

Categorization	Type
Management of CIUs	Procedure

SUSTAINABILITY POLICIES

1. General and Regulatory Framework

SOUTHCAP - SGOIC, S.A. (SOUTHCAP) is a management company of collective investment undertakings, subject to Portuguese law, having as its corporate purpose, in particular, the management of collective investment undertakings, specifically the management of real estate investment undertakings, for which it may carry out all the operations, even if related or similar, that this type of management company can legally carry out, as well as the possibility of constituting and/or participating in collective investment undertakings, acquiring and disposing of shareholdings in companies, namely limited liability companies with a different purpose from its own and in companies regulated by special law, as well as associating with other legal entities to form, among other, complementary company groupings, consortia and joint ventures.

SOUTHCAP, as a manager of alternative investment funds and, therefore, as a financial market player, is subject to harmonised transparency rules regarding the integration of sustainability risks and the consideration of negative impacts on sustainability in its processes, and the provision of sustainability-related information in relation to financial products, pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 (hereinafter referred to as the “SFDR”).

2. Objective

This Policy aims to comply with SOUTHCAP’s duties under the SFDR on the disclosure of information related to sustainability in the financial services sector.

Likewise, the purpose of this Policy is to make known the commitments established and their approach in terms of responsible investment carried out in collective investment undertakings and the portfolios under their management in accordance with environmental, social or governance criteria (hereinafter referred to as "ESG").

3. Target scope

This Sustainability Policy applies to SOUTHCAP as a management company, covering its decisions and internal processes, as well as the management activity of the collective investment undertakings under its responsibility. It also applies to companies indirectly held by Collective Investment Undertakings (CIUs) under management, in the exercise of the rights arising from these holdings.

This Policy must be respected and applied by SOUTHCAP's entire organisational structure, namely by the members of the governing bodies, Employees and external subcontractors

4. Covenant

SOUTHCAP Employees shall respect the principles set out in this Policy.

SOUTHCAP is actively committed to sustainability and social responsibility, materialised through the adoption of concrete practices aligned with ESG principles, among which the following stand out:

- Promoting environmental protection through the efficient management of water, energy and material resources, both in its internal operations and in the context of the management of the assets in its portfolio;
- Adoption of criteria and principles associated with recognised environmental certifications, with a view to promoting efficiency, reducing the environmental impact and sustainable use of the buildings under management. Promotion of the energy transition, with a special focus on the use of energy from renewable sources and the installation of charging infrastructures for electric vehicles in the assets under management;
- Promoting forms of soft and active mobility, by creating suitable conditions for the use of non-polluting means of transport, in particular by installing bicycle and scooter parking facilities in the spaces under

management;

- Prevention and control of air pollution, complemented by a commitment to mitigate noise, light and biodiversity impacts;
- Promoting corporate social responsibility practices geared towards the well-being of Employees and positive involvement in the community;
- Commitment to Employee well-being, ensuring safe conditions and physical and mental health, and promoting personal and professional growth;

SOUTHCAP understands that the criteria for responsible investment in ESG matters are a public commitment.

It should be noted that although SOUTHCAP is not initially expected to provide management services for collective investment undertakings with sustainable investment objectives under the terms of Article 9 of the SFDR, there is a commitment to progressively promote the integration of environmental and/or social characteristics (or a combination of these characteristics) into the products under management.

To this end, a strategy is underway for the phased conversion of collective investment undertakings currently covered by Article 6 to the classification provided for in Article 8 of the SFDR, ensuring the respective transparency in the pre-contractual documentation made available to its Clients regarding CIUs, in compliance with this Policy and the SFDR.

This conversion will be carried out in strict accordance with the CIUs' management regulations, considering the participants' expressions of will as an essential condition for adopting this new classification. Whenever necessary, the respective constitutive documents will be amended in accordance with the applicable legislation and regulations.

