

Statement on principal adverse impacts of investment decisions on sustainability factors

July 2024

Table 1

Financial market participant CapitalAtWork Foyer Group S.A., LEI 549300G1S24HHV2HX706

Summary

CapitalatWork Foyer Group S.A., LEI 54930068H4P06RJ61A49 considers principal adverse impacts of its investment decisions on sustainability factors. The present document is the consolidated statement on principal adverse impacts on sustainability factors of CapitalatWork Foyer Group S.A. and its subsidiary (CapitalatWork S.A.).

This statement on principal adverse impacts on sustainability factors covers the reference period from from 1 January to 31 December 2023.

This statement outlines CapitalatWork's approach to assessing the Principal Adverse Impacts (PAIs) of its investment choices on sustainability factors and provides a summary of our due diligence policies related to the associated procedures. To fulfill the regulatory reporting obligations under Article 4 of the SFDR and Chapter II of the RTS, CapitalatWork used the data provided through Clarity AI

Analysis was conducted on CapitalatWork's portfolio to establish the scope of the PAI reporting. Consequently, the calculations were specifically performed for all direct investments eligible to PAI reporting, made by CapitalatWork.

This analysis is mainly driven by the results of the direct investments, such as equities and bonds since they represent 84% of the total portfolio. The part of the portfolio related the funds is out of scope of the present calculation, no European ESG Template (EET) was used in the calculation process.

The quarterly snapshots for financial year 2023 give the following portfolio composition:

Funds	Investee Companies	Other	Sovereign	Grand Total
1%	83%	0%	16%	100%

The present PAI analysis marks the second PAI production exercise conducted, we have changed our data provider and extended our capacity in order to be able to calculate and review the PAIs we are still facing challenges associated with data collection, data processing, data quality checks, and data analysis. These challenges serve as the groundwork for further analysis and exploration.

Taking into account the circumstances mentioned above, CapitalatWork aims to actively monitor the development of Principal Adverse Impacts (PAIs). We plan to conduct a comprehensive review and engage in a reflective process. This review will entail evaluating the overall PAI approach and considering potential adjustments, as well as establishing specific targets related to Environmental, Social, and Governance (ESG) factors. Our objective is to adapt and refine our approach as necessary, ensuring that we stay aligned with evolving sustainability goals and industry best practices.

CapitalatWork will consider in a later stage to perform an assessment determining the materiality of each Principal Adverse Impact (PAI), taking into account their relevance to our organization at the entity level. Through this evaluation, we will identify the critical PAIs that we deem vital for our entity. By prioritizing these PAIs, CapitalatWork aims to concentrate our resources and efforts on areas that have the most significant influence on our environmental, social, and governance (ESG) performance, aligning with our strategic objectives. This process will further enhance our reporting approach and strengthen our ability to monitor and address PAIs effectively.

CapitalatWork deploys a diverse range of methods, such as PAI Consideration, Socially Responsible Investing Governance, Socially Responsible Investing Methodology, which involves companies' selection based on best-in-class players and exclusion policies. CapitalatWork also considers a Norm Based Exclusion strategy, with the consideration of the UN Global Compact and the PRI (Principle for Responsible Investment), but also an activity and controversy exclusion policy.

Description of principal adverse sustainability impacts

The SFDR requires mandatory reporting of PAI indicators, which are divided into a "core set of universal mandatory indicators" and "additional opt-in indicators". CapitalatWork considers all mandatory PAIs from Table 1 of Annex I, and 2 additional PAIs: one additional indicator from environment-related indicators, as set out in Table 2 of Annex I, and one additional indicator for social and employee matters, as set out in Table 3 of Annex I.

In the table below we have listed the PAIs and the related actions by CapitalatWork:

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	123 737.56 tons of CO2e	83 848 tons of CO ₂ coverage :54%.	Coverage 98.91% Estimated 46.52% Reported 53.48% The difference in value between 2022 and 2023 is mainly due to the better quality of data and the better coverage	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information. It is worth to note that more than 50% of GHG emissions scope 1 are emitted by direct investments into four companies. Linked to Petroleum Industry and transportation
		Scope 2 GHG emissions	34 025.785 tons of CO2e	24 310 tons of CO ₂ coverage : 58%.	Coverage 98.91% Estimated 46.52% Reported 53.48% The difference in value between 2022	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more

					and 2023 is mainly due to the better quality of data and the better coverage	<p>stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.</p> <p>It is worth to note that more than 35% of GHG emissions scope 2 are emitted by direct investments into four companies. Linked to Petroleum Industry, mining and transportation</p>
		Scope 3 GHG emissions	1 806 763 tons of CO2e	960 690 tons of CO ₂ coverage :49%.	<p>Coverage 98.57% Estimated 66.97% Reported 33.03% The difference in value between 2022 and 2023 is mainly due to the better quality of data and the better coverage</p> <p>.</p>	<p>We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.</p> <p>It is worth to note that more than 50% of GHG emissions scope 3 are emitted by direct investments into four companies. Linked to Petroleum Industry, mining and transportation</p>

