



CREUTZ & PARTNERS

THE ART OF ASSET MANAGEMENT

STATEMENT ON THE NON-CONSIDERATION OF ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS AT THE LEVEL OF THE ENTITY

As a matter of principle, investments in economic activities can influence sustainability factors both positively and negatively. Sustainability factors in this context include environmental, social and labour matters, respect for human rights and the fight against corruption and bribery.

Against this background, principal adverse impacts on sustainability factors can be defined as the consequences of investment decisions that may lead to negative impacts on environmental, social and labour matters, respect for human rights and the fight against corruption and bribery.

Creutz & Partners is generally committed to help avoid adverse impacts of investment decisions and, in this context, strives to fulfil its responsibility as a financial market participant. The best possible result in the interest of the clients of the discretionary asset management, as well as the sub-funds of the C&P Funds SICAV (the »C&P Funds«) and its investors, is always a priority for Creutz & Partners.

At present, however, Creutz & Partners does not see itself in a position to consider adverse impacts of its investment decisions on sustainability factors at entity level for all products and services.

On the one hand, this is due to the fact that the data required to consider adverse impacts on sustainability factors are not yet available in the necessary quantity and quality, as the Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector (»SFDR«) and the accompanying Regulatory Technical Standards (Delegated Regulation (EU) 2022/1288) are recent legal acts. Furthermore, the »Corporate Sustainability Reporting Directive«, which extends non-financial reporting for all large companies listed on an EU-regulated market to include the company's impact on sustainability factors, will only apply from 2024 and this initially only for specific companies. However, it is not only difficult to collect the data necessary to consider adverse impacts on sustainability factors, but also to make a correct calculation of the indicators of adverse impacts on sustainability factors using this data. In fact, there is still no clear calculation method for some of these indicators available at this point in time. Accordingly, in the opinion of Creutz & Partners, it can be assumed that the necessary quantity and quality of data for a consideration of adverse impacts on sustainability factors are only at an early stage and will only be available in the course of the coming months or years.

On the other hand, Creutz & Partners believes that a systematic consideration of principal adverse impacts of investment decisions on sustainability factors at entity level, as well as with regard to all services and products, would not be proportionate given the size of Creutz & Partners, the scope of its activities and ultimately the effort required for implementation. In this context, it should be mentioned that Creutz & Partners does not fall within the scope of Article 4 (3) and (4) of the SFDR, which requires financial market participants that exceed an average number of 500 employees during the financial year to consider adverse impacts of their investment decisions on sustainability factors.

In addition, Creutz & Partners observes that, due to the investment strategies pursued and the target market, the products and services offered are in part not suitable for a systematic consideration of principal adverse impacts on sustainability factors. This applies in particular to the managed sub-funds of the C&P Funds, for which the focus is primarily on generating the highest possible growth in the value of the sub-funds' investments and which furthermore qualify as a so-called »Article 6 Product« within the meaning of the SFDR, so that they are therefore aimed in particular at investors who do not expressly pursue sustainability goals with their investment.

However, Creutz & Partners will monitor regulatory and legal developments, as well as market practice, and will review its approach regarding the (non-)consideration of principal adverse impacts of investment decisions on sustainability factors at entity level on a regular and ongoing basis (i.e. at least annually), with the aim of being able to consider them as soon as possible.