5. General Principles

a. Proportionality

In carrying out its business, SOUTHCAP considers and weighs up sustainability risks, taking into account the nature, scale and complexity of its activities, including the activities of the CIUs under its management.

It should be noted that, for the purposes of Article 4(3) and (4) of the SFDR, SOUTHCAP does not meet the requirements for larger institutions, namely because it does not exceed the criterion of the average number of 500 employees during the financial year.

b. Transparency

SOUTHCAP's Sustainability Policy respects the principle of transparency and, to this end, publishes information about its policy on the integration of sustainability risks on its website.

c. Adaptability

SOUTHCAP recognises the growing relevance of integrating ESG factors into investment processes, in line with the principles of financial sustainability set out in Regulation (EU) 2019/2088 (SFDR).

Although the investment strategies under its management currently fall under Article 6 of the SFDR, SOUTHCAP is implementing a phased transition to the classification provided for in Article 8, promoting the explicit integration of ESG characteristics in a progressive, rigorous and documented manner.

This transition is underpinned by specific internal procedures, including the development and reinforcement of in-house ESG analysis methodologies and the application of consistent due diligence and evaluation criteria.

This policy is published on SOUTHCAP's website.

d. Integrity of information

SOUTHCAP recognises that the information to be disclosed in ESG terms must be true, clear, objective and realistic.

Likewise, SOUTHCAP undertakes not to invest in the sectors excluded by this Policy, whenever applicable.

e. Timeliness

This Policy shall be kept up to date and shall be amended whenever the information contained herein undergoes any change as a result of a change in the

law or in SOUTHCAP's operating assumptions.

f. Consistency

SOUTHCAP's marketing and advertising communications shall not contradict the information disclosed under the terms of this Policy.

Likewise, this Policy shall ensure that the investment policies of the CIUs under its management do not contradict this Policy, as well as that the corporate purpose and/or investment policy and objectives and activity of the entities in which SOUTHCAP invests on behalf of the CIUs managed do not contradict this Policy.

6. Strategy

a. ESG strategy as a result of fiduciary duties

Sustainability is an important issue for the development of SOUTHCAP's business.

This Policy arises from SOUTHCAP's fiduciary duties, under the law, towards its investors, participants and clients.

Sustainability is a strategic vector for SOUTHCAP, as it allows us to increasingly identify the risks and opportunities associated with the investments to be made. For this reason, SOUTHCAP recognises the potential of integrating ESG factors in creating long-term value for investors, participants and clients.

b. ESG strategy as a complement to the company's mission and values

The weighting of responsible investment criteria is in line with SOUTHCAP's values and mission, particularly in terms of environmental and social sustainability and governance.

c. Application Scope

SOUTHCAP's main areas of ESG activity are the following:

- i. Corporate governance;

- ii. Risk management;
- iii. Operational management;
- iv. Investment management;
- v. Remuneration policy; and
- vi. Provision of information.

7. Sustainability Indicators

SOUTHCAP is committed to integrating sustainability criteria into its investment processes, in accordance with Article 8 of Regulation (EU) 2019/2088 (SFDR). In the specific context of real estate asset management, the following indicators from Annex I of Delegated Regulation (EU) 2022/1288 will be systematically monitored:

- > Reference 17 - Exposure to fossil fuels
Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels
- > Reference 18 - Exposure to low energy efficiency real estate assets Share of investments in energy-inefficient real estate assets
- > Reference 18 - Greenhouse gas emissions (GHG)
Scope 1: Direct emissions (e.g. heating, fuel)
Scope 2: Indirect emissions (e.g. purchased electricity)
- > Reference 19 - Energy consumption intensity Energy consumption of real estate assets, measured in GWh/m²
- > Reference 20 - Waste production in operations
Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract
- > Reference 22 - Land artificialisation
Share of impermeable area (floors, roofs, terraces) compared to the total area of real estate assets

The monitoring of these indicators will be carried out on the basis of the technical definitions contained in Delegated Regulation (EU) 2022/1288, ensuring comparability and consistency with the applicable regulatory requirements.

