

## **ESG AND SUSTAINABLE FINANCE DISCLOSURES**

### **1. Introduction**

SPA Financial Services (the “Company”) is a limited liability company with share capital, incorporated in accordance with the Laws of the Republic (registration number HE 270133). The Company is regulated as an alternative investment fund management company (“AIFM”) by the Cyprus Securities and Exchange Commission (“CySEC”) with license number AIFM53/56/2013.

In the framework of the entry in force of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (“SFDR”), the Company intends to ensure a clear definition of relevant factors and controls relating to sustainability risks.

The SFDR requires financial market participants to disclose additional information on the integration of sustainability risks and potential adverse sustainability impacts on an entity level. Towards this the Company must publish:

- Its sustainability risks policy (Article 3 of the SFDR),
- Information on adverse sustainability impacts (Article 4 of the SFDR), and
- Remuneration policy (Article 5 of the SFDR).

The following information is based on the current understanding of the regulatory framework in place and may therefore vary based on additional texts published by the regulators. Please contact the Company for up-to-date information on approach.

The Company is of the opinion that transparency regarding the implementation steps taken with regard to those requirements is in the best interest of the AIFs/RAIFs (the “Funds”) managed and the investors invested in those Funds.

### **2. Sustainability Risks Policy**

The Company acknowledges the impacts that sustainability risks can impose on the AIFs managed and considers the approach to integrate the risks stemming from sustainability issues described in this policy as strengthening its fiduciary duties towards the investors of the Funds managed.

Before any investment decisions are made on behalf of any Funds that the Company manages, the Company will have completed a process that identifies the material risks associated with each proposed investment, including sustainability risks.

Detailed information on Company’s approach to integrate sustainability risks into the investment decision making process (pre-trade assessment process) can be found in the dedicated policy which has been established in compliance with the requirements set by the SFDR and which has been uploaded separately on the Company’s website.

In case the Company delegated the portfolio management function to an external portfolio manager being located in one of the member states of the European Union, and the portfolio manager integrated sustainability risks in his investment decision additional information on the integration of sustainability risks into the investment decision making process (pre-trade assessment) can be found on the website of the specific portfolio manager.

In both cases, the Company fulfils its risk management duties internally towards the Funds managed as an AIFM by including sustainability risks in its post-trade risk assessments.

### **3. No consideration of adverse impacts of investment decisions on sustainability factors**

The Company does not consider the principle adverse impacts (“PAIs”) of its investment decisions on sustainability factors in the manner prescribed by Article 4 of the SFDR.

Article 4 of the SFDR requires fund managers to make clear statement as to whether or not they consider the PAIs of investment decisions on sustainability factors. Although the Company may take sustainability and ESG seriously, as there is still uncertainty in relation to the full requirements attaching to the consideration of PAIs in the manner prescribed by Article 4 of the SFDR, the Company is unable to commit to such considerations.

Accordingly, the Company does not currently intend to consider the prescribed adverse impacts of the investment decisions on sustainability factors within the meaning of Article 4 of the SFDR, including the indicators listed in Table 1, Annex 1 of the SFDR Regulatory Technical Standards (Commission Delegated Regulation (EU) 2022/1288). However, the Company keeps the situation under ongoing review in the short and medium term.

### **4. Remuneration Policy**

The Company may pay staff a combination of fixed remuneration (salary and benefits) and variable remuneration (including bonus). Variable remuneration for relevant staff, where applicable, shall take into account compliance with all the Company’s policies and procedures, including those relating to the impact of sustainability risks on the investment decision making process.

The remuneration policy is disclosed on the Company’s website.

### **5. Review & Monitoring**

The Company will monitor and review the SFDR disclosures and the Policy on an annual basis and will proceed to changes where and as needed.

Any update will be made in accordance with the regulations applicable and will be subject to the approval of the Company’s Board of Directors.