



FREE CASTLE
CAPITAL LTD

Ethics and ESG Statement

Whilst recognizing that as individuals and as an organization we are “work in progress”, this introduction presents the principles and metrics that as individuals and as an organization Free Castle Capital Ltd strives to adhere to.

We are driven by the principle that every person deserves respect, dignity, and the right to live a life of meaning and purpose.

We emphasize the importance of ethical and responsible economic behaviour.

We encourage investors, suppliers, customers, employees, and other economic actors to consider the social and environmental impacts of their economic choices, and to act in a way that promotes the common good. For all of us as individuals, it means to be mindful of the impact of our consumption on others and to consider the ethical implications of our purchasing decisions.

We advocate for the fair distribution of wealth and the protection of the poor and vulnerable.

We promote the idea of subsidiarity, which holds that social and economic problems should be addressed at the most local level possible, and that the role of the state should be limited to helping individuals and communities to meet their needs.

Overall, as economic actors (whether individually as consumers, or as a firm) we strive to act with integrity, justice, and compassion, and to work for the common good of all people, regardless of race, social status, political ideas, nationality, religious beliefs and gender.

As an organization, Free Castle Capital Ltd strives to adhere to the following principles:

1. **Respect for human being:** We treat all people with respect and fairness and avoid actions that exploit or discriminate against anyone.
2. **Promotion of the common good:** Our firm strives to contribute to the well-being of society and the common good. It considers the impact of its actions on the environment, the local community, and future generations.
3. **Solidarity:** In our dealings, our firm act with compassion and concern for others, and seek to address social and economic inequalities. We support and empower marginalized or disadvantaged groups, and work towards a more just and inclusive society.

www.freecastlecapital.com

Tel: +39 340 3806020/+44 7881 517774 • Email: francesco.debartolo@freecastlecapital.com

Free Castle Capital Ltd 38 Craven Street, London, WC2N 5NG, United Kingdom. Registered in England and Wales No. 14417549.

Free Castle Capital Ltd is authorised and regulated by the Financial Conduct Authority.

4. *Subsidiarity*: Our firm respects the principle of subsidiarity by allowing individuals and communities to take responsibility for their own lives and well-being, and only intervening when necessary to help them meet their needs. We support and empower local communities.
5. *Stewardship of creation*: Our firm respects and cares for the natural environment and seek to minimize its environmental impact. We use natural resources responsibly and sustainably and consider the long-term health and well-being of the planet.
6. *Ethical behaviour*: Our firm acts with integrity and transparency and adhere to ethical standards in all its activities. We avoid actions that harm or exploit others, and act with compassion and concern for the common good.
7. *Respect for human rights*: Our firm respects the rights and dignity of all people, including our employees, customers, suppliers, and communities in which we operate.
8. *Fair treatment of workers*: Our firm provides fair wages, safe and healthy working conditions, and opportunities for advancement for its employees.
9. *Environmental sustainability*: Our firm minimizes its environmental impact and operate in a way that is sustainable and responsible.
10. *Responsible corporate citizenship*: Our firm strives to contribute to the well-being of society through activities such as philanthropy, community involvement, and support for local economies.
11. *Transparency and accountability*: Our firm is open and transparent in its operations and holds itself accountable for its actions and their impact on society and the environment.

I. Promotion of common good

The common good refers to the set of circumstances that make it easier for people to achieve their full potential and satisfaction, both as individuals and as part of a community. It is the goal of every social institution and activity, and it is achieved when all members of society can achieve their full potential and live a life of meaning and purpose.

Promoting the common good requires a commitment to the well-being of all people, and not just the interests of a select few. It involves building social and economic systems that are inclusive and equitable, and that provide the necessary resources and opportunities for all people to thrive.

In the context of business, promoting the common good may involve activities such as paying fair wages, providing safe and healthy working conditions, protecting the environment, and supporting local communities. It also requires a commitment to ethical practices and a rejection of actions that harm or exploit others.

Overall, the promotion of the common good is a fundamental principle that should guide all social and economic activity.



II. Necessity of private initiative

Private initiative is an important means of creating wealth and promoting economic development. The creativity and innovation of private businesses can help to drive economic growth and create jobs, and the competition that results from private enterprise can lead to greater efficiency and lower prices for consumers.

However, we recognize the need that private enterprise must be guided by moral principles and a concern for the common good. By emphasizing the importance of ethical business practices, we call on all private businesses to be responsible corporate citizens and to contribute to the well-being of society.

Through government policies and regulations, private enterprises serve the needs of all members of society, rather than just a select few.

Private initiative plays a very important role in economic development, but there is a very urgent need for businesses to act with integrity and to contribute to the common good.

