

Principal Adverse Impact Statement

Statement on principal adverse impacts of investment decisions on sustainability factors
Pursuant to Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Disclosure Regulation or SFDR).

Principal Adverse Impacts (PAIs) on sustainability factors are any negative effects that investment decisions or advice could have on environmental, social and employee matters, human rights, anti-corruption and anti-bribery matters.

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1. Summary

ERIC Fund Management GmbH (the “**Fund Manager**”, “**We**”) (LEI: 391200YQUH0SXNKOEJ32) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of the Fund Manager.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1st of January 2024 to 31 December 2024.

We applied a set of sustainability indicators at portfolio company level subject to data availability and data quality. This contains the mandatory indicators as set forth in no. 1 to 14 of Table 1 of Annex I of the Delegated Regulation (EU) 2022/1288 (“**RTS**”) as well as the indicators no. [4] of table 2 and no. [15] of table 3 of Annex I. At all times, we applied the principle of proportionality taking due account of the strategic relevance of an investment as well as its transactional context.

In general, our portfolio companies did not have a significant negative impact. The portfolio companies held in 2024 are nearly all early-stage startups that only have a minor operative footprint. There are numerous software companies among them that have very low emissions per se.

In order to improve the data generation, we continue to partner with APIDAY to provide support in generating the data needed to portfolio companies.

Comparability between the principal adverse impacts of our investments and industry benchmarks is still challenging due to the diversity of our portfolios (asset class, nature of the instruments, sectors we invest into etc.).

We consider principal adverse impacts as part of our investment due diligence process and procedures. At entity level, we consider principal adverse impacts by measuring and monitoring the aggregated negative impact of our investments on sustainability factors. In the absence of mandatory data reporting requirements for investee companies, we are still facing challenges in identifying all principal adverse impacts of our investments.

Principal adverse impact assessment is further described in our active ownership and engagement policies and processes. Our active ownership efforts include engagement, proxy voting, attending annual general meetings and contributing to the development of industry ESG standards.

2. Description of the principal adverse impacts on sustainability factors

Our goal is to identify and analyze main ESG challenges, risks and opportunities throughout the investment cycle. PAI indicators are a way of measuring how our investments negatively impact sustainability factors. To monitor investee companies' impacts and progress plan on adverse sustainability impacts, we collect ESG indicators quarterly.

We considered the principal adverse sustainability indicators as set forth in the table below.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	8.67 tCO ₂ e	17.68 tCO ₂ e	<p>This data covers 95% of the portfolio companies within the fund.</p>	<p>The Fund Manager continues to took the following measures to minimize the greenhouse gas emissions of its portfolio companies during this reporting period:</p> <ul style="list-style-type: none"> - Integration of ESG criteria into investment decisions to prioritize companies with lower greenhouse gas emissions and stronger climate change mitigation strategies - Active engagement with portfolio companies to encourage the adoption of emission reduction targets, implementation of energy efficiency measures, and transition to renewable energy sources - Dialogue with high-emitting companies to promote transparency and disclosure of greenhouse gas emissions data - Allocation of capital towards investments in companies developing and deploying low-carbon technologies, such as renewable energy, energy storage, and carbon capture and storage (CCS) solutions - Measurement and reporting of the carbon footprint of investment portfolios to track progress towards emission reduction goals. <p>For the next reporting period, the Fund Manager plans to undertake the following actions to reduce the greenhouse gas emissions of its portfolio companies:</p> <ul style="list-style-type: none"> - Integration of ESG criteria into investment decisions to prioritize companies with lower greenhouse

Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation Actions taken
					gas emissions and stronger climate change mitigation strategies - Advocacy for climate-friendly policies and regulations that incentivize emission reductions, promote renewable energy deployment, and accelerate the transition to a low-carbon economy - Measurement and reporting of the carbon footprint of investment portfolios to track progress towards emission reduction goals.
		Scope 2 GHG emissions	7.74 tCO ₂ e	20.63 tCO ₂ e	<p>This data covers 95% of the portfolio companies within the fund.</p> <p>The Fund Manager continues to took the following measures to minimize the greenhouse gas emissions of its portfolio companies during this reporting period:</p> <ul style="list-style-type: none"> - Integration of ESG criteria into investment decisions to prioritize companies with lower greenhouse gas emissions and stronger climate change mitigation strategies - Active engagement with portfolio companies to encourage the adoption of emission reduction targets, implementation of energy efficiency measures, and transition to renewable energy sources - Dialogue with high-emitting companies to promote transparency and disclosure of greenhouse gas emissions data - Allocation of capital towards investments in companies developing and deploying low-carbon technologies, such as renewable energy, energy storage, and carbon capture and storage (CCS) solutions - Measurement and reporting of the carbon footprint of investment portfolios to track progress towards

Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation Actions taken
					<p>emission reduction goals.</p> <p>For the next reporting period, the Fund Manager continues to plan to undertake the following actions to reduce the greenhouse gas emissions of its portfolio companies:</p> <ul style="list-style-type: none"> - Integration of ESG criteria into investment decisions to prioritize companies with lower greenhouse gas emissions and stronger climate change mitigation strategies - Advocacy for climate-friendly policies and regulations that incentivize emission reductions, promote renewable energy deployment, and accelerate the transition to a low-carbon economy - Measurement and reporting of the carbon footprint of investment portfolios to track progress towards emission reduction goals.
		From 1 January 2024, Scope 3 GHG emissions	109.77 tCO2e	524.26 tCO2e	<p>The Fund Manager continues to took the following measures to minimize the greenhouse gas emissions of its portfolio companies during this reporting period:</p> <ul style="list-style-type: none"> - Integration of ESG criteria into investment decisions to prioritize companies with lower greenhouse gas emissions and stronger climate change mitigation strategies - Active engagement with portfolio companies to encourage the adoption of emission reduction targets, implementation of energy efficiency measures, and transition to renewable energy sources - Dialogue with high-emitting companies to promote <p>This data covers 95% of the portfolio companies within the fund.</p>

Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation Actions taken
					<p>transparency and disclosure of greenhouse gas emissions data</p> <ul style="list-style-type: none"> - Allocation of capital towards investments in companies developing and deploying low-carbon technologies, such as renewable energy, energy storage, and carbon capture and storage (CCS) solutions - Measurement and reporting of the carbon footprint of investment portfolios to track progress towards emission reduction goals. <p>For this reporting period, the Fund Manager started to undertake the following actions to reduce the greenhouse gas emissions of its portfolio companies:</p> <ul style="list-style-type: none"> - Integration of ESG criteria into investment decisions to prioritize companies with lower greenhouse gas emissions and stronger climate change mitigation strategies - Advocacy for climate-friendly policies and regulations that incentivize emission reductions, promote renewable energy deployment, and accelerate the transition to a low-carbon economy - Measurement and reporting of the carbon footprint of investment portfolios to track progress towards emission reduction goals.
		Total GHG emissions	126.17 tCO ₂ e	562.57 tCO ₂ e	<p>This data covers 95% of the portfolio companies within the fund.</p> <p>The Fund Manager continues to took the following measures to minimize the greenhouse gas emissions of its portfolio companies during this reporting period:</p> <ul style="list-style-type: none"> - Integration of ESG criteria into investment decisions to prioritize companies with lower greenhouse gas emissions and stronger climate

Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation Actions taken
					<p>change mitigation strategies</p> <ul style="list-style-type: none"> - Active engagement with portfolio companies to encourage the adoption of emission reduction targets, implementation of energy efficiency measures, and transition to renewable energy sources - Dialogue with high-emitting companies to promote transparency and disclosure of greenhouse gas emissions data - Allocation of capital towards investments in companies developing and deploying low-carbon technologies, such as renewable energy, energy storage, and carbon capture and storage (CCS) solutions - Measurement and reporting of the carbon footprint of investment portfolios to track progress towards emission reduction goals <p>For the next reporting period, the Fund Manager continues to plan to undertake the following actions to reduce the greenhouse gas emissions of its portfolio companies:</p> <ul style="list-style-type: none"> - Integration of ESG criteria into investment decisions to prioritize companies with lower greenhouse gas emissions and stronger climate change mitigation strategies - Advocacy for climate-friendly policies and regulations that incentivize emission reductions, promote renewable energy deployment, and accelerate the transition to a low-carbon economy - Measurement and reporting of the carbon footprint of investment

