Statement on the main adverse effects of investment decisions on sustainability factors

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The following statement is published 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 (the Sustainable Finance Disclosure Regulation – SFDR).

Principal adverse impacts (PAIs) are the most significant negative effects that investment decisions or investment advice may have on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

I. Summary

This statement constitutes the consolidated statement on the principal adverse impacts of investment decisions on sustainability factors of PortfoLion Venture Capital Fund Management Ltd. (hereinafter: PortfoLion, or the Fund Manager). The Fund Manager considers the principal adverse impacts of its investment decisions on sustainability factors.

The purpose of this statement is to enable PortfoLion Venture Capital Fund Management Ltd. (Company Registration Number: 01-10-046106; LEI: 5299007J2UQCATTCF103) to comply with the disclosure obligations set out in Article 4 of the SFDR[1], in accordance with the Fund Manager's Sustainability Policy.

This statement on the principal adverse impacts on sustainability factors covers the reference period from 1 January 2025 to 31 December 2025.

A sustainability risk is an environmental, social or governance (ESG) event or condition that, if it occurs, could have a material adverse impact on the value of investments and, consequently, on the value of assets, the financial position or income of the supervised entity, as well as on its reputation.

The consideration of the adverse impacts of investment decisions on sustainability factors is implemented through the monitoring of individual principal adverse impact indicators. For this purpose, PortfoLion applies its own qualitative ESG risk assessment questionnaire. In addition, the Fund Manager applies an exclusion list and sector-specific exclusion criteria as part of its investment decision-making process to mitigate principal adverse impacts.

Based on Annex 1 of the Investment Sustainability Risk Management Policy, the Fund Manager completed its qualitative ESG risk assessment questionnaire for all investments. The consolidated results for the reporting year show that 78% of portfolio companies fall into the low-risk category, while 23% are classified as medium risk. No investments were classified as presenting a high ESG risk.

The Fund Manager considered the principal adverse impacts of its investment decisions on sustainability factors for the period from 1 January 2025 to 31 December 2025.

Please note that the content of this Statement depends significantly on the availability and quality of data relating to the individual principal adverse impact indicators. To support the collection of the indicators required under the SFDR reporting framework (Table 1), the Fund Manager entered into an agreement with Apiday, an ESG platform provider, in 2023 in order to improve both the availability and quality of ESG data. Apiday supports asset managers and investors in the collection and management of ESG data. In accordance with the applicable regulatory requirements, the Fund Manager publishes an annual comparison of the indicators with those reported for the previous reporting period.

[1] Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of "do no significant harm", the content, methodologies and presentation of information relating to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information relating to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.

II. Description of the main adverse effects of sustainability factors

The table below contains information on both the mandatory principal adverse impact indicators and the additional optional indicators relating to climate and other environmental matters, as well as social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. PortfoLion hereby notes that, in accordance with the applicable regulatory requirements, comparisons of the individual indicators with the previous reporting period are published annually.

The Fund Manager has developed its own qualitative ESG risk assessment questionnaire, which is included as an annex to its Sustainability Policy.

Under the Fund Manager's Exclusion Policy, potential investments are excluded where they repeatedly and materially violate one or more of the Ten Principles of the United Nations Global Compact[2], without having taken credible corrective measures to remedy such breaches.

In addition, the Fund Manager applies sector-specific exclusion criteria. A detailed description of these exclusions is available in Section I.1.2 – Description of the Principal Adverse Impacts on Sustainability Factors and the Measures Taken of the SFDR Statement dated 18 November 2022.

The Fund Manager completed and assessed its internally developed qualitative ESG risk assessment questionnaire for each investment. On a consolidated basis, the results show that the vast majority of portfolio companies fall within the low-risk category, while only a small proportion are classified as medium risk. No investments were classified as presenting a high ESG risk.

During 2025, the Fund Manager did not identify any sustainability-related risks that would have required corrective action. Consequently, no specific measures have been planned for the following reporting year. Nevertheless, in 2026 the Fund Manager will continue to place increasing emphasis on the collection and quality of ESG data.

PortfoLion's objective is to identify and assess the key ESG challenges, risks and opportunities throughout the entire investment lifecycle. The Principal Adverse Impact (PAI) indicators enable the Fund Manager to measure the extent to which its investments adversely affect sustainability factors.

