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Board Meeting Minutes
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SUSTAINABILITY RISK INTEGRATION POLICY

1. INTRODUCTION

This policy has been developed to ensure that SIA Spirit Capital Investments (hereinafter – SCI) integrates sustainability risks in accordance with 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.

2. MANAGEMENT OF SUSTAINABILITY RISK INTEGRATION

2.1. Sustainability risks are environmental, social, or governance (also known as ESG) events or conditions which, if they occur, may have a significant or potentially negative impact on the value of an investment.

2.2. SCI's operations are based on a commitment to integrating ESG principles into all aspects of its business and investment practices. SCI recognizes that ESG factors play a significant role in creating long-term value and in effective risk management. SCI’s management is committed to embedding sustainability, responsible investment, and corporate social responsibility at the core of its operational strategy.

2.3. SCI acknowledges that ESG factors are key drivers of long-term value creation. By prioritizing environmental sustainability, social responsibility, and effective governance practices, SCI aims to enhance resilience, mitigate risks, and seize opportunities that contribute to sustainable growth. Recognizing the interconnection between ESG issues and financial performance, SCI integrates these considerations into investment analysis, asset management, and business operations.

2.4. Transparency is essential to SCI’s approach to ESG integration. SCI values open and honest communication with stakeholders and clients regarding its commitment to sustainability and responsible investing.

2.5. SCI excludes from its investment portfolios companies that currently or potentially may generate more than 5% of their revenues from industries that, in SCI’s opinion, are involved in humanitarian, social, ethical, or environmental issues. SCI considers companies associated with the industries listed below to be irresponsible toward society and the environment, and therefore excludes them from its potential investment universe:

- manufacture or sale of weapons and armaments;
- manufacture or sale of tobacco and alcohol;
- production or sale of thermal coal;
- gambling and pornography;
- high-interest consumer lending.

3. IDENTIFICATION AND ASSESSMENT

3.1. SCI identifies and assesses sustainability risks related to all financial products and investment assets offered and managed by SCI.

3.2. SCI uses standardized methods and tools to evaluate and quantify sustainability risks, including environmental, social, and governance aspects.

4. INTEGRATION IN INVESTMENT AND ADVISORY PROCESSES

4.1. SCI includes sustainability risk assessments at all stages of the investment process, from asset selection to portfolio management.

4.2. SCI adapts its investment criteria and strategies to incorporate sustainability risks and ensure their appropriate management and mitigation.

4.3. When providing investment information, SCI includes sustainability assessments of the investment in accordance with Article 24(4) of Directive 2014/65/EU.

5. COMPLIANCE AND TRANSPARENCY

5.1. SCI ensures compliance with the disclosure requirements related to sustainability risks and their impact on financial products, as set out in Regulation (EU) 2019/2088.

5.2. SCI ensures that clients are provided with clear and complete information about the sustainability risks associated with each investment asset, enabling them to make informed investment decisions.

6. EMPLOYEES AND AGENTS

6.1. SCI promotes a diverse and inclusive work environment and culture, along with career management practices that support the full potential of its workforce.

6.2. SCI ensures that its employees and agents are trained and understand the sustainability risk integration policy and its practical implementation.

7. CONTROLS AND RISK MANAGEMENT

7.1. SCI has implemented regular checks and controls to ensure that sustainability risks are appropriately assessed and managed. SCI establishes mechanisms to reduce systemic risk within the financial system and implements safeguards to minimize the impact of systemic failures on its operations.

7.2. SCI's Board of Directors approves the Investment Strategy, which is reviewed and updated annually. This strategy includes the ESG strategy.

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