8. Investment criteria for CIUs under management and sectors excluded from investment

The investment policy of each CIU under management is set out in the respective

Management Regulations.

In the context of its investment decisions, SOUTHCAP seeks to accommodate, in compliance with and respect for the CIU's Management Regulations, sustainability risks, namely whenever the CIUs under management aim to promote environmental and/or social characteristics or have sustainable investment objectives.

SOUTHCAP and the CIUs it manages avoid making investments in any entity whose corporate purpose offers or involves, directly or indirectly, the promotion, production, distribution or marketing of products or services related to:

- i. Radioactive materials, with the exception of materials for regulated medical purposes;
- ii. Illegal or potentially illegal activities;
- iii. Activities suspected of corruption, money laundering, terrorist financing and the proliferation of weapons of mass destruction;
- iv. Any form of labour exploitation contrary to fundamental human rights;
- v. Pornography and prostitution;
Violation of human rights;
- vi. Activities with a severe and uncontrolled environmental impact that involve the systematic violation of international climate commitments, particularly those set out in the Paris Agreement;
- vii. Likewise, SOUTHCAP avoids investing in sovereign debt securities issued by States/Countries that do not respect the exclusions and values contained in this Policy.

9. Sustainability and Corporate Governance

SOUTHCAP undertakes to ensure that this Policy is fully integrated into its governance system.

The Board of Directors is SOUTHCAP's body with ultimate responsibility, being responsible for defining the sustainability strategy and, consequently, for approving and reviewing this Policy.

SOUTHCAP employs the necessary professional diligence to assess the risks arising from investment decisions regarding sustainability, whenever the CIUs it

manages promote environmental and/or social characteristics or have sustainable investment objectives.

In this regard, it should be noted that SOUTHCAP does not meet the requirements for larger institutions set out in Article 4(3) and (4) of the SFDR.

Whenever necessary, SOUTHCAP uses external sources of publicly available information on ESG assessments of the companies issuing the financial instruments in which it invests, via the CIUs under its management.

SOUTHCAP's Board of Directors assigns the following tasks to an ESG Officer:

- i. Developing, implementing and keeping the company's ESG strategy up to date, ensuring its alignment with organisational objectives and regulatory requirements;
- ii. Developing or reviewing new or existing internal policies and procedures to ensure their compliance and alignment with ESG principles and requirements, where applicable;
- iii. Monitoring and evaluating the performance of assets under management by defining and following up on key indicators (KPIs);
- iv. Identifying and managing ESG risks, integrating their assessment into due diligence, acquisition, operation and asset divestment processes;
- v. Ensuring compliance with ESG reporting obligations
- vi. Involving internal and external stakeholders
- vii. Promoting a transversal ESG culture in the organisation, through training, awareness-raising and the integration of good practices into internal processes.
- viii. Collaborating in the handling of Complaints received and the provision of information regarding potential non-compliance with ESG principles.

This role can be combined with other roles in the company,

10. Impact on Risk Management

The activity of managing CIUs is impacted by environmental, social or governance risks which have an impact on the investments made.

In this context, in defining, approving and implementing the policies, procedures

and mechanisms for managing the risks related to its activity, SOUTHCAP takes due account of possible environmental, social and/or governance events or conditions that, if they occurred, could cause a significant impact on the value of the financial and non-financial assets which at any given time make up the portfolios of the CIUs under management.

SOUTHCAP, through its Risk Management area, identifies, assesses and manages risks relating to any environmental, social or governance event or condition that has an impact on the investments made on behalf of the CIUs under its management, whether these risks are medium or long term.

SOUTHCAP's risk management reports include an analysis of the risks relating to any environmental, social or governance event or condition that has an impact on the investments made by the CIUs.

