Sustainable Finance Disclosure at BIL MANAGE INVEST SA

(SFDR EU 2019/ 2088)

November 2023

Introduction

The European Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector, the so-called Sustainable Finance Disclosure Regulation (SFDR), require financial market participants and financial advisors in the EU, to disclose on the integration of sustainability risks and the consideration of adverse sustainability impacts in our processes.

SFDR is an important milestone in the EU Commission's action plan on sustainable finance. This regulation aims to provide greater transparency on the degree of sustainability of financial products in order to channel investment flows towards truly sustainable investments while preventing greenwashing.

The cornerstone of the SFDR is the principle of double materiality: financial as well as sustainability, making it easier for end-investors to understand how ESG and sustainability factors are considered and integrated into their investments.

A responsible and sustainable investment framework and solid processes are essential on the journey towards sound investing. Our end-goal is to have our portfolio management services ESG-informed, adhering to a strong integration process and stewardship code.

Responsible investment practices are constantly developing and evolving. New risks may arise, public opinion may change and new market standards may be introduced. Our sustainable investment framework will, as such, be reviewed and, if necessary, adjusted on a recurring basis to incorporate these changes.

A. Integration of sustainability risks in the investment decision-making process

BIL Manage Invest SA ("BMI") has implemented a policy in respect of the integration of sustainability risks in its investment decision-making process. BMI's policy provides a description of the activities carried out toward the integration of Sustainability criteria into the Investment Management of the Funds / Sub-Funds for which BMI performs the function of Portfolio Manager.

In a similar way, BMI has integrated sustainability risks in its risk management process.

Sustainability risk means an environmental, social, or governance event or condition, that, if it occurs, could cause a material negative impact on the value of an investment and/ or financial return from an invested asset. Sustainability risk can either represent a risk of their own or have an impact on other risks and may contribute significantly to the latter risks, such as market risks, operational risks, liquidity risks or counterparty risks.

BMI is required to publish on its website information about its policy on the integration of sustainability risks into its research, due diligence, analysis and its investment decision-making process.

Sustainable investing is an integral part of BMI's Investment strategy and processes.

Our investment policy ensures a portfolio construction in two ways: exclusion and integration.

I. Exclusion policy

In order to minimize ESG related risks arising from exposure to certain sectors or activities that run a high reputational risk and unsustainable business models, BMI portfolio management services will use an exclusion list targeting individual companies (and their respective bonds and equities) and countries (sovereign debt).

Excluded companies are defined as companies presenting unacceptable harm to our society and where engagement make little sense (ineffective). Revisiting exclusion criteria in accordance to societal trends and priorities is part of our engagement. To avoid misunderstanding, this exclusion list only applies to the selection and analysis of direct investment in securities, constituents of ESG covered universe. Specifically, the use of external service providers could translate in non-eligible activities or norms being part of recommended instruments or constituents of invested portfolios.

When it comes to investment or recommendation of UCIs, there is no look through analysis performed to check if UCIs are meeting BMI's exclusion policy/list. Such UCIs may or may not have their own exclusion policy and if they do, it could differ from ours. The UCIs ESG approach will be considered as representative of the portfolio construction and will be integrated as such in the investment decision process and investment monitoring.

In any case, BMI will not, directly or on behalf of their funds under management, knowingly conduct business with or invest in clients whose primary business activity (i.e. own, manage or operate) is linked to below industries or services:

- When the companies have been identified as non-compliant to the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions, and no proper remediation is foreseen;
- Nuclear products for military use;
- Cluster munitions or explosive submunitions and/or arms are for use in terrorism;
- Human trafficking;
- Pornography;
- Narcotics (except therapeutic/medicinal purposes);
- Sectarian organizations;
- Cryptocurrency exchange platforms (for they own clients) without license from the regulator (i.e. CSSF for Luxembourg);
- Foreign political parties and foreign unions.

Furthermore, BMI provides its investors the ability to apply additional exclusions criteria on a number of factors (e.g. climate change and controversial activities, companies with poor ESG profile) on each specific mandate/portfolio.

In addition, BMI deems investing in government bonds (federal & local) of countries where a collapse of the governance structure takes place as unsustainable. In addition, BMI follow applicable sanctions of the UN, EU or the Office of Foreign Assets Control (OFAC) to which it is subject and follows any mandatory restrictions deriving therefrom.

Revisiting exclusion criteria in accordance to innovation and societal trends will be an integral part of our engagement in order to shape a better future.