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken
						portfolios to track progress towards emission reduction goals.
	2. Carbon footprint	Carbon footprint of investee companies	3.88 tCO2e/M€	13.44 tCO2e	This data covers 95% of the portfolio companies within the fund.	No actions were taken during the reporting period. No actions were planned and/or targets set for the next reporting period.
	3. GHG intensity of investee companies	GHG intensity of investee companies	67.93 tCO2e/M€	103.8 tCO2e	This data covers 95% of the portfolio companies within the fund.	The Fund Manager continues to took the following measures to minimize the greenhouse gas emissions of its portfolio companies during this reporting period: - Integration of ESG criteria into investment decisions to prioritize companies with lower greenhouse gas emissions and stronger climate change mitigation strategies - Active engagement with portfolio companies to encourage the adoption of emission reduction targets, implementation of energy efficiency measures, and transition to renewable energy sources - Dialogue with high-emitting companies to promote transparency and disclosure of greenhouse gas emissions data - Allocation of capital towards investments in companies developing and deploying low-carbon technologies, such as renewable energy, energy storage, and carbon capture and storage (CCS) solutions -Measurement and reporting of the carbon footprint of investment portfolios to track progress towards emission reduction goals.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation Actions taken
					<p>For the next reporting period, the Fund Manager continues to plan to undertake the following actions to mitigate the greenhouse gas emissions of its portfolio companies:</p> <ul style="list-style-type: none"> - Integration of ESG criteria into investment decisions to prioritize companies with lower greenhouse gas emissions and stronger climate change mitigation strategies - Advocacy for climate-friendly policies and regulations that incentivize emission reductions, promote renewable energy deployment, and accelerate the transition to a low-carbon economy - Measurement and reporting of the carbon footprint of investment portfolios to track progress towards emission reduction goals.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	<p>This data covers 85% of the portfolio companies within the fund.</p> <p>The Fund Manager continues to took the following measures to minimize the greenhouse gas emissions of its portfolio companies during this reporting period: Allocating funds towards renewable energy projects, green bonds, or sustainable infrastructure.</p> <p>For the next reporting period, the Fund Manager continues to plan to undertake the following actions to reduce the exposure to companies active in the fossil fuel sector:</p> <ul style="list-style-type: none"> - Divesting from fossil fuel companies or reducing the proportion of investments in these sectors.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation Actions taken
					<ul style="list-style-type: none"> - Collaborating with industry associations and policymakers to advocate for regulatory frameworks that incentivize the transition to decarbonization.
Energy	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	31.02% Non renewable energy consumption: 31.02% Non renewable energy production: 0%	29.68% Non renewable energy consumption: 31.34% Non renewable energy production: 0%	<p>This data covers an average of 70% of the portfolio companies within the fund.</p> <p>The Fund Manager continues to took the following measures to reduce the energy consumption and/or production of its portfolio companies during this reporting period:</p> <ul style="list-style-type: none"> - Allocation of capital towards energy efficiency projects within portfolio companies - Support for companies involved in the development, operation, and financing of renewable energy infrastructure - Active engagement with portfolio companies to encourage the adoption of energy efficiency measures and renewable energy integration. <p>For the next reporting period, the Fund Manager continues to plan to undertake the following actions to reduce the energy consumption and/or production of its portfolio companies:</p> <ul style="list-style-type: none"> - Allocation of capital towards energy efficiency projects within portfolio companies - Support for companies involved in the development, operation, and financing of renewable energy infrastructure - Active engagement with portfolio companies to encourage the adoption of energy efficiency measures and renewable energy

Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation Actions taken
					integration - Monitoring and reporting of energy consumption and production metrics within investment portfolios to track progress towards energy efficiency goals and identify opportunities for improvement.
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.01 MWh/M € Energy consumption intensity (A-B-D-E-F-G-H): 0MWh/M € Energy intensity C: 0 MWh/M € Energy intensity L: 0 MWh/M €	23.02 MWh/M € Energy consumption intensity (A-B-D-E-F-G-H): 0MWh/M € Energy intensity C: 1.82 MWh/M € Energy intensity L: 22.41	This data covers 75% of the portfolio companies within the fund. The Fund Manager continues to took the following measures to reduce the energy consumption of the portfolio companies operating in high impact climate sector(s) during this reporting period: - Allocation of capital towards energy efficiency projects within portfolio companies - Support for companies involved in the development, operation, and financing of renewable energy infrastructure - Active engagement with portfolio companies to encourage the adoption of energy efficiency measures and renewable energy integration For the next reporting period, the Fund Manager continues to plan to undertake the following actions to reduce the energy consumption intensity of the portfolio companies operating in high climate impact sector(s): - Allocation of capital towards energy efficiency projects within portfolio companies

Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation Actions taken
					<ul style="list-style-type: none"> - Support for companies involved in the development, operation, and financing of renewable energy infrastructure - Active engagement with portfolio companies to encourage the adoption of energy efficiency measures and renewable energy integration - Monitoring and reporting of energy consumption and production metrics within investment portfolios to track progress towards energy efficiency goals and identify opportunities for improvement
	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	0%	<p>This data covers 85% of the portfolio companies within the fund.</p> <p>No actions were taken during the reference period regarding activities negatively affecting biodiversity-sensitive areas.</p> <p>No actions were planned or targets set for the next reference period regarding activities negatively affecting biodiversity-sensitive areas.</p>

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken
Biodiversity						
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0 ton/M€	0 ton/M€	This data covers 85% of the portfolio companies within the fund.	<p>No actions were taken during the reference period regarding emissions to water.</p> <p>For the next reporting period, issuers identified as outliers on the emissions to water indicator or which exhibit high adverse impact across several indicators may be subject to further analysis and potential actions.</p>
Waste	9. Hazardous waste ratio and radioactive waste ratio	Tons of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a	0 ton/M€	0 ton/M€	This data covers 85% of the portfolio companies within the fund.	<p>No actions were taken during the reference period regarding hazardous waste.</p> <p>For the next reporting period, issuers identified as outliers on the indicator or which exhibit high adverse impact across several indicators may be subject to further analysis and potential actions.</p>

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken
		weighted average				
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	This data covers 85 % of the portfolio companies within the fund.	No actions were taken during the reference period regarding violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises. No actions were planned or targets set for the next reference period regarding violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for	76.6%	76.9%	This data covers 85% of the portfolio companies within the fund.	No actions were taken during the reference period regarding the lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises. No actions were planned or targets set for the next reference period regarding the lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken
		Multinational Enterprises of the UNGC principles or OECD Guidelines for Multinational Enterprises				
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	19.10%	23.13%	This data covers 75% of the portfolio companies within the fund.	The Fund Manager continues to took the following measure to reduce the unadjusted gender pay gap of its portfolio companies during this reporting period: conducting gender pay equity assessments within portfolio companies to identify disparities in compensation between male and female employees. For the next reporting period, the Fund Manager continues to plan to undertake the following action to reduce the unadjusted gender pay gap of its portfolio companies: conducting gender pay equity assessments within portfolio companies to identify disparities in compensation between male and female employees.
	13. Board gender diversity	Average ratio of female to male board members in investee companies	93.50%	88.49%	This data covers 55% of the portfolio companies within the fund.	The Fund Manager continues to took the following measure to increase the board gender diversity of its portfolio companies during this reporting period: engagement with portfolio companies to advocate for the appointment of women to corporate boards and the adoption of diversity and inclusion initiatives.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation Actions taken
					<p>For the next reporting period, the Fund Manager continues to plan to undertake the following actions to increase the board gender diversity of its portfolio companies:</p> <ul style="list-style-type: none"> - Engagement with portfolio companies to advocate for the appointment of women to corporate boards and the adoption of diversity and inclusion initiatives - Dialogue with company management and board members to emphasize the business case for gender diversity and the importance of inclusive governance practices.
	14. Exposure to Controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0 %	0 %	<p>This data covers 85% of the portfolio companies within the fund.</p> <p>The Fund Manager continues to take the following measure to reduce the exposure to investee companies involved in the manufacture or selling of controversial weapons during this reporting period: implementation of exclusionary screening criteria to identify and exclude investments in companies involved in the production, sale, or distribution of controversial weapons.</p> <p>For the next reporting period, the Fund Manager continues to plan to reduce the exposure to investee companies involved in the manufacture or selling of controversial weapons by implementing exclusionary screening criteria to identify and exclude investments in companies involved in the production, sale, or distribution of controversial weapons.</p>

Table 2 Additional climate and other environment-related indicators						
Adverse sustainability impact	Adverse sustainability impact (qualitative or quantitative)	Metric	Impact 2024	Impact 2023	Explanation	Actions taken
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	4,12 %	0 %	<p>This data covers 85% of the portfolio companies within the fund.</p>	<p>The Fund Manager continues to took the following measures during this reporting period:</p> <ul style="list-style-type: none"> -Measurement and reporting of the carbon footprint of investment portfolios to track progress towards emission reduction goals. <p>For the next reporting period, the Fund Manager continues to plan to undertake the following actions:</p> <ul style="list-style-type: none"> - Advocacy for climate-friendly policies and regulations that incentivize emission reductions, promote renewable energy deployment, and accelerate the transition to a low-carbon economy

