

# ESG

## **I. PAI statement:**

### **Introduction:**

The Sustainable Finance Disclosure Regulation (EU Regulation 2019/2088) requires investment firms, such as Fiducenter to adopt a “comply or explain” approach regarding the consideration of so-called principal adverse impacts (PAI) of investment decisions.

These ESG principles apply to Fiducenter S.A. and extend to the investment vehicles and management entities established under its initiative and ownership, namely “ELITE WEALTH MANAGEMENT SIF-SICAV” (a self-managed fund acting as its own AIFM) and “ELITE REAL ESTATE GP S.à r.l.” (the AIFM of ELITE REAL ESTATE SCSp).

Principal adverse impacts refer to potential negative impacts of investment decisions on sustainability factors such as environmental, social and employee matters, as well as the respect for human rights, anti-corruption and antibribery efforts.

### **No consideration of sustainability adverse impacts:**

After careful consideration, Fiducenter has decided not to apply the PAI regime.

Fiducenter is supportive of the EU Action Plan for Financing Sustainable Growth, which has at its goal to implement the climate agreement and as such the transition to a low carbon, more sustainable, resource efficient and circular economy in line with the SDGs is key to ensuring long term competitiveness of the economy of the Union. At the same time, Fiducenter today has no regulatory obligation to implement the PAI regime. The SFDR provides a possible exemption for entities with less than 500 employees.

Considering the scale of our investment activities as well as the provided investment services, the introduction of the PAI regime would represent a serious challenge with currently limited foreseeable implications as the assessment of PAI remains difficult notably due to the lack of market data, finalized regulations and methodologies.

Fiducenter will continue to closely monitor regulatory developments with respect to the SFDR and other relevant Sustainable Finance related laws and regulations Fiducenter will furthermore continue to develop its sustainability strategy and service offering. On this basis, Fiducenter has the ambition to consider principal adverse impacts of its investment decisions in the future and as such will review on an on-going basis its decision not to comply with the PAI regime.

### **Responsible Investment:**

Despite the fact that principal adverse impacts of investment decisions might not be considered as described by the EU Regulation, Fiducenter would like to highlight that our investment philosophy and strategy is in line with responsible investment principles and standards on a non-binding basis. Furthermore, as mentioned in section III below, Fiducenter does take into account sustainability factors when providing investment services to clients who have expressed sustainability preferences, in line with its obligations under MiFID II.

## **II. Information on remuneration policy**

### **Introduction:**

The Sustainable Finance Disclosure Regulation (EU Regulation 2019/2088) requires investment firms, such as Fiducenter to include information in their remuneration policy on how that policy is consistent with the integration of sustainability risks and shall publish that information accordingly.

### **Integration of sustainability risk into Remuneration Policy:**

The remuneration policy of Fiducenter is formulated to encourage responsible business conduct, fair treatment of clients and avoidance of conflict of interest as well as preventing excessive risk taking.

Fiducenter has adopted the structure of the remuneration in order to ensure the effectiveness of responsible investment principles and standards. Furthermore, as a general rule, employees are not incentivized to recommend or sell specific financial products or instruments, be they ESG oriented or not. Rather, the remuneration is defined so as to support the Firm's objective to conduct its business in an honest, fair and professional manner in order to best serve the interest of its clients. As such, investment decisions and investment advice shall always be embedded within the investment objectives and preferences as expressed by the client.

Fiducenter has an ongoing and resolute commitment to promote responsible investment. The remuneration policy therefore aims to support decision making in compliance to the applicable investment process

## **III. Information on sustainability risk**

### **Introduction:**

The Sustainable Finance Disclosure Regulation (EU Regulation 2019/2088) requires investment firms such as Fiducenter to prepare and publish an approach for integrating sustainability risks into their investment decision making process. Sustainability risks generally refer to an actual or potential environmental, social or corporate governance related event or condition that, if it occurs could cause a negative impact on the value of an investment. Sustainability risk can either represent a risk on its own or have an impact on other "risk types such as market, liquidity, credit or operational risk.

The integration of sustainability risk is naturally to be seen not only from a pure risk perspective but from a risk return one.