BIL Invest SICAV and Private one

As an example for the above, in relation to compartments BIL Invest Patrimonial Defensive, BIL Invest Patrimonial Low, BIL Invest Patrimonial Medium, BIL Invest Patrimonial High, BIL Invest Bonds EUR Corporate Investment Grade and BIL Invest Equities Europe sub-funds being Article 8 of Regulation (EU) 2019/2088, Banque Internationale à Luxembourg excludes potential investment in:

- anti-personnel mines, cluster munitions, chemical, biological weapons, white phosphorus, depleted uranium weapons and nuclear weapons in the definition of controversial weapons, while adopting a zero-tolerance approach
- the production, sales and distribution of tobacco, tobacco related products (such as - but not limited to - e-cigarettes and next-generation tobacco/nicotine products, etc.) and supporting services (such as - but not limited to -filters, smoking halls, etc.) in the exclusion of tobacco, in alignment with the revenue thresholds set out in the LuxFLAG ESG label Exclusion Policy
- Controversial behaviour
- Controversial Jurisdictions

In relation to the compartments BIL Invest Bonds EUR Corporate Investment Grade and BIL Invest Equities Europe sub-funds, Banque Internationale à Luxembourg excludes in addition the investment in:

- Oil Sands
- Thermal Coal

The exclusion policy is applied based on available information provided by external data providers and is subject to the quality and accuracy of such data for which BMI could not be responsible. For those specific sub-funds, in case of investments in UCIs a look-through analysis is performed to assess the alinement of underlying UCIs with sub-funds exclusion policy.

Exclusions is also implemented taking into account our investors' best interests, with a transition period following the initial implementation and following periodic revisions of the exclusion lists. If the application of this standard triggers divestments, portfolio managers shall disinvest within this transition period taking into account the portfolio impacts based on market conditions, liquidity and portfolio construction constraints.

Further information on the exclusion list applicable for BIL Invest SICAV and Private one is available on:www.bil.com/sfdr
www.bil.com/sfdr-en
www.bil.com/sfdr-de

II. Environmental, Social and Governance (ESG) Integration in the Investment Process

a. Portfolio Manager Function

- **Financial Assets**

We fully acknowledge that environmental, social and governance issues have an impact on the financial outlook of a company and therefore its value. ESG factors represent important information to assess investment risks and opportunities. We are convinced that integrating environmental, social and governance factors results in better-informed investment decisions which could result in higher risk-adjusted returns. For us, the consistent fundamental analysis of environmental, social and governance issues is a key ingredient that enables us to adjust forecasts about significant security price drivers. This helps us identify additional sources of risk and opportunity. Only ESG factors deemed financially material are included in the ESG assessment in accordance to a materiality and risk calibration. Access to sustainability information is crucial. All our analysts and fund managers have access to ESG data and are provided with ESG training where required.

There is not a single exhaustive list of ESG factors. Those are often interlinked, and it can be challenging to classify an ESG issue only as environmental, social, or governance issue.

On a broad and generic basis ESG factors are split as such:

- ✓ **Environmental considerations** related to the conservation of the natural world: carbon emission, energy efficiency, waste management, pollution, biodiversity, water scarcity, …
- ✓ **Social considerations** related to the consideration of people, relationships and social cohesion: labor standards, relations with workforce and the community, gender & diversity, education, child care, …
- ✓ **Governance considerations** related for best-practices and standards for running a company: board composition and independence, management and audit structure, remuneration, compliance policy related to bribery & corruption, whistleblower schemes, fiscal practices, ...

ESG considerations and integration vary depending on the SFDR Classification of the funds / sub-funds (i.e art.6, art.8, art.9).

The ESG assessment and portfolio construction for listed financial assets, is based on independent external scores extracted from our data provider (Refinitiv). The following sections describe the methodology developed by Refinitiv.

By combining algorithmic and human ability of analysis, the provider computes more than 600 company level ESG metrics, but only a subset of 186 metrics, the most comparable ones, enters the scoring process. To compute the overall score, these 186 measures are collected into ten different categories, each category having its score. The categories are grouped into three pillars: environmental, social, and corporate governance. To better understand the process, a visual map is presented below:

