

EU Sustainable Finance Disclosure Regulation

The Sustainable Finance Disclosure Regulation (“SFDR” or “the Regulation”) entered into force on 10 March 2021. The Regulation requires financial market participants like Helveteq AG (Helveteq or the Company) to provide information to investors with regards to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment.

This document specifically addresses Article 3 of the Regulation:

“Financial market participants shall publish on their websites information about their policies on the integration of sustainability risks in their investment decision-making process.”

More information related to the SFDR, and Helveteq’s approach to ESG and Responsible Investment in general, can be found on Helveteq’s website (<https://helveteq.com/sfdr/>), including:

- Remuneration policy in relation to the integration of sustainability risks
- Principal adverse impact statement
- Sustainability Statement

Sustainability risk

Helveteq uses the definition of sustainability risk as described in Article 2 (22) of the Regulation: *“an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment”*. Helveteq believes that integration of sustainability risk considerations in the investment decision-making process is an important part of risk management.

Sustainability risks include (but are not limited to) the following:

- Operational risk such as impacts of environmental events on operations.
- Governance risk such as inadequate management oversight of sustainability risk.

- Regulatory risk such as violation of ESG-related laws and regulations.

This information shall be published on Helveteq's website and will be periodically reviewed and revised. Records will be maintained to ensure version history is clear. As such, Helveteq will indicate the dates of publication, where applicable, identify which content has been updated.

Integration of sustainability risks in investment processes

Where applicable and practicable, Helveteq includes sustainability risk assessment when laying out the investment strategy, as further described below.

Screening

Helveteq will rely on widely accepted and highly reputable ESG screening providers for investment assets whenever Helveteq does not provide an inhouse Initial Screening and Review with the aim to identify and exclude investment in any company which currently generates its revenue with the following harmful activities/products.

1. deny human rights;
2. engage forced labor;
3. manufacture weapons that are designed primarily for destructive purposes e.g. anti-personnel mines, cluster weapons;
4. produce products that are illegal under local law;
5. cause serious environmental damage;
6. provide research, development or technical applications relating to electronic data programs or solutions which support the above exclusions list.

Review

Helveteq conducts an ESG (Environmental, Social, Governance factors) review for the eligible products. Within this procedure, Helveteq assesses whether there are any red flags (e.g. unmanageable sustainability risks) that should prevent the Company from proceeding with the potential transaction. Through this process Helveteq aims to identify key sustainability risks (and opportunities) and defines appropriate mitigating activities.

Examples of sustainability risks assessed include, where relevant, inter alia risks related to environment, health and safety, people, suppliers and customers, community and charity, and governance.

Business Operations

Helveteq provides its business partners with the appropriate tools and guidance required to assess and manage sustainability risks. Helveteq challenges and supports its business partners to enhance and further develop their ESG related achievements and disclosures.

Reporting

Helveteq initiated the legal pathway for B Corp certification and is currently a Pending Certified B Corporation. B Corp Certification is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials. In order to meet the transparency requirement for B Corp Certification, the Company will publish its public profile in the B Corp Directory, including the Company's score and impact report.