



Environmental, Social and Governance (ESG) Policy

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1. Purpose of this Policy

CFE S.A. believes that Environmental, Social and Governance (ESG) principles are crucial to develop strong companies and assets that deliver long-term value for its employees and investors.

CFE S.A. is committed to integrate ESG principles into its business process and operating philosophy.

This ESG Policy outlines the Group approach to integrate ESG principles in its businesses and investment activities. Some of the Groups' entities maintain their own individual ESG policies which shall be aligned with this Policy and shall reflect the unique factors applicable to their respective investment strategies.

2. Responsible of this Policy

In absence of a dedicated individual/body which ensure the compliance with the ESG principles, the ultimate responsibility shall fall into the top managers of each company up to their Managing Director and/or the Board of directors.

Top managers have the day-to-day responsibility and each employees should refer to them at first should they have any questions about this Policy.

This Policy is reviewed annually. Changes may be made at any time following the update of the legal framework.

All guidelines implemented and set of values, rules, standards and principles outline what CFE S.A. expects from the Group's entities, its governing bodies and employees on a day-to-day basis.

3. Environment

CFE S.A. is committed to drive down the energy and carbon impacts, as it believes that climate change is one of the greatest risks at stake globally. Its sustainability program is committed to environmentally sustainable initiatives that deliver near-term efficiency, value, and health for our business, our people, and the wider community.

CFE S.A. encourages its employees and counterparties to reduce their impact on the environment by recommending the use of more sustainable materials.

CFE S.A. actively promotes a paper-free office. It regularly supports its employees and counterparties to avoid printing and shall make all endeavors to be a digital-first business. Its goal is to be partner to companies that helps the reduction of carbon emissions in the world which are specialized in developing virtual and artificial intelligence (i.e. metaverse platforms for business).

4. Social Responsibility _____

The focus is to engage all employees to provide a challenging, dynamic, inclusive and diverse work environment that supports their professional development, as well as promoting a good work-life balance that prioritizes the overall health and wellness.

CFE S.A. shall support initiatives that benefits the environment, human welfare and education.

CFE S.A. shall engage employees, investors and suppliers around safety, health, and wellness.

CFE S.A. shall preserve and promote the protection of human rights and welfare within its business activities in accordance with its Guidelines and International Rules.

5. Ethical Governance _____

The focus is to promote strong oversight, transparency and risk management at all levels of its organization, ensuring the resilience and long-term preservation of values for the Group.

CFE S.A. shall maintain strong corporate governance practices through exemplary Board stewardship, management accountability, and proactive risk management.

CFE S.A. shall mitigate risk exposure and build the resilience of the business to climate change, earthquakes and other catastrophic events through smart design and sighting.

CFE S.A. is committed to high ethical standards through the implementation of the Ethical Code of Conduct, ongoing ethics training and executive leadership that promotes a culture of integrity.

CFE S.A. shall cultivate a strong investors relationship through transparency, open communication and responding to investors input.

6. Reputation and ESG Principles _____

EGS principles are fundamental to CFE S.A.'s reputation. In an uncertain economic climate, positive reputation is one of the key drivers to long term success.

CFE S.A. wants all its investors and employees to be proud to be part of the Group. Part of that pride are understanding how CFE S.A.'s business makes a positive contribution to the world.

7. ESG principles' integration in the Investment Process _____

The integration of ESG principles into the Group's investment process is an important part to create strong returns for the employees and investors.

Based on the Group's experience, the consideration of ESG principles does not only enhance Groups' assessments of risk but also it helps the Group to identify opportunities and value creation. As applicable, the ESG principles that may be incorporated into the investment evaluation and monitoring processes include, but are not limited to, the following:

1. **Environmental considerations:** greenhouse gas emissions, air pollution, waste management (including land and water impact), energy management and efficiency, land use, climate risk
2. **Social considerations:** diversity, equity and inclusion, human rights, employees health and safety, labor relations and practices, privacy, quality and security
3. **Governance Considerations:** Corporate governance and oversight, risk management, conflicts of interest, transparency, fraud, anti-bribery and anti-corruption controls.

CFE S.A. requests to all its employees to proactively prevent and mitigate instances of non-compliance with this ESG Policy.

Any breaches or concerns, including ethical concerns or potential breaches in CFE S.A.'s commitment to high ethical standards should be reported as soon as possible to the responsible.

Progress on this Policy is reported to the Board on a regular basis. Active participation and engagement at all levels of the Group is of great importance to ensure ownership of ESG principles by all staff.

Read more about our ESG goals through the link provided here:

<https://cfe-finance.com/esg/>

The present Policy shall be reviewed on annual basis