### **Risk return: the dual materiality of Sustainable Finance**

When discussing sustainability risk, the literature often refers to a dual materiality:

- On the one hand, there is the internal risk perspective, which focuses on the ability of an organisation to directly influence and manage (potentially negative) impacts

of ESG factors on its value > value is created by managing material negative risk arising through environmental, social and governance factors;

- On the other hand, there is the external business model perspective, which focuses on the ability of an organisation to create a sustainable business model ensuring sustainable cash flows in a changing environmental and social environment. In particular, this refers to the ability of an organisation to adapt to physical risks (eg individual extreme weather conditions or long term climate changes) and to transition risks (eg technological breakthroughs or changing market and customer preferences) > value creation in terms of development of business models that are able to capture the opportunities within the transition to a sustainable world economy.

Based on the above, it follows that merely capturing financial considerations is no longer sufficient in order to capture the full view of a company's profile and investment potential.

### **Integration of sustainability risk within the investment process of Fiducenter**

Fiducenter does consider and integrates sustainability factors when providing investment services to clients who have expressed sustainability preferences, in line with its obligations under MiFID II. For this purpose, for clients who express sustainability preferences in the suitability assessment, Fiducenter has implemented a list of SFDR Article 8 and 9 securities (mainly funds and ETFs) that have been carefully selected.

Our selection process is based on an in-depth qualitative analysis designed to assess the soundness of the management system and, above all, the integration of ESG criteria within the funds making up our shortlist. There are several possible approaches:

- "Best in Class" approach: identification of companies with the best environmental, social and governance practices in their sector;
- ESG integration approach: balanced consideration of financial and non-financial parameters;
- Thematic approach: focusing on a specific issue (environmental transition, water management, gender equality, etc.);
- Impact investing: intentionally seeking a positive, measurable and verifiable environmental or social impact.

In addition to examining the processes specific to each fund, our team also assesses the management company's sustainability approach in order to identify its responsible investment philosophy. Finally, this qualitative assessment is supplemented by a quantitative analysis based on available external ratings.

Furthermore, investments made by Fiducenter in its function as investment advisor or discretionary portfolio manager are exposed to sustainability risk. Analysing an investment's company fundamentals is deeply embedded within Fiducenter's investment process. As such Fiducenter will analyse company reports, data and financials, received directly or from external data providers, outlining ESG factors and underlying sustainability risk. As such, by considering an organization's full profile through the acknowledgment of the dual materiality of Sustainable Finance, Fiducenter is also indirectly incorporating ESG factors and considerations into its instrument selection process.

### **Conflicts of interests arising from the integration of sustainability risk**

When integrating sustainability preferences into suitability assessments, Fiducenter considers any potential conflict of interest that may arise. As examples, such conflicts may arise in the following situations:

- Conflicts arising from reliance on ESG data providers, particularly due to changes in methodologies, scoring criteria, or data quality, which may misalign with clients' sustainability preferences.
- Conflicts stemming from changes in a company's ESG rating or classification, mainly where the reclassification impacts portfolio decisions and is not transparently communicated to clients.
- Conflicts caused by firms mislabelling or misrepresenting investment products or strategies as aligned with ESG or sustainability preferences, resulting in a mismatch with clients' expectations and preferences ('greenwashing').
- Conflicts arising from mis-selling practices, including misrepresentations of sustainability features, where firms prioritize the sale of proprietary or higher-cost products over those that align with clients' stated preferences and best interests.
- Tensions between maximizing financial returns and adhering to clients' stated sustainability preferences, particularly where fulfilling these preferences necessitates trade-offs in portfolio performance.

Fiducenter understands the features, including costs and risks of investment services and financial instruments selected for its clients, including any sustainability factors, and assesses, while taking into account cost and complexity, whether equivalent investment services or financial instruments can meet their client's profile.

#### **Sustainability as a journey:**

Fiducenter is closely following the developments in sustainable finance and is taking steps in this regard.

However, it must be acknowledged that this is a multi-year process with a number of regulatory developments and strategic alignments still to come. As such, the depth and breadth of the service offering, the business model and respective compliance standards will change accordingly. This will obviously impact the level of how sustainability will be incorporated into (i) the investment decision making process, (ii) the overall risk policy or (iii) the remuneration policy. Therefore up-coming modifications in this field are to be expected.

## **IV. Review of the policy**

This policy, as well as all our policies and procedures, is subject to an annual review which includes any amendments when deemed necessary, for example in case of changes in company policy, changes in operations, changes in laws and regulations, etc.

<b>Date de dernière modification</b>	<b>Date de dernière approbation par le comité de direction</b>
25/09/2025	26/09/2025