



## DEFINITIONS RELATED TO THE SFDR EU 2019/2088

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## Definitions related to the SFDR linked to INOKS Capital S.A. Environmental, Social, Governance and Impact terminology

<b>"E&amp;S"</b>	means environmental ("E") and social ("S"), being sub-types of risk/criteria/considerations/topics considered during each due diligence process. It relates to "sustainability" factors according to the (EU) 2019/2088 regulation.
<b>"E&amp;S Risk"</b>	means the environmental and social risks as measured and assessed using the IFC Performance Standards. It relates to "sustainability risks" according to the (EU) 2019/2088 regulation.
<b>"ESG**"</b>	means environmental ("E") and social ("S") and governance ("G"). This is an extension from the E&S terminology and used in the investment universe to characterize the extra-financial criteria under used for assessing the eligibility of an investment, and taking into account, additionally to Environmental and Social risks and impacts of the investment, corporate governance criteria, also crucial to determine different kind of extra-financial risks (being corruption, reliance to key people, etc.)
<b>"Impact Framework"</b>	framework that integrates and formalizes the Fund's Impact Strategy into the Fund's business processes and investment practices. It ensures conformity of the Fund's activities by defining standards it adheres to, formalizing procedures outlining principles, standards and tools implemented and setting clear responsibilities. The Impact Framework includes the E&S management system ("ESMS") adopted by the Fund.
<b>"Negative or adverse impacts"</b>	materialization of E&S risks into adverse impacts on i) the physical, natural or cultural environment, and ii) on surrounding community and workers resulting from the business activity to be supported.
<b>"SFDR Regulation"</b>	Regulation (EU) No 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended from time to time.
<b>"SFDR Rules"</b>	The corpus of rules formed by (i) The SFDR Regulation, and (ii) any further delegated regulations issued by the EU Commission in relation to the SFDR Regulation, (iii) any further transposing legislation for the SFDR Regulation and other delegated acts relating to the SFDR Regulation issued from time to time by the relevant EU authorities pursuant to any national laws and regulations and (vi) any applicable direction, policy, circular, guideline, rule or order that is made or given by the CSSF or the European Securities and Markets Authority and European SA in this connection;
<b>"Sustainable Investment"</b>	In accordance with article 2 (17) SFDR Regulation, means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key

	resource efficiency indicators on the use of energy , renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any those objectives and that investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.
<b>"Sustainability Factors"</b>	In accordance with article 2 (24) SFDR Regulation, means environmental, social, and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
<b>"Sustainability Risk"*</b>	In accordance with article 2 (22) SFDR Regulation, means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.
<b>"Taxonomy Regulation"</b>	Regulation (EU) No 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (SFDR Regulation).

\* There is a lack of standardized taxonomy of ESG evaluation methodology and the way in which different funds will apply ESG criteria may vary, as there are not yet commonly agreed principles and metrics for assessing the sustainable characteristics of investments made by funds. In evaluating a security based on sustainable characteristics, the Investment Manager is dependent upon information and data sources provided by internal research teams and complemented by external ESG rating providers, which may be incomplete, inaccurate or unavailable. Consequently, there is a risk that the Investment Manager may incorrectly assess a security or issuer. Evaluation of sustainable characteristics of the securities and selection of such securities may involve the Investment Manager's subjective judgment. As a result, there is a risk that the relevant sustainable characteristics may not be applied correctly or that a fund could have indirect exposure to issuers who do not meet the relevant sustainable characteristics applied by such fund. In the event that the sustainable characteristics/objective of a security held by a fund change, resulting in the Investment Manager having to sell the security, neither the fund, the Company nor the Investment Manager accept liability in relation to such change. No representation nor warranty is made with respect to the fairness, accuracy or completeness of such sustainable characteristics. The status of a security's sustainable characteristics can change over time.

Further, due to the bespoke nature of the sustainable assessment process there is a risk that not all relevant Sustainability Risks will be taken into account, or that the materiality of a Sustainability Risk is different to what is experienced following a sustainable risk event.