

CoRe Capital – Sociedade de Capital de Risco, S.A.

Sustainability Policy

1. Intro

CoRe Capital - Sociedade de Capital de Risco, S.A. (hereinafter "CoRe"), manages private equity investment funds focused on Portuguese companies. In the pursuit of its purpose and given the most recent developments in sustainability policies in the financial sector, CoRe must permanently act with the awareness of its responsibility in the environmental and social fields.

Since the beginning of its activity, CoRe has shown concern in contributing to a paradigm shift in ESG (Environmental, Social and Governance) responsibility.

The focus on ESG best practices in investment decisions is intended to help SMEs and Mid Caps become more climate resilient and with lower physical and transition risks. ESG issues should be incorporated in our strategy and in the governance model of our subsidiaries, their goals, and objectives.

In fulfilling these commitments, CoRe has been following the guidelines of European and national governmental institutions regarding sustainability in the financial services sector. Accordingly, and in accordance with Regulations (EU) 2019/2088 of November 27, 2019 (commonly referred to as "SFDR") and 2020/852 of June 18, 2020 (commonly referred to as "EU Taxonomy"), we provide the necessary information on their approaches to integrating sustainability risks and making investment decisions in consideration of negative sustainability impacts.

Guiding CoRe's actions by ESG principles is an appropriate and effective strategy to meet the requirements of the above-mentioned regulations. However, it is important to explain how they are applied in the matters presented below.

2. Policies regarding sustainability risks

ESG principles, which are fundamental pillars of CoRe's business strategy, are also the most important policy guidelines for integrating sustainability risks into investment decision-making. CoRe should take into consideration all facts known to it that may negatively affect sustainability factors, namely those associated with human rights violations, tax evasion practices or in disregard of the environmental impacts they may cause. Thus, the companies in which CoRe or the funds managed by it invest must comply, among others, with the following requirements:

- a) Do not develop activities or fit into any of the sectors provided in the ANNEX to this Policy;
- b) To be legally constituted on the date of the implementation of the operation;
- c) To have an up-to-date tax and social security contribution status;
- d) Not being entities that may be included in the following paragraphs: (i) Entities with headquarters or effective management in countries, territories or regions with a clearly more favorable tax regime, when these are on the list approved by Ministerial Order No. 150/2004, of February 13; (ii) Companies that are controlled, under the terms established in article 486 of the Commercial Companies Code, by entities, including fiduciary structures of any nature, that have their head office or effective management in countries, territories or regions with a clearly more favorable tax regime, when these are on the list approved by Ministerial Order no. 150/2004, of February 13, or whose effective beneficiary is domiciled in those countries, territories or regions;
- e) Not being entities that develop their activity in non-cooperative jurisdictions for tax purposes, according to Annex I of the EU list contained in the conclusions of the European Council, of 04/10/2022; or in countries or territories that present serious deficiencies in the prevention of money laundering and financing of terrorism, according to the EC Regulation 2016/1675, of 14/06/2016, complementing the Directive (EU) 2015/849 and according to the lists published by the Financial Action Task Force (FATF);
- f) Not have been convicted in criminal or misdemeanour proceedings for violation of legislation on child labor and discrimination at work and employment, including on the basis of sex, disability and aggravated health risk;
- g) Not to have been convicted, by sentence that has become final and unappealable, to the deprivation of benefits of any nature attributed by the Public Administration, public entities or services, to be verified through the presentation of a certificate of criminal record and not to have been convicted the members of their board of directors, executive board or management who are in active service, if, in the meantime, their rehabilitation has not occurred;
- h) To have organized accounting under the terms of the applicable legislation;

- i) Comply with European environmental requirements, namely the principle of "Do No Significant Harm" and, when applicable, submit to the "Sustainability Assessment.

Additionally, CoRe should value the markets and companies that contribute more to a sustainable development, able to promote the European Green Deal. In this way, CoRe's investment policy will allow, in future decisions, to meet the best international practices, avoiding significant negative impacts on the environment and communities, in line with the ambitions set in the NextGenerationEU Plan.

Throughout all investment processes, CoRe must take into account all possible repercussions of sustainability risks on the profitability of financial products, having as its main goal the creation of value and the achievement of profitability for its clients. In the event of significant changes (actual or potential) in sustainability factors that may cause a disruption in the profitability of the financial services it provides, CoRe will consider possible alternatives to its investment strategy.