Table 3 Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS			Impact 2024	Impact 2023	Explanation	Actions taken
Adverse sustainability impact	Adverse sustainability impact (qualitative or quantitative)	Metric				
Indicators applicable to investments in investee companies						
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	53.68%	53.68%	This data covers 85% of the portfolio companies within the fund.	No actions were taken during the reporting period. No actions were planned and/or targets set for the next reporting period.

3. Description of policies to identify and prioritize principal adverse impacts on sustainability factors

We have implemented specific policies and/or strategies to identify and prioritise principal adverse impacts on sustainability factors, which were approved by January 1, 2022:

- An ESG strategy covering the investment process to mitigate adverse impacts and enhance sustainability outcomes;
- An exclusion policy that defines criteria for excluding investment that do not meet predetermined ESG standards. The policy is available [on our website](#).

Prior to any investment, we conduct a due diligence. Part of this due diligence includes checking whether the investment could have an adverse impact on sustainability factors. We identify principal adverse sustainability impacts during reporting and disclosure stage of the investment process:

- The Fund Manager employs independent third-party verifiers or assurance providers to review and validate the accuracy and reliability of ESG disclosures, thereby enhancing the credibility and trustworthiness of the reports.

The monitoring of principal adverse impacts on sustainability factors is the responsibility of the investment team in collaboration with the portfolio management team. Our approach on identifying and prioritizing principal adverse sustainability impacts relies on the following methodologies:

- Internal ESG research (e.g., analyzing employee turnover rates to evaluate labor practices);
- External ESG research (e.g., utilizing industry-specific ESG ratings from recognized agencies like MSCI or Sustainalytics);
- Stakeholder engagement (e.g., engaging with local communities to understand social impacts of operations).

Our methodologies to identify and prioritize principal adverse sustainability impacts do not currently take into account the scope, severity, occurrence, and irremediability of adverse impacts.

Information relating to any of the indicators used is primarily obtained from the portfolio companies. However, if information is not readily available, the Fund Manager will use its best efforts to obtain the information by carrying out additional research, cooperating with third party data providers or external experts or making reasonable assumptions. Thus, errors cannot be excluded completely. Yet, we will always endeavour to identify such errors or inaccuracies and to intervene as appropriate.

The potential error margin associated with the methodologies and resources used to identify and calculate principal adverse sustainability impacts includes:

- Different definitions and interpretation of materiality;
- Error from proxy data usage.

The identification and prioritization of principal adverse sustainability impacts rely on materiality, measurability, data quality and availability, using the following data sources notably:

- External providers specialized in "ESG" research;

- Internal qualitative research: insights from PT1 ESG analysts assessing ESG performance of investee companies, based on direct contacts with academics, institutions, civil society research, issuer official publications.

4. Engagement policies

We believe that engagement with investee companies sustainability issues can have a positive impact on investment results and on society.

We view engagement as a means to enter into a dialogue with a company to influence its behavior. It can be conducted either as a response to a specific incident that has had an adverse sustainability impact, or done proactively to steer companies towards the 'safe' and 'just', or 'positive' impact.

When it comes to active ownership, the Fund Manager adheres to the following engagement principles:

- Collaboration with other investors on engagement initiatives to address common ESG concerns and advocate for sustainable practices;
- Joining investor coalitions or networks focused on ESG issues;
- Participating in industry working groups or forums to get involved in discussion and initiatives aimed at addressing industry-specific ESG challenges;
- Sharing best practices and insights with peers;
- Pooling resources for research or advocacy efforts.

When there is no reduction of the principal adverse impacts over more than one reference period, then we adapt our strategy by:

- intensifying our engagement efforts with investee companies through seeking dialogue with companies and raising issues at the board level;
- seeking greater transparency regarding impact mitigation measures.

5. References to international standards

We do not currently commit to adhering to responsible business conduct codes or internationally recognized standards for due diligence and reporting, nor do we plan to do so in the very short term.

6. Historical Comparison

This is the third reporting period for the PAI statement.