		Total GHG emissions	2 003 762.2 tons of CO ₂ e	1 068 849 tons of CO ₂ Coverage: 58%.	Coverage 98.56% Estimated 68.17% Reported 31.83% The difference in value between 2022 and 2023 is mainly due to the better quality of data and the better coverage	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information. It is worth to note that more than 50% of GHG emissions are emitted by direct investments into five companies. Linked to Petroleum Industry, mining and transportation
	2. Carbon footprint	Carbon footprint	339.4519 tons of CO ₂ e / EUR M invested	181 tons of CO ₂ e / EUR M invested coverage: 58%.	Coverage 98.56% Estimated 68.17% Reported 31.83% increase due to better coverage	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.

	3. GHG intensity of investee companies	GHG intensity of investee companies	585.74835 tons CO ₂ e / EUR M revenue	247 tons of CO ₂ /€M coverage : 37%.	Coverage 98.55% Estimated 68.17% Reported 31.83% increase due to better coverage	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	5.0821943 %	2% coverage 43%.	Coverage 97.28% Estimated 0% Reported 100% increase due to better coverage	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy	Consumption: 52.932453 % Production: 0.006889684 %	Consumption: 20 % coverage 29%. Production: 0 % coverage 0%.	Coverage 87.4% Estimated 0% Reported 100% Coverage 98.04% Estimated 0% Reported 100% increase due to better coverage	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.

		sources, expressed as a percentage												
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	<p>Total: 0.12422465 GWh / EUR M revenue</p> <p>Sector A: 0.000066163804 GWh / EUR M revenue</p> <p>Sector B: 0.036325186 GWh / EUR M revenue</p> <p>Sector C: 0.07216136 GWh / EUR M revenue</p> <p>Sector D: 0.00055592344 GWh / EUR M revenue</p> <p>Sector E: 0.000042396787 GWh / EUR M revenue</p> <p>Sector F: 0.005063248 GWh / EUR M revenue</p>	<p>Total: 0.02593652 GWh/€M revenue coverage 27%.</p>	<p>Coverage 97.27% Estimated 48.29% Reported 51.71%</p> <p>Coverage 97.95% Estimated 44.92% Reported 55.08%</p> <p>Coverage 97.57% Estimated 42.76% Reported 57.24%</p> <p>Coverage 99.34% Estimated 51.42% Reported 48.58%</p> <p>Coverage 98.6% Estimated 35.55% Reported 64.45%</p> <p>Coverage 98% Estimated 51.82% Reported 48.18%</p> <p>Coverage 99.81% Estimated 59.31% Reported 40.69%</p> <p>Coverage 84.34% Estimated 48.23% Reported 51.77%</p> <p>Coverage 99.96% Estimated 36.41%</p>	<p>We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.</p> <p>For further transparency, we have added below the translation of the NACE Sector codification.</p> <p>Sector codification</p> <table border="1"> <thead> <tr> <th>Code</th> <th>Economic Area</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Agriculture, Forestry and Fishing</td> </tr> <tr> <td>B</td> <td>Mining and Quarrying</td> </tr> <tr> <td>C</td> <td>Manufacturing</td> </tr> </tbody> </table>	Code	Economic Area	A	Agriculture, Forestry and Fishing	B	Mining and Quarrying	C	Manufacturing
Code	Economic Area													
A	Agriculture, Forestry and Fishing													
B	Mining and Quarrying													
C	Manufacturing													

			<p>Sector G: 0.0015418545 GWh / EUR M revenue</p> <p>Sector H: 0.005350883 GWh / EUR M revenue</p> <p>Sector L: 0.0013142205 GWh / EUR M revenue</p>		<p>Reported 63.59%</p> <p>Coverage 99.97%</p> <p>Estimated 42.68%</p> <p>Reported 57.32%</p> <p>increase due to better coverage</p>	<p>D Electricity, Gas, Steam and Air Conditioning Supply</p> <p>E Water Supply; Sewerage, Waste Management and Remediation Activities</p> <p>F Construction</p> <p>G Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles</p> <p>H Transportation and Storage</p> <p>L Real Estate Activities</p>
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	5.779651 %	0% coverage 0%.	<p>Coverage 96.88%</p> <p>Clarity AI leverages NLP models to identify breaches for this PAI. All controversies considered a potential violation by NLP models are later reviewed by our analysts.</p>	<p>We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.</p>