In addition, the Fund Manager monitors and evaluates all mandatory PAI indicators. Table 1 of Annex I below contains the list of monitored PAI indicators and, where relevant, a description of the measures implemented or planned to prevent or mitigate adverse impacts. The Fund Manager also applies additional indicators to identify and assess significant adverse impacts. These are presented in Table 2 and include:

- Investments in companies without carbon emission reduction initiatives;
- Investments in companies without anti-corruption and anti-bribery policies.

To monitor the sustainability performance of investee companies and to assess progress in reducing adverse sustainability impacts, the Fund Manager collects ESG data on an annual basis. Quarterly reporting is currently not feasible, as the Fund Manager does not have adequate resources to support such reporting frequency.

[2] **United Nations Global Compact:** A call to companies to align their strategies and operations with universal principles on human rights, labour, the environment and anti-corruption, and to take actions that advance broader societal goals.

III. Indicators Applicable to Investments in Investee Companies

Indicator for adverse sustainability effects		**Metric**	**Effective year 2025**	**Effective year 2024**	**Explanation**	**Actions taken, actions planned and targets set for the next reference period**
CLIMATE-POLITICAL AND OTHER ENVIRONMENTAL INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	9295,8 tCO2e	2141,4 tCO2e	*Total Scope 1 greenhouse gas emissions of the portfolio companies, weighted according to the value of the investment in each portfolio company and the company's latest available enterprise value including cash. For the 2025 reporting period, 97.1% of portfolio companies reported actual data, while the remaining data were estimated.*	*Data collection was carried out using information provided by the external ESG data provider Apiday. During 2025, the Fund Manager monitored the principal adverse impact indicators across the entire managed portfolio based on data supplied by the external provider. Given the size of the portfolio management activity, the assets under management and the fact that the portfolios are managed under Article 6 of Regulation (EU) 2019/2088 (SFDR), no further analysis was performed. Certain principal adverse impacts are addressed through the Fund Manager's Exclusion List, which will continue to be applied. The Fund Manager also seeks to continuously improve its investment decision-making processes. No measures were implemented during the reference period, and no*
		Scope 2 GHG emissions	8648,7 tCO2e	1026,7 tCO2e	*Total Scope 2 greenhouse gas emissions of the portfolio companies, weighted according to the value of the investment in each portfolio company and the company's latest available enterprise value including cash. For the 2025 reporting period, 94.1% of portfolio companies reported actual data, while the remaining data were estimated.*	
		Scope 3 GHG emissions	23466,5 tCO2e	5099,1 tCO2e	*Total Scope 3 greenhouse gas emissions of the portfolio companies, weighted according to the value of the investment in each portfolio company and the company's latest available enterprise value including cash. For the 2025 reporting period, 97.1% of portfolio companies reported actual data, while the remaining data were estimated.*	
		Total GHG emissions	41272,5 tCO2e	8267,2 tCO2e	*Total annual Scope 1, Scope 2 and estimated Scope 3*	

					greenhouse gas emissions attributable to the market value of the portfolio. For the 2025 reporting period, 94.1% of portfolio companies reported actual data, while the remaining data were estimated.	*measures are planned for the next reference period.*
	2. Carbon footprint	Carbon footprint	125,6 tCO2e/million EUR	156,2 tCO2e/million EUR	*Total annual Scope 1, Scope 2 and estimated Scope 3 greenhouse gas emissions attributable to EUR 1 million of portfolio value (tCO_2e per million EUR). For the 2025 reporting period, 94.1% of portfolio companies reported actual data, while the remaining data were estimated.*	
	3. GHG intensity of investee enterprises	GHG intensity of investee companies	4062001,2 tCO2e/million EUR	69,1 tCO2e/million EUR	*Greenhouse gas intensity of investee companies (Scope 1, Scope 2 and Scope 3 GHG emissions per million EUR of revenue). For the 2025 reporting period, 73.5% of portfolio companies reported actual data, while the remaining data were estimated.*	
	4. Exposure to companies operating in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	2,12%	0%	*Percentage of the portfolio's market value exposed to issuers engaged in fossil fuel-related activities, including the extraction, processing, storage and transportation of petroleum products, natural gas, thermal coal and metallurgical coal. For the 2025 reporting period, **8%** of portfolio companies reported actual data; no estimates were used.*	
	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	*No data*	*14,8%*	*Portfolio-weighted average share of issuers' energy consumption and/or energy production from non-renewable sources expressed as a percentage of total energy consumed and/or produced. For the 2025 reporting period, portfolio companies did not report data for*	

