investing (LDI) and overlay strategies (derivatives).

Engagement

Related to Investments

As Cardano does not invest directly in equity or debt of companies (nor in funds investing herein), engagement with companies to improve sustainability performance and/or corporate behaviour does not apply for Cardano. For the same reason shareholding voting is not applicable.

Cardano does invest in government, government-related bonds and loans, money-market funds. Cardano trades and manages derivatives for our clients and therefore we interact with financial counterparties. In the rating methodology that Cardano applies for monitoring counterparties, social and governance factors



are taken into account. In case of a low score on these factors, Cardano will actively raise its' concerns and engage with company management of these counterparties to aim for improvements.

Wider Market Engagement

Cardano plays an active role in promoting good governance and stewardship of internal and external activities that may impact our clients:

- We are an active participant in ESG forums and conferences, listening and contributing to industry initiatives with the intent of driving better practice and policy in the wider financial market
- We play an active role in responding to consultations that could have implications on assets and liabilities of our clients. We look to ensure that changes made to markets and regulation positively impact our pension fund clients future financial stability and ensure the continued well-functioning of markets.

Standards, commitments and applicable regulation

Cardano has been a signatory to the Principles of Responsible Investment since 2011 and the UN Global Compact (2021). We are a member of IIGCC, PCAF, ICMA, the Net Zero Asset Managers initiative, Climate Action 100+, and The Diversity Project.

Our Responsible Investment Policy is available on our website.

The revised Shareholder Rights Directive (2017/828 EU) does not apply to Cardano Risk Management B.V.