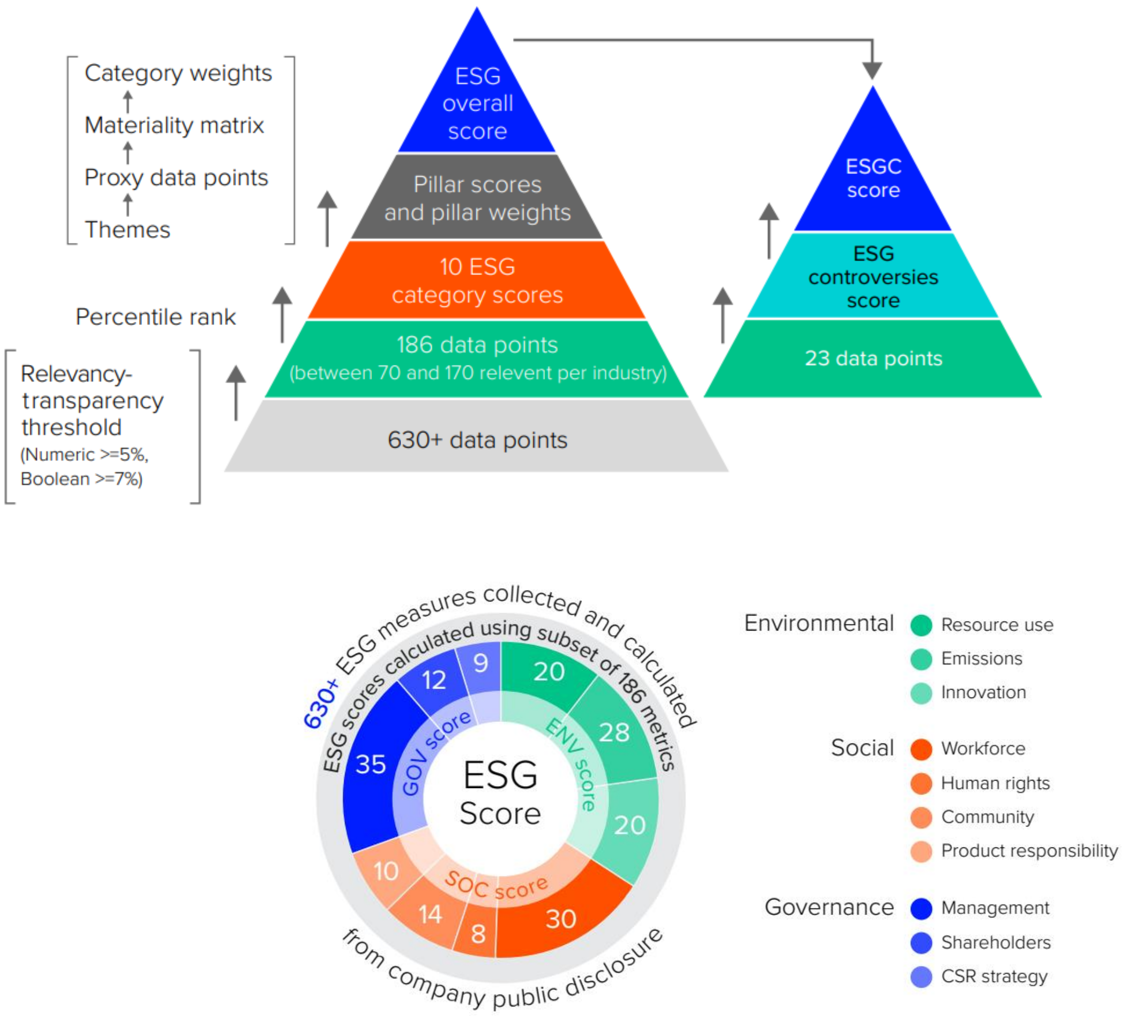

Figure 1 Refinitv "Environmental, Social and Governance Scores from Refinitiv"

- **Alternative Assets**

For Alternative Assets, BMI considers sustainability risks on an investment-by-investment basis. The ESG risk will be assessed either through Due Diligence provided by the Investment Advisor or through a proprietary ESG Questionnaire. The latter will be provided to and filled by the Investment Advisor.

- For Real Estate Fund, BMI performs an environmental due diligence in the pre-investment phase and takes into account the following factors in its investment analysis and decision-making processes: environmental management practices and duty of care, working and safety condition, respect for human rights, anti-bribery and corruption practices are always considered;

- Particular focus is made from an anti-bribery and corruption perspective.

Capiva plus Fund SCSp RAIF

Capiva plus Fund SCSp RAIF is classified art 8 SFDR and uses a value-weighted approach when implementing its ESG assessment, meaning that the largest investments have the most stringent ESG objectives and are most actively monitored.

Each investment category has a tailored ESG objective:

- **Fund investments**: the ESG objective is to invest in funds that are either article 8 or article 9 themselves or demonstrate specific ESG criteria;
- **Real estate**: the ESG objective is to focus on reducing emissions and energy consumption;
- **Direct investments (asset management)**: the asset management firms in which the Fund invests are themselves in the process of transforming a large part of their investments towards ESG investments. Therefore, the ESG objective is to monitor the composition of investments as well as the PAIs at investment company level.
- **Direct investments (non-asset management)**: this is a residual part of the portfolio that will be dealt with on a case by case basis.

