



FINPROP CAPITAL – SGOIC, S.A.

SUSTAINABILITY POLICY



1. Introdução

Finprop Capital – SGOIC, S.A (“**Finprop**” or “**the Company**”), is an alternative investment fund manager, with head office at Rua Eugénio de Castro, nº352, 1º floor, 4100-225 Porto, and registered with the Commercial Registry of Lisbon under the sole registration and taxpayer number 516546660, authorised and supervised by the Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários).

The Company recognizes the importance of defining the Policy for identifying and disclosing sustainability risks in investment decisions (hereinafter, “Policy”), under the terms set out in Regulation (EU) No. 2019/2088 of the European Parliament and of the Council, 27 November 2019.

2. Purpose

The Company intends, through this Policy, to demonstrate its plan to develop a lasting business model, promoting environmental and socially responsible practices, in order to mitigate the negative impact on the environment, guarantee ethical practices in its activity and contribute to sustainable development.

The purpose of this Policy is to ensure that the organization is aligned with broader sustainability objectives and also to promote the organization's commitment to sustainability factors (environmental, social and governance (ESG) aspects), helping to build stakeholder confidence stakeholders, such as customers, employees, investors and regulators.

3. Definitions

Analyzing the composition of the ESG acronym, environmental factors (A) include energy efficiency, combating climate change, reducing CO2 emissions and combating water scarcity; social factors (S) include the development of relationships communities,



human rights and gender diversity; and finally, corporate governance factors (G) are associated with the composition of the Board, the existence of whistleblower policies, lobbying and anti-corruption policies, among others.

4. General Reference Principles

This Policy is inspired by the best practices included in international conventions and protocols, codes of conduct and guidelines applicable in this area.

Regulation (EU) No. 2019/2088 of the European Parliament and of the Council, of 27 November 2019, establishes rules for creating a framework that facilitates sustainable investment in the European Union.

The objective is to support the transition to a low-carbon and climate-resilient economy by providing a comprehensive and transparent framework to help investors make informed decisions about sustainable investments, establishing a taxonomy to classify economic activities according to their environmental sustainability and establishing disclosure requirements for certain types of financial products, in order to ensure that investors have access to adequate, relevant, comparable and reliable information about the environmental and social characteristics of these products.

The Taxonomy (Regulation (EU) 2020/852 of the European Parliament and of the Council, of June 18, 2020) includes criteria such as the reduction of greenhouse gas emissions, the use of renewable energy and the preservation of biodiversity. By using a common framework, the Green Taxonomy helps ensure that investments are aligned with the transition to a more sustainable economy and that the financial sector is contributing to the fight against climate change.

Other diplomas relevant to the definition of the entity's sustainable objectives are the United Nations Sustainable Development Goals and the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD).



5. Methodology and Strategy

Sustainability is an integral part of our business and investment strategy, and we are committed to promoting and implementing sustainable practices in all our operations, namely, by promoting investments that have a positive impact on the environment, communities and society, we intend to create long-term value for our customers and stakeholders while contributing to a more sustainable future.

A. Sustainability Policy for the Manager of Securities and Real Estate Funds

As a fund manager, Finprop is committed to promoting and implementing sustainable practices in all its operations.

Sustainability can impact the sector in which Finprop's activity is carried out, namely, in the credit granting sector or in real estate in several ways, the most prominent of which are:

- **Increased demand for sustainable buildings:** As awareness and concern for environmental issues increases, there is a growing demand for buildings that are energy efficient, use sustainable materials and have a low carbon footprint.
- **Improved building regulations:** Governments are establishing increasingly strict building codes and regulations to promote sustainability, which can affect the design, construction, and operation of buildings.
- **Cost savings through energy efficiency:** Sustainable buildings can save on operating costs through energy efficient features such as solar panels, smart lighting systems and efficient AVAC systems.
- **Increased property valuations:** Sustainable buildings are often seen as more desirable and may require higher property valuations, especially in areas where sustainability is a **priority**.
- **Reputation enhancement:** Real estate companies that prioritize sustainability can improve their reputation and attract socially conscious tenants and investors.



The main objectives that this Policy intends to promote are:

1. Integration of sustainability considerations into all aspects of our investment decision-making process, whether through granting credit through an alternative financing fund or through development in a real estate fund.
2. Prioritizing investments in properties and projects that have a positive impact on the environment, communities, and society.
3. Promotion of energy efficiency and the use of renewable energy sources in properties and projects to be developed.
4. Monitoring and continuous improvement of our performance and mirroring it through annual sustainability reports.

B. Real Estate Fund Sustainability Policy

We believe that sustainability is a key factor in creating long-term value for our customers and stakeholders. We recognize the significant impact our investments can have on the environment, communities and society and are committed to integrating sustainability considerations into our investment process.

The main ways this sustainability policy is presented is through:

- **Increased demand for sustainable buildings:** As awareness and concern for environmental issues increases, there is a growing demand for buildings that are energy efficient, use sustainable materials and have a low carbon footprint.
- **Improved building regulations:** Governments are establishing increasingly strict building codes and regulations to promote sustainability, which can affect the design, construction, and operation of buildings.
- **Cost savings through energy efficiency:** Sustainable buildings can save on operating costs through energy efficient features such as solar panels, smart lighting systems and efficient AVAC systems.



- **Increased property valuations:** Sustainable buildings are often seen as more desirable and may require higher property valuations, especially in areas where sustainability is a priority.
- **Improved reputation:** Real estate companies that prioritize sustainability can improve their reputation and attract socially conscious tenants and investors.

To achieve the principles of sustainable investment, we propose:

1. Prioritize investments in properties and projects that have a positive impact on the environment and minimize their negative impacts. This includes reducing carbon emissions, protecting, and enhancing biodiversity, and reducing waste and pollution – *Environmental sustainability.*
2. Prioritize investments in properties and projects that contribute to the well-being of communities and society, including social housing, social infrastructure, and preservation of cultural heritage - *Social sustainability.*
3. Prioritize investments in properties and projects that are economically viable and generate long-term value for our investors and stakeholders - *Economic sustainability.*

6. The future of sustainable finance

The next steps towards sustainable finance are likely to involve further development and refinement of the tools and frameworks used to assess and categorize financial products based on their environmental impact. In addition, there is likely to be continued focus on integrating sustainability considerations into all aspects of financial decision-making, including investment analysis, risk management and reporting.

Some of the specific next steps for sustainable finance include:

- **Greater transparency and standardization:** There is a need for greater transparency and standardization in companies' disclosure of environmental, social and governance (ESG) data to enable investors to make more informed decisions.
- **Integration of ESG factors into investment processes:** It is important for investors to make ESG factors a central part of their investment processes, including setting



sustainability goals, incorporating ESG data into investment analysis and using tools such as the Green Taxonomy to assess the sustainability of financial products.

- **Regulation:** Governments and regulators have a key role to play in promoting sustainable finance by setting standards, providing incentives and creating an enabling regulatory environment.
- **Financial Innovation:** The financial sector needs to continue to innovate and develop new financial products and solutions that support the transition to a sustainable low-carbon economy. This could include creating new green bonds, sustainability-linked lending, and impact investing products.
- **Collaboration:** Collaboration between stakeholders, including Governments, regulators, investors, issuers and civil society, is crucial to promoting the growth of sustainable finance and ensuring that it contributes to a more sustainable future.

Overall, the next steps towards sustainable finance and real estate development will involve continued efforts to integrate sustainability considerations into financial decision-making, improve transparency and standardization, and drive innovation and collaboration.