3. Negative impacts for sustainability at the entity level

CoRe, notwithstanding the implementation of this Policy, does not consider the main negative impacts of investment decisions on sustainability factors pursuant to Article 4/1(b) of Regulation (EU) 2019/2088 of November 27, 2019, as the data required by the aforementioned Regulation has not yet been collected. As soon as the necessary information can be collected and analyzed pursuant to the aforementioned EU legislation, CoRe will disclose how it takes these impacts into account, as well as how it will adopt due diligence policies appropriate to its size, nature and scale of its activities.

4. Remuneration policies with regard to the integration of sustainability risks

CoRe Capital shall define its remuneration policies in accordance with the legislation on this matter. ESG principles are applied indirectly in the remuneration practice, as they are one of the criteria used in the evaluation of employees' professional performance.

ANEXO

Exclusion list

1. Exclusion list prepared on the basis of the Technical Guidelines on the application of the "no significant harm" principle under the MRR¹ Regulation and the InvestEU² Regulation :
2. Activities that limit individual rights and freedoms or violate human rights;
3. In the field of defense activities, the use, development or production of technologies and items prohibited under applicable international law;
4. Tobacco products and related activities (production, distribution, processing and marketing);
5. Activities excluded from funding under the relevant provisions of the Horizon Europe Regulation: research on human cloning for reproductive purposes; activities intended to modify the genetic heritage of human beings which could make such changes heritable; activities intended to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer;
6. Gambling (production, design, distribution, processing, marketing or activities related to software);
7. Sex trade and related infrastructure, services and media;
8. Activities involving live animals for experimental and scientific purposes, where compliance with the European Convention for the Protection of Vertebrate Animals used for Experimental and other Scientific Purposes cannot be guaranteed;
9. Real estate development activities, such as activities the sole purpose of which is to renovate and re-rent or resell existing buildings as well as to construct new projects; however, activities in the real estate sector related to the specific objectives of the InvestEU Programme as set out in Article 3(2) and to the areas eligible for financing and investment operations, for example investments in energy efficiency projects or social housing, are eligible;
10. Financial activities such as acquisition or trading of financial instruments. Interventions aimed at the acquisition of companies with a view to asset stripping or aimed at replacement capital for asset stripping shall in particular be excluded;
11. Activities prohibited by the national legislation in force;
12. The deactivation, operation, adaptation or construction of nuclear power plants;
13. Activities covered by the emissions trading scheme with equivalent projected emissions of CO₂ not lower than the relevant benchmarks established for free allocation ;
14. Investments in landfill waste disposal installations;

¹ Comunicação da Comissão, "Orientações técnicas sobre a aplicação do princípio de «não prejudicar significativamente» ao abrigo do Regulamento que cria um Mecanismo de Recuperação e Resiliência", (2021/C 58/01).

² Regulamento (UE) 2021/523 do Parlamento Europeu e do Conselho, de 24 de março, que cria o Programa InvestEU e que altera o Regulamento (UE) 2015/1017

15. Investments in mechanical and biological treatment installations. This exclusion does not apply to investments in existing mechanical and biological treatment installations which aim at increasing their energy efficiency or at converting them into separate waste recycling operations for composting and anaerobic digestion, provided that this does not result in an increase in the treatment capacity or in the extension of the lifetime of the installations, this condition must be verified for each treatment installation
16. Investments in incinerators for waste treatment. This exclusion does not apply to investments in: a) Installations exclusively dedicated to the treatment of non-recyclable hazardous waste; b) Existing installations where the investment is made to increase energy efficiency, capture exhaust gas for storage or reuse or recover materials from incineration ashes, provided that the investments concerned do not increase the waste-processing capacity of the installation, and this condition must be verified for each installation;
17. Fossil fuel related investments and activities (including downstream uses), except measures concerning the production of electricity and/or heat from natural gas, as well as related transmission and distribution infrastructure, which fulfil the conditions in Annex III of the Operational Guidelines on the application of the "no significant harm" principle under the MRR Regulation;
18. Activities where long term waste disposal may cause damage to the environment, such as nuclear waste;
19. Investments in research, development and innovation dedicated to the investments, products and activities described in the preceding paragraphs.