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BANCO
CARREGOSA

Sustainability Policy for
Investment Advisory and Asset
Management Services

February-2025

V. 1.0

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Table of contents

| | |
|---|----|
| I. Versions index | v |
| II. Properties..... | v |
| III. Legislative sources and reference documents | vi |
| IV. Definitions, abbreviations and acronyms..... | vi |
| A. Sustainability policy..... | 1 |
| A.1. Introduction | 1 |
| A.2. Scope..... | 1 |
| A.3. Objectives..... | 1 |
| A.4. Consideration of sustainability factors in the investment process..... | 2 |
| A.5. Assessment of principal adverse impacts | 2 |
| A.6. Remuneration policy..... | 3 |
| A.7. Contact information | 3 |

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Sustainability Policy for Investment Advisory and Asset Management Services

Board of Directors

I. Versions index

| Date | Version | Description |
|----------|---------|------------------|
| Feb.2025 | 1.0 | Initial version. |

II. Properties

Proprietorship

Board of Directors

Proponent

Investment Department

Contributors

Risk Department, Compliance Department

Approval

Board of Directors, on 25 February 2025

Banco Carregosa Code

Strategy and Organisation | 1.65

Entry into effect

26 February 2025

Scope of disclosure

General

III. Legislative sources and reference documents

1.15 – Remuneration Policy for Members of Management and Supervisory Bodies.

1.16 – Employee Remuneration Policy.

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services.

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

ESMA Sustainable Finance Roadmap 2022-2024.

Principles for Responsible Investment (PRI):

<https://www.unpri.org/>

IV. Definitions, abbreviations and acronyms

Bank: Banco L. J. Carregosa, S.A.

BoD: Board of Directors.

Employees: any person in an employment relationship with the Bank, irrespective of their hierarchical position or the nature and duration of that relationship, covering, pursuant to applicable legal, regulatory or contractual provisions, agents, commissioners and permanent or one-off service providers under an outsourcing arrangement.

EBA: European Banking Authority.

ESG: Environmental, Social and Governance.

ESMA: European Securities and Markets Authority.

ID: Investment Department.

PAI: Principal Adverse Impact.

UN: United Nations.

SFDR: Sustainable Finance Disclosure Regulation – Regulation (EU) 2019/2088.

A. Sustainability policy

A.1. Introduction

1. Banco Carregosa is aware of the crucial importance of sustainability in defining the strategy of its different business areas.
2. This document sets out the Bank's Sustainability Policy for Investment Advisory and Asset Management Services, with the aim of communicating how the Bank takes into account the material sustainability factors in its activities.
3. This Policy complies with the SFDR and other relevant European Union regulations, as transposed into Portuguese law.
4. Under this Policy, the BoD is responsible for:
 - i. its analysis;
 - ii. monitoring its implementation and ensuring its consistency with the Bank's strategic objectives;
 - iii. monitoring the sustainability objectives;
 - iv. monitoring regulatory and legislative changes, in particular to the SFDR;
 - v. responsible for adopting new data and methodologies based on feedback received from employees and other stakeholders;
 - vi. ensuring effective communication and training for staff.
5. The DI is responsible for conducting an annual review or whenever significant changes in regulation, strategy or business model occur that warrant a review.
6. This policy and its periodic revisions are subject to the approval of the Board.

A.2. Scope

7. This Policy applies to all asset management and investment advisory activities carried out by the Bank for its clients, as well as to tasks related to the investment process, across all asset classes, geographies and sectors.

A.3. Objectives

8. Under this policy, the Bank declares that it takes into account the analysis of the following natural factors:
 - i. **Environmental:** preservation of the environment and its ecosystems, including air, water and soil quality, reduction of emissions of polluting gases, efficient use of energy resources, protection of biodiversity, promotion of the circular economy, management of hazardous and non-hazardous waste, among others;
 - ii. **Social:** defence of human rights and communities, in particular by promoting good practices in working conditions, equal access to opportunities in the labour market and the prohibition of any form of discrimination, among others;
 - iii. **Governance:** good practices in the company's organisational structure, in particular the independence of the board of directors, transparency and control of management information, respect for good ethical practices, among others;

9. The Bank takes these factors into account when making investment decisions, in particular when determining which assets are eligible to be included in the managed portfolios in accordance with paragraph 4 of this Policy.
10. Where appropriate, the Bank will seek to support sustainable economic growth by aligning its investment decisions with global sustainability objectives, in particular the UN Sustainable Development Goals.

A.4. Consideration of sustainability factors in the investment process

11. The Bank does not manage products that actively promote environmental or social characteristics, in accordance with Article 8 of the SFDR, or that seek sustainable investments, in accordance with Article 9 of the SFDR.
12. The Bank takes ESG factors into account in its investment selection process, as described in the following paragraphs.
13. The Bank's investment selection process seeks, among other things, to select assets whose future revenue and margin growth trajectories are positively correlated with its material exposure to activities, products or services that benefit from structural trends related to sustainability (positive screening).
14. At the same time, the Bank will exclude from its investment universe companies that derive the vast majority of their revenues from sectors that are fundamentally at odds with sustainability objectives, such as controversial weapons, pornography, tobacco, etc., or that are linked to illegal activities such as corruption, money laundering, forced labour, human rights violations, inter alia (negative screening).
15. As part of the negative screening process, the Bank will exclude from its investment universe any asset whose negative impact on any of the ESG factors is considered to be extremely serious, on the basis of the "no significant harm" argument.
16. In the selection process, the ID may use internal ESG ratings or those published by external organisations
17. Where necessary and possible, the Bank's ID will liaise with the companies under review through their management or Investor Relations teams to further assess their sustainability.
18. The sustainability scores are regularly updated to reflect the dynamics of the transition process in each sector or company.
19. When constructing portfolios which include products managed by third parties, the Bank may distribute to its clients products which actively promote environmental or social characteristics in accordance with Article 8 of the SFDR or which seek to make sustainable investments in accordance with Article 9 of the SFDR.

A.5. Assessment of principal adverse impacts

20. Using the procedures described above, the Bank takes into account, albeit indirectly, the main negative impacts on sustainability factors. In other words, where acceptable and based on the information available, the Bank seeks to reduce the size of its investment universe or the selection of investments on which it has provided advice, under the conditions defined in A.4 Consideration of Sustainability Factors in the Investment Process.
21. For this reason, the Bank does not undertake to monitor, disclose or mitigate PAIs on sustainability factors arising from its investment activities on an ad hoc basis, not only because it does not manage products that actively promote environmental or social characteristics or that aim at sustainable investment, but also because it considers that there are still significant limitations in the implementation of its calculation methodology, both in terms of the selection of relevant indicators and

their relative weight in assessing such impacts, as well as in terms of providing the information necessary for their detailed calculation.

A.6. Remuneration policy

22. The Bank has two remuneration policies, namely 1.15 – Remuneration Policy for Members of Management and Supervisory Bodies and 1.16 – Employee Remuneration Policy, of which the former applies only to members of Management and Supervisory Bodies.
23. The Bank's Remuneration Policy includes information on how it integrates sustainability risks, in line with Article 5 of the SFDR, which will be kept up to date in accordance with applicable legislation and will be available on the Bank's website.

A.7. Contact information

24. Please contact us if you have any questions or require further information about this policy:

- i. Customer Helpline

Telephone Lisbon: +351 213 232 960

E-mail: apoiocliente@bancocarregosa.com

Opening hours: Monday to Friday, from 9am to 7pm.

