Sustainable Investment
&
Sustainability Risk Policy

CapitalatWork S.A.

CapitalatWork Foyer Group S.A.

Update of January 2025

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Introduction

In a world where the awareness about environmental protection and societal inequality has significantly grown, the financial industry has not been spared. It has indeed been noted over the past decade that investors have exhibited their desire to allocate their capital in products considering such criteria. As such, SRI investment funds (Socially Responsible Investment), corporate and sovereign green bonds and numerous rating systems based on ESG factors (Environment, Social, corporate Governance) have emerged rapidly. It is becoming clear that beyond the fundamentals of traditional finance, investors have been paying attention to the way a company engages in the fight against global warming or to the general quality of its work environment before investing in it. While these products have exhibited similar performances to the more common investment vehicles, they add an ethical aspect and offer a highly sought-after diversification.

At CapitalatWork, we have the duty to be part of this large perspective and recently started offering our clients the possibility to opt for socially responsible investments. Although our initial philosophy already promotes our investments to be made exclusively in companies exhibiting superior business models and capable of generating sustainable cash flows, we formalized a methodology incorporating ESG criteria, known as the "CapitalatWork Responsible Investment Methodology" for our ESG products (defined as article 8 as per the SFDR). Our first and main goal has always been to put the interests of our clients first, through a coherent diversification of their capital. Our alternative responsible management solution provides a methodical and transparent way to put into practice our own but also our client's moral principles.

Long-term vision

For our investments, we've always believed that past performances, both on financial reports and the stock market, cannot forecast the future. It has historically happened that companies that used to be the leader of their market have found themselves at the bottom of the pit although it seemed they had everything to succeed. More often than not, this happened because the company was not able to perceive the new trends and adapt its business accordingly. Of course, we don't deny that a company's history can provide helpful insights from which assumptions can be based on and the future can be interpreted. This is the reason why our investment approach is derived from a bottom-up analysis in which we carefully examine the fundamentals of a business and its opportunities. Our main point of focus is therefore how a company will adapt and evolve in its own environment.

The CapitalatWork Sustainable Investment & Sustainability Risk Policy defines how the Environmental, Social and Governance (ESG) factors are taken into account and integrated in the investment decision-making process. The sustainability risks are assimilated into the process in a different way, depending on the funds or bond classification.

It applies at CapitalatWork Group level, including the following three entities: CapitalatWork Foyer Group S.A., CapitalatWork S.A and the branch located in the Netherlands, in our role as Wealth manager and capacity as decision maker throughout the investment process.

This Policy will be updated on a regular basis. The most up-to-date version can be accessed from CapitalatWork website: www.CapitalatWork.com.

1. Sustainability Risk Policy

Pursuing the objective of understanding how we integrate ESG criteria into our investment decision-making process, the definition of the sustainability-related risks is a major focus. Sustainability risk stems for environmental, social or governance events or conditions that, if it occurs, could cause a negative material impact on the value of the investment. Sustainability risks include both physical and transition risks. Physical risks are resulting from the effects of climate change while transition risks mainly concern the response given to climate change. Social and governance factors are also comprised as sustainability risks. Each of the given elements can affect the sub-funds' performance.

In line with the EU Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, we, at CapitalatWork have reviewed our strategy in terms of ESG criteria inclusion into the investment process.

So far, we possess financial products in our portfolio which are classified under Article 6 and Article 8 of the above-mentioned regulation. Depending on the funds classification, ESG considerations happen to a various extent and sustainability-related risks are to be managed to a different level. We have worked on this Policy in regard to non-financial risks consideration and their impact on the financial return of financial products. Its aim is to introduce our approach in terms of identification of sustainability-related risks management in line with our investment policy.

In order to be able to identify the sustainability-related risks we are the most exposed to, we have performed a first analysis at consolidated portfolio level. The latter is based on a study of the business sectors we invest in, in line with the materiality map defined by the Sustainability Accounting Standards Board (SASB) and the Global Industry Classification Standards (GICS) industries mapping. This analysis enabled the identification of environmental and social aspects which could impact the financial and operational conditions of the sectors in which we are investing. Based on this analysis, we are developing our management approach meant to limit the impact of those factors on our financial products.

We have made the following decision regarding the ESG-related risks inclusion into our investment process:

- On the one hand for our financial products classified as Article 6 under the above-mentioned SFDR regulation to consider high-level sustainability-related issues in the general process;
- On the other hand, for our financial products classified as Article 8 to go more into details and focus on the one top sustainability issue in our investment process.

Therefore, we are going to regularly run this sustainability risks analysis for us to be able to adapt our reaction at implementation level, in terms of ESG considerations in our investments. Based on a first analysis, we have identified a number of sustainability-related risks whose environmental, social and governance factors can potentially have a material effect on our return on investment, our assets value and our financial products reputation.

At CapitalatWork we are conscious that we are exposed to these identified risks and are therefore working on the inclusion of the related indicators in our due diligence process in order to be able to avoid or mitigate them.

Due to our investment universe diversity, the potential financial impact related to those risks' occurrence remains so far limited. However, we are developing the necessary procedures to those risks' management, in order to identify a potential increase in their impact on our financial products and modify, where required and if those risks get substantial, the composition of our portfolio.

1.1 Adverse Impacts on Sustainability Investments

As mentioned in the Article 4(1) of the SFDR regulation, the decision to consider the Principal Adverse Sustainability Impacts should be made by the financial player. CapitalatWork, being a subsidiary of Foyer Group, counting more than 500 employees, will be taking these impacts into account in its investment process and report on them as of 31.12.2022. The depth of the reporting will evolve in parallel of the type of data and indicators available on the market.