III. Role of the State

The role of the state is to create and maintain the conditions necessary for the common good. This includes protecting the rights and dignity of all people, promoting social justice and the fair distribution of wealth, and ensuring that the basic needs of all members of society, via properly functioning tangible and intangible infrastructure networks, legal and market ecosystems, social security, housing assistance, health care, education, childcare, military and civil defense, are met.

We adhere to the principle of subsidiarity, which holds that social and economic problems should be addressed at the most local level possible, and that the role of the state should be limited to helping individuals and communities to meet their needs. This means that the state should not interfere in the affairs of civil society or the economy unless absolutely necessary.

At the same time, we recognize that there are certain issues that cannot be effectively addressed by individuals or communities alone, and that the state has a responsibility to intervene in order to promote the common good. This may include activities such as regulating the economy to ensure fair competition, protecting the environment, and providing services such as education and healthcare.

Overall, we call for a limited, but active role for the state in promoting the common good and protecting the rights and dignity of all people.



IV. Ethical consumption and purchasing decisions

Ethical consumption and purchasing decisions refer to the practice of considering the social and environmental impact of the products and services that we buy and choosing to purchase from companies that align with our values and principles.

Ethical consumption and purchasing decisions involve considering the impact of our choices on others and on the common good. This may involve looking for products that are produced in a way that respects the rights and dignity of workers, that are environmentally sustainable, and that are not harmful to people or the planet.

There are many different factors that can influence ethical consumption and purchasing decisions, such as a company's environmental impact, labour practices, and involvement in social or charitable causes. Some people may also consider the origin of a product, its impact on local communities, and its overall impact on the world.

Making ethical consumption and purchasing decisions can be challenging, as it may require doing additional research and being willing to pay a premium for products that align with our values. However, it is an important way to use our purchasing power to create a more just and sustainable world.

V. Fair distribution of wealth

The fair distribution of wealth refers to the idea that the resources and benefits of a society should be distributed in a way that is equitable and just, and that considers the needs and rights of all members of society.

The fair distribution of wealth is an important aspect of social justice. It is believed that every person is entitled to a certain level of economic security and the opportunity to lead a fulfilling life, and that a society that fails to provide these basic needs for all its members is fundamentally unjust.

There are many ways in which the fair distribution of wealth can be promoted, such as through paying taxes where we operate based on progressive taxation, social welfare programs, and policies that support the poor and vulnerable. We emphasize the importance of ensuring that everyone has the opportunity to participate in the economic life of society and try when possible to act with compassion and generosity towards those in need.

Overall, we believe that the fair distribution of wealth is key factor in creating a just and equitable society.



VI. Protection of the poor and vulnerable

The protection of the poor and vulnerable is a central aspect of building a just and equitable society. There are many ways in which the poor and vulnerable can be protected and supported:

Providing basic needs: This may include initiatives such as food banks, soup kitchens, and programs that provide housing, healthcare, and education to those in need.

Promoting economic development: This can be achieved through initiatives such as microfinance programs, which provide small loans and business training to help people start their own businesses and lift themselves out of poverty.

Advocating for policies that support the poor and vulnerable: This may involve lobbying for policies such as progressive taxation, minimum wage laws, and social welfare programs that help to reduce inequality and provide support to those in need.

Supporting local communities: This can be achieved through initiatives such as supporting local businesses, investing in community development projects, and volunteering time and resources to help those in need.

Educating others: Raising awareness about social injustices and the plight of the poor and vulnerable can help to build support for policies and initiatives that promote social improvement and reduce inequality.

Overall, helping poor and vulnerable people climb the social ladder and turn around social injustice requires a multifaceted approach that addresses the root causes of poverty and inequality, and that supports individuals and communities in their efforts to improve their circumstances.

VII. Subsidiarity

Subsidiarity is a principle that holds that social and economic problems should be addressed at the most local level possible, and that the role of the state should be limited to helping individuals and communities to meet their needs.

In practice, this means that decisions and actions that affect a community or society should be taken at the level that is closest to the people involved, rather than being imposed from above. The principle of subsidiarity is based on the belief that people are more likely to be invested in and responsible for the outcomes of decisions that are made at a local level, and that local solutions are often more responsive to the needs and circumstances of the people they serve.



At the same time, the principle of subsidiarity also recognizes that there are certain issues that cannot be effectively addressed by individuals or communities alone, and that the state or other higher levels of organization may need to intervene to promote the common good.

In terms of the relationship between local and global levels, the principle of subsidiarity suggests that global issues should be addressed in a way that respects the autonomy and ability of local communities to address their own needs and solve their own problems. At the same time, it also recognizes that global issues may require global solutions, and that it is important for higher levels of organization to support and empower local communities to address these challenges.

