

# **SUSTAINABILITY REPORT 2023**



For several years now, the importance of sustainable development has been undisputed and the world must face many global challenges such as climate change, excessive use of natural resources, inequality, injustice, environmental deterioration and living conditions on our planet.

To develop a sustainable economy and moreover an environment dedicated to sustainable finance, OREA CAPITAL is committed to and actively contributes to respecting a responsible and social approach in order to better meet the challenges of tomorrow's society. To ensure its long-term survival, a company can no longer consider return on investment as the sole keystone of its economic structure but must see the creation of sustainable value as an integral part of its development.

As an institutional player we have measured the company's impact on society and incorporated a responsible approach into our discretionary management excluding from the investment universe sectors that do not meet sustainable development criteria as:

- The armament industry including production and distribution of weapons, munitions, specific components, mines, nuclear weapons. This type of industry can pose a threat to the security of countries and their inhabitants. It can also seriously affect mental and physical health without contributing to a more sustainable, fairer and humane development.
- The Tobacco industry i.e. companies that produce tobacco or generate more than 10% of their sales from the production and sale of tobacco. This industry represents a threat to the global health. Its harmful effects and consequences on health such dependence and addiction, cancers, respiratory and lung diseases, premature deaths, impoverishment and pollution have been scientifically demonstrated for many years and leads to considerable costs for the society and particularly healthcare costs.
- The gambling industry which has grown considerably over the last decade due to the accessibility and ease of online betting and now representing a financial windfall of nearly 100 billion US dollars. The WHO has also drawn attention to the consequences of gambling such addiction, mental disorders and the risks of impoverishment and indebtedness.

By investing in sustainable companies OREA CAPITAL is helping to build a greener, a more humane society respectfull of the natural resources while providing dynamic asset management that offers prospects of profitability in line with ESG values.

A responsible investment policy is not limited to financial investments alone but is also based on respect to the principles of the United Nations Global Pact. to which OREA CAPITAL adheres. These

principles provide guidelines for sound governance i.e. corporate responsibility in terms of human and labour rights, environmental protection and the fight against corruption.

Companies whose ESG risk is higher than the objective we are seeking to achieve and which do not show any positive trend are subject to a deeper analysis. This analysis is enabling us to determine whether the ESG initiatives taken by the company give us confidence or conversely prompts us to divest of these securities.



### **The three pillars of responsible investment and the UN's sustainable development goals**

The social responsibility of our company is at the heart of our concerns and represents an opportunity to improve the three pillars of responsible investment: our governance, the strengthening of our social commitment and the limitation of our environmental impact.

These three pillars propose a business model that covers the current needs of human beings while enabling future generations to meet their own needs.

### **The environmental impact**



Sustainable development must enable every inhabitant of this planet to live in dignity while avoiding the waste of resources. The challenges are to redirect our production systems towards renewable capital and to reduce our dependence on fossil energies.

It is all about optimising the business model by acting on the factors of production and considering renewable and non-renewable resources, the latter limiting the optimisation of the system.

To maintain our goods and services ecologically and to guarantee the survival of our species, human activities must preserve the Earth and respect its capacity for regeneration, taking into account the planet's limits. However a number of thresholds have already been crossed

and for several years now we have been witnessing climate deregulation, loss of biodiversity, biochemical disruption cycles (nitrogen, phosphorus) and so on.

In practical terms, our main mission as an asset management company is to care for and develop our clients' assets while respecting this sustainable investment approach which is precisely an opportunity for OREA CAPITAL to enhance its governance, strengthen its commitment to society and limit its environmental impact.

To contribute to the ecological aspect of sustainable development, OREA CAPITAL has implemented an eco-responsible policy that preserves natural resources and the environment as much as possible. We apply reasonable care to facilities and supplies and limit our waste and nuisances. In this way, we contribute to improving the life cycle of goods and services while being a dynamic player in the circular economy

In 2019 we successfully obtained our first ESR (Socially Responsible Company) label meeting the criteria of the labelling process of the National Institute for Sustainable Development (INDR) in Luxembourg. At the end of 2022 OREA CAPITAL has once again been awarded this label for a period of three years. We are delighted to have undertaken this process of accountability which has enabled us to gain a better understanding of our own issues and to be better prepared for the challenges of the future.

Therefore and since 2019 we introduced an environmentally friendly waste management within the company; this enabled OREA CAPITAL to obtain a label that fully meets the requirements of ecological and economical waste management. A label that the company has kept ever since.

At the end of its life the materials contained in a product are recovered, recycled and ready to be reintroduced into a new production cycle.