Impact Expansion Fund I

Impact Expansion Fund I has a sustainable investment objective and classifies as an Article 9 of Regulation (EU) 2019/2088. The fund's objective is to combine the vision of impact investment with the financial rigor and business-building capability of private equity to generate superior returns and to deliver meaningful social and environmental impact, carefully targeted at areas of major needs in Western Europe. The Fund invests in companies that fulfil at least one of the following goals: (i) access to affordable and effective healthcare; (ii) improvement of life opportunities through education and skill development; and (iii) protection of the environment (including waste management/circularity, energy efficiency and regenerative agriculture), which are aligned with SDGs 3, 4, 7, 8, 10 and 13. Each investment reviewed will be assessed based on these goals and the due diligence will continue only if the investments fulfill at least one of these objectives.

The overall objective of the Fund's investments and actions is to enhance and maximize the positive social and environmental impact of its investee companies on all stakeholders (referred as "impact" in the rest of this document), including employees, clients/patients and impacted communities, as relevant and appropriate, while at the same time minimizing (potential) adverse ESG-related effects.

Impact Expansion Fund I, Taxonomy Alignment: Environmental objective

It is expected that around 10% of the Fund's investments with an environmental objective will be aligned with the EU Taxonomy's objectives 1 and 2 (Climate Change Mitigation and Climate Change Adaptation)[1]. An additional 10% are expected to be aligned with objectives 3 to 6 of the EU Taxonomy, with a focus on objective 3 (Transition to a circular economy), but this percentage will be dependent

[1] The Fund does not yet hold investment as it has not yet had its first closing. The percentage provided is based on the team's expectation.

on the development of the EU Taxonomy as regards to these specific objectives, which is still under consideration.

The Fund's environmental objectives include the following EU Taxonomy's environmental objectives:

1- *Climate change mitigation*: the Fund aims to invest in companies that provide solutions to improve energy efficiency and therefore limit energy consumption, and/or that provide affordable and quality renewable energy to consumers;

2- *Transition to a circular economy*: the Fund aims to invest in companies that develop innovative solutions for waste management and recycling;

3- *Protection and restauration of biodiversity and ecosystems*: the Fund aims to invest in companies that provide solutions for sustainable land use and agroecology.

Impact Expansion Fund I, Taxonomy Alignment: Social objectives

The EU Taxonomy does not include social objectives yet.

At the same time, the Fund will perform the appropriate due diligence prior to the investment and monitoring during the holding period to ensure that none of its investments do significant harm to any of the other objectives, while respecting basic human rights and labor standards.

The Fund requires businesses it invests in, at a minimum, to comply with the legal and regulatory requirements in the jurisdictions where they operate and respect the UN Global Compact Principles.

b. Oversight of portfolio managers delegates

In the context of its oversight activity, BMI Portfolio Management Team will assess during the process of Initial and Ongoing Due diligence, through KRIs, how the fund/ sub-fund integrates the sustainability risk in its investment process.

The following sub-funds promote environmental, social and governance characteristics and classify under Article 8 of Regulation (EU) 2019/2088:

1. BIL Invest Patrimonial Defensive,
2. BIL Invest Patrimonial Low,
3. BIL Invest Patrimonial Medium,
4. BIL Invest Patrimonial High.

Those sub-funds integrate sustainability factors in their investment by considering an eligible universe which includes UCIs that comply with Article 8 or Article 9 of Regulation (EU) 2019/2088 and having a minimum required ESG score based on internal methodology. The selection is supplemented by the review of exclusion and inclusion criteria applied by the underlings UCIs.

The following sub-funds promote environmental, social and governance characteristics and classify under Article 8 of Regulation (EU) 2019/2088:

1. BIL Invest Bonds EUR Corporate Investment Grade
2. BIL Invest Equities Europe

Those sub-funds integrate sustainability factors in their investment by considering an eligible universe which includes securities of issuers with a comparatively high ESG profile, as well as UCIs that comply with Article 8 or Article 9 of Regulation (EU) 2019/2088 and having a minimum required ESG score based on internal methodology. The selection is supplemented by the review of exclusion and inclusion criteria applied by the underlings UCIs, ESG scores of underlying securities that the fund invests in and consolidated ESG score of the fund (calculated using a proprietary methodology).Further information on the Integration ESG applicable for BIL Invest SICAV and Private One is available on:

www.bil.com/sfdr
www.bil.com/sfdr-en
www.bil.com/sfdr-de

For Real Estate Funds, BMI performs an environmental due diligence in the pre-investment phase.

