

ESG Strategy



1 Our philosophy

At WOOD & Company, we only invest in what we believe in.

We believe that to be successful, investing must be long-term, patient and disciplined. For us, that means sustainability.

We have always taken ESG principles into account in our activities. Our aim is not only to be compliant with legislation - in particular Regulation (EU) 2019/2088, on sustainability-related disclosures in the financial services sector (SFRD) - but to take a realistic view of these topics and to meet clear objectives.

Our primary objective is to value the funds. We believe this is not inconsistent with current efforts to improve environmental, social and governance performance.

We are convinced that we can inspire other companies with our approach.

This commitment is common to all WOOD & Company companies (specifically, WOOD & Company Financial Services, Inc., WOOD & Company Investment Company, Inc., WOOD & Company Variable Capital Investment Fund, Inc., WOOD & Company Funds Sicav p.l.c., WOOD Retail Investments Inc.)

2 The importance of ESG and the sustainability implications of our activities

WOOD & Company does not qualify as a major polluter given that it does not operate any manufacturing operations. However, we are aware that our activities have an impact on society and the environment, whether through our investments or the buildings in which we invest, on our employees or in terms of the impact on our business partners.

WOOD & Company's business activity consists of investment activities - securities trading, client asset management, venture investments, real estate investments, mergers & acquisitions support and advisory activities.

We also take ESG issues into account in our investment activities. We comply with ethical rules and legislation and therefore do not make investments that are not in line with the principles of responsible and prudent investing.

We try to take a realistic view of ESG. We focus on activities that can have a real impact on the environment and society. Conversely, we try to avoid greenwashing.

3 Integrating sustainability risks

The value of the investment may be adversely affected by sustainability risks. Risks may arise in the following situations:

Environmental risks:

Environmental risks can lead to reputational degradation, competitive disadvantage or wrong choice of investment destination. These include:

- ▲ Excessive waste production
- ▲ Excessive consumption of resources
- ▲ Wasteful use of energy, consumption of energy from non-renewable sources

- ▲ Careless handling of water
- ▲ High CO₂ production

Social risks:

- ▲ HR processes - outdated, ignorance on the part of employees, non-compliance
- ▲ Remuneration - employee dissatisfaction, pay gap, employee trading and reputation
- ▲ Work-life balance - employee dissatisfaction, excessive stress and inefficiency
- ▲ Education - unqualified and outdated human resources
- ▲ Whistleblower protection - regulatory breaches and reputational risk

Governance risks:

- ▲ Due Diligence/AML - regulatory non-compliance and related sanctions
- ▲ Bribery - wrong investment decisions, sanctions, reputational risk
- ▲ Contractual obligations - disruption of relations with business partners, fines sanctions
- ▲ Competition - cartel agreements and other distortions of competition
- ▲ Regulation - non-compliance and related penalties

3.1 Integrating sustainability risks into internal processes

We strive to ensure a fair working environment for our employees through a number of internal HR policies that cover equality, diversity, remuneration, work-life balance, transparency and training. We have also implemented a whistleblowing system that is easily accessible to all employees.

When selecting our business partners, we ensure due diligence, where we place emphasis on transparency, AML, anti-corruption and anti-bribery measures and the ability to meet contractual obligations and legal standards.

We try to minimize risks in internal processes by the following measures:

Environmental

- ▲ High level of digitalisation - reduction of resource consumption and waste, reduction of CO₂ production by supporting online meetings
- ▲ Sustainability of buildings in use
- ▲ Promoting sustainable transport

Social

- ▲ Employee equality and minimising the gender pay gap
- ▲ Safe working environment
- ▲ Support for education
- ▲ Care for work-life balance, mental hygiene, health promotion and exercise
- ▲ Whistleblower protection

In the area of governance

- ▲ Internal management and control system
- ▲ Activities of the Compliance Department



- ▲ Personal data protection
- ▲ Due diligence of business partners

3.2 Integrating sustainability risks into investment processes

Sustainable investments can be a way to increase long-term value - both financial and non-financial.

Risks in the environmental area may lie in the potential inaccuracy of the data collected in relation to reality, failure of the technological equipment of the property, failure of the set processes regarding sustainable behaviour. These events can have a negative impact on the environmental and social performance of an investment and thus negatively affect its value.

Environmental

- ▲ Choosing an investment destination
- ▲ Information about the investment

Social

- ▲ Investment awareness and choice
- ▲ Whistleblower protection

In the area of governance

- ▲ Internal management and control system
- ▲ AML processes
- ▲ Due diligence of business partners

4 Required information

In accordance with Article 3 of the SFDR, this strategy describes how sustainability risks are integrated into WOOD & Company's internal processes and investment decision-making processes.

In accordance with Article 4 of the SFDR, WOOD & Company advises that it does not consider the adverse impacts of investment decisions on sustainability factors at this time due to the lack of relevant data for the reference period. However, WOOD & Company does seek to take into account the adverse impacts of investment decisions on sustainability factors.

In accordance with Article 5 of the SFDR, WOOD & Company discloses that the remuneration policy in the form of the Remuneration Policy, which has been approved by the relevant bodies of WOOD & Company and promulgated in the manner prescribed by law, is consistent with the inclusion of sustainability risks.

Therefore, we will incorporate specific factors and their parameters and metrics into our investment decisions, assess the data collected on each factor, and publish an evaluation as soon as it is available, but no later than June 30, 2026.