In addition, we are paying particular attention to paper consumption and have made our clients aware of the need to make the transition to digital technology which consumes less energy. All communications with our clients (reports, portfolio valuations and newsletters) are sent digitally. We are also working to carry out more and more administrative tasks using digital solutions wherever possible.

We are also working to reduce the environmental impact of packaging by using eco-responsible packaging solutions that improve reuse and recycling.

Our company has also opted for greener electricity. All lighting are LED, outdoor lighting is switched off between 11pm and 6am, heating is limited to 19°C. We also made the choice not to install air-conditioning in the building. Thanks to these choices we are significantly reducing our CO2 emission.

We recognise the intrinsic value of the natural environment and try to contribute to local biodiversity. We have created a natural area and a relaxation zone in our garden which help to ensure a certain level of biodiversity locally and can mitigate climate change.

We also have installed a greenhouse in our garden. In this way we enable our employees to take a moment to relax by growing vegetables that will benefit everyone and be shared among us.

Reducing the environmental impact of travel is a priority for Luxembourg which needs more sustainable mobility to ease traffic congestion, improve safety and reduce its carbon footprint.

Therefore, we understand the importance of optimising mobility and have recently opted for the gradual replacement of our fleet in adapting our infrastructure to accommodate a growing number of 100% electric vehicles

Since 2020 we are an UNPRI member (United Nations Principles for Responsible Investment) and each year we are required to submit a report assessing our sustainable behaviour.



## **The societal impact**



Although the humanitarian situation has improved worldwide, one third of human beings is still living in insufficient development conditions where inequalities in income and wealth are still a concern. While OREA CAPITAL is affected about this aspect on a global scale it is also concerned about the well-being and health of its employees. We do our utmost to guarantee the health, training and safety at work to preserve the physical integrity and mental well-being of our employees. As health is the basis of quality work, work carried out in the right conditions is de facto a factor for good health. In order to maintain a balance between private and professional life, OREA CAPITAL encourages its employees to preserve their health by granting extra time to those who wish to take part in sporting activities during working hours, thus combining personal fulfilment and self-fulfillment.

Every year in addition to organising one-off events (meals with colleagues, end-of-year parties, sports trips abroad), our company organises an annual sports challenge, combining personal achievement, personal satisfaction and collective success.

We are therefore aware that a responsible company must take into account the needs of its employees, as they are its most precious resource. With this in mind, our company aims to ensure that the motivation and commitment of every employee remains constant.

In addition to its employees' well-being at work, OREA CAPITAL is also committed to sports and charitable associations (sponsorship, distribution of sports equipment, purchase of IT equipment).

OREA CAPITAL is therefore proud to be able to contribute with its resources to the realization of the projects and objectives of these associations.

## **The impact of corporate governance**



The company is a key player in contributing to the objectives of sustainable development. The governance adopted by the company and the structures put in place must enable it to make decisions and execute its strategy in the best possible way.

Indeed, a responsible company must develop a cooperative attitude that aims to create value both for itself and for its stakeholders.

It is therefore important to identify, assess, prevent and manage the risks that may affect the company's financial and non-financial assets. An appropriate risk management enables the company to protect itself against risks that could jeopardize the long-term viability of its activities and to act on material risks to limit their negative consequences.

The company must also act and keep in mind a permanent improvement ensuring that each process is improved according to criteria of relevance, effectiveness and efficiency.

Improving activity contributes to the economic sustainability of the company.

Legal intelligence, which includes regulatory and contractual intelligence enables companies to understand and meet their legal obligations. It is an essential risk management tool for decision-making as it reduces the uncertainty associated with legal threats and opportunities. We must therefore ensure that we are aware of the legal texts and that we apply them in accordance with the law.

We also have a responsibility to behave ethically and act with fairness, honesty and integrity. Such a skill allows us to transmit standards to our employees and our responsible behaviour extends to our customers whose satisfaction is a key concern.

To encounter these responsibilities, we have adopted a prudent and honest policy reflected in the privileged dialogue with our customers while respecting their personal data.

We also bear in mind that the maintain of a flawless reputation, a responsible image with a strong identity and positive values is a grounded foundation to protect our caring relationship with our customers while creating a climate of trust.



### **Our philanthropic initiatives and partnerships/sponsorships**

- Sponsor to the Hockey Club Luxembourg
- Donation Missing Children
- Donation Foyer Don Bosco Luxembourg
- Donation Croix-Rouge
- Donation PAG.ASA
- Donation Charity International
- Donation BIG (Breast International Group)
- Donation Fondation Roi Baudouin
- Donation United Way (Health-Education-Financial stability for communities)



**Missing  
Children  
Europe**