11. Impact on Remuneration Policy

SOUTHCAP's Remuneration Policy is a key instrument for aligning interests. It is essential for its definition to take into account sustainability risks and the objectives of promoting environmental and/or social characteristics and sustainable investment, in line with the interests of participants, investors and Clients.

In order to integrate sustainability risks into remuneration, SOUTHCAP adopts remuneration practices that are consistent with prudent, sound and effective risk management, which do not encourage excessive risk-taking in its activity, nor risk-taking that is inconsistent with the risk profile of the CIUs under its management, that promotes situations that generate conflicts of interest with Clients or that disregards the importance of sustainable behaviour in terms of investment and management.

Compliance with this Policy is a decisive criterion for assessing the performance of Senior Employees for the purposes of awarding variable annual remuneration.

Thus, SOUTHCAP ensures that, when managing and making investment decisions, its Senior Employees take into account the ESG sustainability factors set forth in this Policy.

SOUTHCAP has adopted a clear and transparent strategy to identify relevant ESG metrics for its activity. In the process of identifying the main ESG metrics associated with the variable annual remuneration of its Senior Employees, SOUTHCAP makes the attribution of part of the variable annual remuneration dependent on the fulfilment of ESG objectives, with a view to their effective achievement.

SOUTHCAP applies mechanisms that allow the remuneration structure to be altered, thus ensuring the implementation of appropriate incentives for taking precautions and mitigating risks.

Finally, the Remuneration Policy contemplates remuneration structures that optimise financial results and promote sustainable behaviour without generating or exacerbating systemic risks that could undermine long-term investment interests.

12. Impact on Information Provision

SOUTHCAP takes into account the principal adverse impacts of investment decisions on sustainability factors, always in line with and without jeopardizing compliance with the investment policy of each CIU and portfolio under management.

To that effect, SOUTHCAP will take into account publicly available information that enables it to assess the impact on the environmental, social and governance sustainability of companies issuing assets under investment in accordance with the objectives identified in this Policy.

SOUTHCAP will carry out its investment decisions by refraining from investing in companies, activities and/or products that harm or may harm the objectives referred to in the previous point, and by refraining from investing in any entity whose purpose is to offer or promote, produce, distribute or market products or services related to the excluded sectors referred to above in this Policy.

SOUTHCAP guarantees that its Clients are informed, prior to the establishment of the commercial relationship, of the information contained in Annex I to this Policy.

13. Approval, Supervision and Review

This Policy is approved and reviewed by the Board of Directors.

Any incompatibilities, inconsistencies, doubts or divergences in the application of this Policy that are identified by any corporate body or SOUTHCAP Employee must be reported to the Head of the *Compliance* Function.

This Policy shall be in force for an indefinite duration, and its content may be amended from time to time, whenever deemed appropriate and/or necessary, according to the update requirements established herein.

Update Log				
Effective Date	Version	Amendment Description	Approval Body	Date of Revision
09/2022	1.1	Initial version	Board of Directors	09/2023
07/2024	1.2	Review	Board of Directors	10/2024
06/2025	1.3	Review	Board of Directors	07/2026

ANNEX I - PRE-CONTRACTUAL INFORMATION

A. Sustainability risks (Articles 6 and 8 SFDR)

SOUTHCAP, as the managing entity of collective investment undertakings, identifies, assesses and manages the risks relating to any environmental, social or governance event or condition with an impact on the investments made in the funds it manages.

The risk management reports include an analysis of the risks relating to any environmental, social or governance event or condition that has an impact on the investments.

Whenever possible, the Management Company seeks to determine and calculate the impact of risks relating to any environmental, social or governance event or condition on the performance of the collective investment undertakings it manages, and to disclose the results of this analysis.

B. Product information duties

To date, the Management Company does not exclusively provide management services for collective investment undertakings that promote environmental or social characteristics or that aim to make sustainable investments, under the terms of articles 8, respectively, of the SFD.