Water	8. Emissions to water	Ton of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.0008550169 ton / EUR M invested	0.03 tons of CO ₂ /€M invested coverage 9%.	Coverage 25.03% Estimated 78.1% Reported 21.9% increase due to better coverage	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.
Waste	9. Hazardous waste ratio	Ton of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	13.129201 ton / EUR M invested	0,22 ton / EUR M invested coverage 31%.	Coverage 98.59% Estimated 67.79% Reported 32.21% increase due to better coverage	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION, AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	15.137541 %	1,95% coverage 74%.	Coverage 96.88% Clarity AI leverages NLP models to identify breaches for this PAI. All controversies considered a potential violation by NLP models are later reviewed by our analysts. The change of provider and the difference in methodology explain the increase in the violation reported out of this the UNGC violation represent 8,2%	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information. We also review the controversies reported and analyse their potential impact. A cross check with another provider reveal that depending on the source of information or the methodology used there might be large difference (in that case UNGC breach amount for the same portfolio to 1,85%)

						The aim is to decrease the percentage of asset exposed to controversies in the future.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.20616825 %	10% coverage 69%.	Coverage 99.54% Estimated 0% Reported 100%	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	7.1941795 %	0,02% coverage 23%.	Coverage 51.06% Estimated 0% Reported 100% increase due to better coverage	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is

						not relevant and won't give any useful information.
	13. Board gender diversity	Average ratio of female to male board members in investee companies	28.238987 %	20% coverage 60%.	Coverage 99.55% Estimated 0% Reported 100% increase due to better coverage	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00%	0,49% coverage 69%.	Coverage 99.21% Estimated 0% Reported 100% decrease due to more accurate coverage and analysis	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.

Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken
Environmental	15. GHG intensity	GHG intensity of investee countries	67.83969 tons CO2e / EUR M GDP	42,26 tons CO2e / EUR M GDP coverage 14,5%.	Coverage 98.66% Estimated 100% Reported 0% change in the methodology used to estimate the GHG intensity	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Relative: 4.744508 % Absolute: 4 -	Relative: 0 Absolute: 0 coverage 14,5%.	Coverage 100% Estimated 0% Reported 100% Coverage 100% Estimated 0% Reported 100% first data available	We have selected a new data provider Clarity AI Inc. to be able to monitor regularly the evolution of the different PAIs. The coverage has increased, and the quality of data is more stable. Due to this change of provider a comparison of the data between 2022 and 2023 is not relevant and won't give any useful information.

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A			
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A			

Other indicators for principal adverse impact

[Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (a) in the format in Table 2]

[Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (b), in the format in Table 3]

[Information on any other adverse impacts on sustainability factors used to identify and assess additional principal adverse impacts on a sustainability factor referred to in Article 6(1), point (c), in the format in Table 2 or Table 3]

Description of policies to identify and prioritise principal adverse sustainability impacts

CapitalatWork Investment guidelines and policies identify and manage accordingly sustainability risks, assess and manage key adverse impacts on sustainability factors in relation to its investment decisions in the context of discretionary management, investment advisory services and funds management.

At entity level, for all products, CapitalatWork is collecting and monitoring 18 mandatory and 2 optional PAIs on a best-effort basis. This year 2024 is the first reporting done with Clarity AI Inc. as our main data provider, the data provided have been reviewed and challenged whenever there was a doubt. The quality and coverage have considerably increased in 2023 as can be seen in the table above.

CapitalatWork is still not able to cover certain instruments including, but not limited to investments in commodities, warrants, hedge funds, mainly for lack of data .

For the SFDR Article 8 products, CapitalatWork is both monitoring the principal adverse impacts and excluding those non-compliant companies from the investment decisions, aligning with the ESG strategy of the funds.

Engagement policies

CapitalatWork has in place an engagement policy in accordance with SRDII regulation, Shareholder Rights Directive II, Directive EU 2017/828 (amending Directive 2007/36/EC).

CapitalatWork monitors the companies in the shares of which we invest under different angles including strategy, financial and non-financial performance and risk, capital structure, corporate governance and environmental and social impact. We follow a materiality principle. The monitoring and engagement process with the investee company includes a voting policy, cooperation with other shareholders and the management of conflicts of interest.

As of today, CapitalatWork does not engage with investee companies on sustainability-related matters.

References to international standards

- CapitalatWork is an associate member of **LuxFLAG**, an independent and international non-profit association created in 2006 by private and public founding partners to support sustainable finance.

Historical comparison

We can note an increase in most values linked to the increase of assets and the fact that last year coverage on most of the PAIs was not very good. As the source of information has changed we cannot make a meaningful comparison. Going forward we will be able to have a more accurate view on the data and make proper comparison and measure improvements.

Table 2

Additional climate and other environment-related indicators

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Adverse sustainability impact	Adverse sustainability impact (qualitative or quantitative)	Metric	Impact 2023	Impact 2022	Explanation	Actions taken
Indicators applicable to investments in investee companies						
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	47.07 %	No data	Coverage 100% Estimated 0% Reported 100% increase due to better coverage	

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION, AND ANTI-BRIBERY MATTERS						
Adverse sustainability impact	Adverse sustainability impact (qualitative or quantitative)	Metric	Impact 2023	Impact 2022	Explanation	Actions taken
Indicators applicable to investments in investee companies						
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	1.14 %	No data	Coverage 99.51% Estimated 0% Reported 100% increase due to better coverage	