VIII. Ethics and responsibility in consumer choices

Ethical and responsible economic behaviour in consumer choices refers to the practice of considering the social and environmental impact of the products and services that we buy and choosing to purchase from companies that align with our values and principles.

There are many different factors that can influence ethical and responsible consumer choices, such as a company's environmental impact, labour practices, and involvement in social or charitable causes. Some people may also consider the origin of a product, its impact on local communities, and its overall impact on the world.

Making ethical and responsible consumer choices can be challenging, as it may require doing additional research and being willing to pay a premium for products that align with our values. However, it is an important way to use our purchasing power to create a more just and sustainable world.

Ethical and responsible economic behaviour in consumer choices is seen as an important way to promote the common good and to act with integrity and compassion towards others. It is based on the belief that every person deserves respect, dignity, and the opportunity to lead a life of meaning and purpose.

IX. Ethics and responsibility in commercial business practices

Ethical and responsible economic behaviour in commercial business practices refers to the practice of conducting business in a way that is fair, honest, and respectful of the rights and dignity of all people, and that takes into account the impact of business activities on society and the environment.

There are many different factors that can influence ethical and responsible business practices, such as a company's treatment of its employees, its environmental impact, and its relationships with suppliers, customers, and stakeholders. Ethical and responsible business practices may also



involve considerations such as transparency, compliance with laws and regulations, and responsible supply chain management.

Ethical and responsible business practices are seen as an important way to promote the common good and to act with integrity and compassion towards others. It is based on the belief that every person is deserving of respect, dignity, and the opportunity to lead a life of meaning and purpose.

Promoting ethical and responsible business practices requires a commitment to excellence and to acting in a way that is consistent with the values and principles of the organization. It also requires a willingness to listen to and engage with stakeholders, and to be transparent and accountable in all business activities.

IX. Environmental Social and Governance (ESG) impact

Environmental, social, and governance (ESG) impacts refer to the way in which an investment affects the environment, society, and the governance of the company or organization in which it is made.

Environmental impacts refer to the way in which an investment affects the natural environment, including issues such as greenhouse gas emissions, resource consumption, and waste production.

Social impacts refer to the way in which an investment affects people and communities, including issues such as labor practices, human rights, and the impact on local communities.

Governance impacts refer to the way in which an investment is governed and managed, including issues such as executive compensation, board diversity, and corporate transparency.

Investors who are concerned about ESG impacts may choose to invest in companies or organizations that have a positive track record in these areas, or to avoid investing in companies that have a negative impact on the environment, society, or governance. This type of investing is known as socially responsible investing (SRI) or impact investing.

ESG impacts are an important consideration for us, as they reflect our values and principles and can have a significant impact on society and the environment.

X. Economic and financial sustainability

Economic sustainability refers to the ability of an economy to support and maintain the well-being of current and future generations. It involves finding a balance between economic growth, social justice, and environmental protection, and ensuring that the resources and systems that support the economy are managed in a way that meets the needs of all stakeholders.



Financial sustainability refers to the ability of a company, organization, or government to generate sufficient financial resources to meet its ongoing expenses and to achieve its long-term goals. It involves careful planning and management of financial resources, and the ability to adapt to changing circumstances and market conditions.

Both economic and financial sustainability are important for the long-term viability and success of a company, organization, or economy. Economic sustainability is necessary for the overall well-being and prosperity of a society, while financial sustainability is necessary for the viability and success of a company or organization.

In practice, economic and financial sustainability are often closely linked, as the financial health of a company or organization can impact the overall economy, and economic conditions can influence the financial sustainability of a company or organization. Ensuring both economic and financial sustainability requires careful planning and management, and the ability to adapt to changing circumstances and market conditions.

XI. Need for peace

Peace is an essential element of a just and harmonious society and is essential for the well-being and prosperity of individuals, communities, and nations. We place a strong emphasis on the pursuit of peace and the promotion of nonviolence as a means of resolving conflicts and building a more just and compassionate world.

At the same time, we also recognize that there are circumstances when the use of force may be necessary to defend against aggression or to protect the innocent. In such situations, we emphasize the need to use force in a way that is proportionate to the threat, and to seek to minimize harm to non-combatants.

Overall, we are committed to peace and for the use of force to be a last resort and to be used in a way that is consistent with the principles of justice and the protection of human rights.

Very truly yours,

Free Castle Capital Ltd

Francesco De Bartolo

CEO & MANAGING DIRECTOR

www.freecastlecapital.com

Tel: +39 340 3806020/+44 7881 517774 • Email: francesco.debartolo@freecastlecapital.com