III. Principal adverse impacts

In general, BMI does not consider principal adverse impacts of investment decisions on sustainability factors due to the lack of available and reliable data. Should this change in the future, the disclosures on the website of the BMI will be updated accordingly.

BIL Invest

Banque Internationale à Luxembourg considers the principal adverse impacts for the following sub-funds of BIL Invest SICAV – Patrimonial Defensive, BIL Invest Patrimonial Low, BIL Invest Patrimonial Medium, BIL Invest Patrimonial High, BIL Invest Bonds EUR Corporate Investment Grade and BIL Invest Equities Europe. Further information is available on:

www.bil.com/sfdr
www.bil.com/sfdr-en
www.bil.com/sfdr-de

Capiva plus Fund SCSp RAIF

For **Capiva plus Fund SCSp RAIF**, the sustainability indicators used to assess the environmental and social characteristics are the indicators for principal adverse impacts (PAIs).

The monitoring of the ESG objectives is done by tracking the evolution of the indicators for principal adverse indicators (PAIs) selected according to the investment categories of the Fund having specific ESG objectives.

In general, the Fund will try to measure the majority of the indicators for principle adverse indicators (PAIs) based on the relevance and availability of the underlying data. A third party provider may be used to provide data.

Further information is available on: Microsoft Word - ESG Sustainability Policy - CP management.docx (capivaplus.com).

Impact Expansion Fund I

Impact Expansion Fund I: some of the companies the Fund invests in can still generate negative outcomes, which the portfolio manager team commits to help estimate and mitigate. The table below displays the Environmental and Social principal adverse impact indicators (PAIs) the Fund commits to track (when relevant at investee company's level), report to investors, and help mitigate:

ENVIRONMENTAL INDICATORS	SOCIAL INDICATORS
1. Greenhouse gas emissions (scope 1, 2, 3 when feasible) 2. Carbon footprint 3. Carbon intensity 4. Exposure to fossil fuel sector 5. Share of consumption and production of non-renewable energies 6. Emissions to water (water pollution) 7. Share of investments in activities having a negative impact on biodiversity 8. Intensity of energy consumption by high-emission sectors 9. Hazardous waste	10. Share of investee companies implicated in a violation of the UN's Global Compact principles 11. Share of investee companies where there is insufficient processes and mechanisms for monitoring based on the UN's Global Compact principles 12. Share of investee companies linked to controversial weapons (antipersonnel mines, cluster weapons, and chemical and biological weapons) 13. Non-adjusted gender gap in compensation 14. Diversity on boards of directors (gender ratio) 15. Insufficient whistleblower protection 16. Incidents of discrimination

Principal adverse impact indicators (PAIs) 1 to 14 are the official indicators which are requested to be tracked by Article 9 of the EU Sustainable Finance Disclosure Regulation ("EU SFDR"). There are four additional compulsory PAIs, but they only apply to Sovereign and Real Estate investing, not applicable to Impact Expansion Fund I; we have therefore not included them in our tracking table. Indicators 15 and 16 were selected within the rest of the EU SFDR PAIs based on their relevance to Impact Expansion's investee companies.

Further information is available on www.impact-expansion.com

IV. Post Trade

The sustainability risk and ESG approach of each fund/compartment is considered when performing a portfolio' post trade analysis and follow-up on relevant ESG commitments.

In particular:

Sustainability risk (art. 6): for vehicles performing a sustainability risk analysis, a post trade check that the analysis has been performed and a follow-up on identified risks will be integrated in the portfolio reporting;

ESG Characteristics (art.8): for vehicles performing a sustainability risk analysis and having committed to the implementation of specific ESG Characteristics, post trade analysis and follow-up will comprise a review and follow-up of sustainability risks and a review and follow-up of the ESG characteristics. In addition, as per relevant regulation the ESG profile will be periodically disclosed to investors;

ESG Objectives (art.9): for vehicles performing a sustainability risk analysis and having committed to the implementation of specific ESG Objectives as their primary strategy through the investment into sustainable assets according to the definition given by the EU Taxonomy, post trade analysis and follow-up will comprise a review and follow-up of sustainability risks, a review and follow-up of stated ESG objectives and the monitoring of the sustainability profile of such investments, including the analysis of relevant principal adverse impact features. As per relevant regulation the ESG profile will be periodically disclosed to investors.

V. BMI policies

The Policy is regularly updated and at least on a yearly basis.

All other relevant information required by SFDR shall be made available to shareholders in due time by means of disclosures on the BMI's website.