2. Monitoring and reporting

As previously exposed, at CapitalatWork we are aware that the sustainability-related risks analysis, for it to be efficient, will need to be performed on a regular basis. This way, we are ensuring a constant risk monitoring and will show flexibility in our approach to consequently adapt our investment decision-making process.

Following the risks identification step, we are preparing the sustainability-related risks and impacts reporting exercise. As part of the due diligence process, specific Key Sustainability Performance Indicators will be used in order to measure the material risks and formally included in the risk management procedures.

The Sustainable Investment & Sustainability Risk Policy will be updated with the above-mentioned aspects within the upcoming year.

3. Sustainable Finance ambition for CapitalatWork

At CapitalatWork, in our Wealth Management company role, we are constantly embedding three distinct values, being: personal trust, independent active management and risk management. In light of our risk management approach and in the frame of investment decisions, CapitalatWork increasingly considers the sustainability-related aspects and risks.

In terms of ESG products range, the portfolio includes three different ESG-dedicated products (classified as Article 8 as per the SFDR 2019/2088 regulation), which are considering the Socially Responsible Investment and ESG aspects.

- Equities Plus at Work, a sub-fund;
- ESG Equities at Work, a sub-fund; and
- ESG Bonds at Work, a sub-fund.

The below section and the related investment strategy is applicable for our ESG products (classified as article 8 according to the SFDR).

3.1 ESG strategy and principles

3.1.1 Norm-based exclusion

At CapitalatWork, we are committed to the norm-based exclusion strategy for our ESG products.

The UN Global Compact is a United Nation initiative that encourages businesses worldwide to adopt and promote sustainable and socially responsible policies. The initiative also encourages the participants to report the implementation of their policies and widespread good practices among all industries. Started in 2000, the main guidelines follow 10 principles that act as the basis to meet fundamental responsibilities relying on Human Rights, Labor Rights, the Environment and Anti-Corruption.

An essential point for CapitalatWork is that the companies we invest in do not represent threats to any of those topics. We therefore exclude companies that breach, in any way, any of the 10 principles defined by the Global Compact.

3.1.2 Exclusion strategy

We are also applying a specific exclusion strategy in the frame of our investment process related to our ESG products.

As further disclosed in our Socially Responsible Investment Policy and our Policy on Controversial Activities, we do not wish to invest in activities that operate or are involved in industries considered inadequate. Several sectors are especially notorious for the harm they have caused to individuals or the environment and supporting them would not make sense. However, we realize that some nations and populations are dependent on those activities and therefor encourage the establishment of policies as a necessary way to prevent further physical or moral damages. We consider the following activities to be especially of high controversy due to their negative implications and choose to disregard them to some extent:

Artic Oil and Gas	Extraction – **Full exclusion**
Shale Energy	Extraction – **Full exclusion**
Oil Sands	Extraction – **Full exclusion**
Controversial Weapons1 [1]	Production – **Full exclusion**
Thermal Coal	Extraction – **Full exclusion** Power Generation >5% of revenues
Nuclear	Production and Distribution – **Full exclusion** Supporting Products and Services >5% of revenues
Tobacco	Production – **Full exclusion** Tobacco-related product and services >5% of revenues Retail >15% of revenues
Pornography	Production – **Full exclusion** Distribution > 10% of revenues
Small Arms	Manufacturing and sale of assault weapons to civilian customers, small arms to military/law enforcement, key components of small arms, or small arms (non-assault weapons) to civilian customers > 5% of revenues
Military Contracting	Production and distribution of weapon-linked >5% of revenues Production and distribution of non-weapon-linked >10% of revenues
Conventional Oil & Gas	The company shall meet at least one of the following criteria: - Have a SBTi target set at well-below 2°C or 1.5°C, or have a SBTi "Business Ambition for 1.5°C" commitment or - Derive less than 5% of its revenues from oil and gas-related activities or - Have less than 15% of capex dedicated to oil and gas-related activities and not with the objective of increasing revenue or - Have more than 15% of capex dedicated to contributing activities
Electricity Generation	Carbon intensity >393gCO^2/kWh
Alcoholic Beverages	Existence of a Corporate Responsible Policy
Gambling	Existence of a Corporate Responsible Policy

[1] Includes nuclear weapons, biological weapons, chemical weapons, non-detectable fragments, blinding laser weapons, anti-personnel mines, cluster munitions, incendiary weapons and depleted uranium ammunition

[2] Max carbon intensity of 393 gCO^2/kWh in 2021, 374 gCO^2/kWh in 2022, 354 gCO^2/kWh in 2023, 335 gCO^2/kWh in 2024, 315 gCO^2/kWh in 2025

In addition to the activity exclusions, we are making sure that the companies we invest in are not involved in controversies at an environmental, social or governance level. Controversies have a first direct and negative impact on the affected parties (incl. customers, employees, a population, wildlife, an ecosystem, etc.) The second effect is the repercussions of the controversies on the company's operations and reputation. Should those be severely harmed, the financial performances and credibility would ultimately be affected, which would then be reflected in the market value of the company.

3.1.3 Best in class strategy

In the process of selecting the securities which will be included in our ESG products portfolio (classified as art 8 as per the SFDR), we use a methodology related to the "best-in-class" criteria. In order to be qualified as eligible to enter the portfolio, issuing companies should have been assessed an "ESG risk rating" considered as higher than average and within the superior 40% of their respective peer group. These groups are defined by Sustainalytics, recognized ESG ratings and research provider, and are similar to the official GICS classification used by CapitalatWork. The "ESG risk rating" evaluates the degree of ESG risk considered as material and not managed/handled of a given company.

For more information, please refer to our Socially Responsible Investment Methodology, available on CapitalatWork's website: www.CapitalatWork.com.