						this indicator and no estimates were produced.	
		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		*55%*	*74,4%*	*Portfolio-weighted average share of issuers' non-renewable energy consumption compared to renewable energy sources. For the 2025 reporting period, 8.8% of portfolio companies reported actual data; no estimates were used.*	
		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		*0%*	*0%*	*Portfolio-weighted average share of issuers' non-renewable energy production compared to renewable energy sources. For the 2025 reporting period, 79.4% of portfolio companies reported actual data; no estimates were used..*	
	6. Energy consumption intensity by sector with high climate impact	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	A - Agriculture, forestry and fishing	523,3 *MWh/million EUR*	75,2 *MWh/million EUR*	*Energy consumption of investee companies expressed in MWh per million EUR of revenue, by high climate impact sector.* *For the 2025 reporting period:* *Reported data coverage: 5.8%* *Estimated data: 0.0%* *An N/A value indicates that no data were available for the respective indicator, meaning that the portfolio-level coverage for that sector is 0%.*	
			B- Mining and quarrying	0 *MWh/million EUR*	0 *MWh/million EUR*		
			C - Production	0 *MWh/million EUR*	0 *MWh/million EUR*		
			D- Electricity, gas, steam and air conditioning	0 *MWh/million EUR*	0 *MWh/million EUR*		
			E - Water supply; sewerage; waste management and remediation activities	0 *MWh/million EUR*	0 *MWh/million EUR*		
			F - Construction	0 *MWh/million EUR*	0 *MWh/million EUR*		
			G - Large and retail trade ; motor vehicles and motorcycles improvement	0 *MWh/million EUR*	0 *MWh/million EUR*		

			H - Shipping and storage	0 *MWh/million EUR*	0 *MWh/million EUR*		
			L - Real estate transactions	*N.a.*	93,54 *MWh/million EUR*		
Biological diversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near biodiversity-sensitive areas where activities of those investee companies negatively affect those areas		*0%*	*0%*	*Percentage of the portfolio's market value invested in issuers that reported operations located in or near biodiversity-sensitive areas and that have been involved in severe or very severe environmental controversies affecting those areas.* *For the 2025 reporting period:* *Reported data coverage: 82.3%* *Estimated data: 0.0%*	
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested (weighted average)		*0 tonna/million EUR*	*0 tonna/million EUR*	*Total annual wastewater discharged into surface waters as a result of industrial or manufacturing activities, attributable to EUR 1 million of portfolio value.* *For the 2025 reporting period:* *Reported data coverage: 85.3%* *Estimated data: 0.0%*	
Waste	9. Hazardous waste ratio and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested (weighted average)		*0,02 tonna/million EUR*	*0,086 tonna/million EUR*	*Total annual hazardous waste attributable to EUR 1 million of portfolio value.* *For the 2025 reporting period:* *Reported data coverage: 73.5%* *Estimated data: 0.0%*	

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Indicator for adverse sustainability effects			**Metric**	**Effective year 2025**	**Effective year 2024**	**Explanation**	**Actions taken, actions planned and targets set for the next reference period**
Social and employee issues	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 UN Global Compact principles or the OECD Guidelines for Multinational Enterprises	0,05%	0%	*Percentage of the portfolio's market value exposed to issuers involved in very severe controversies relating to the company's operations and/or products. For the 2025 reporting period, 73.5% of portfolio companies reported actual data, while 0.0% were estimated.*	Continue to exclude such potential investments from the investment universe.
	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 UN Global Compact principles or the OECD Guidelines for Multinational Enterprises, or without grievance/complaints handling mechanisms to address violations	88,44%	83,3%	*Percentage of the portfolio's market value exposed to issuers that are not signatories to the United Nations Global Compact. For the 2025 reporting period, 73.5% of portfolio companies reported actual data, while 0.0% were estimated.*	Data collection was carried out using information provided by the external ESG data provider Apiday. During 2025, the Fund Manager monitored the principal adverse impact indicators across the entire managed portfolio. Given the size of the portfolio management activity, the assets under management and the fact that the portfolios are managed under Article 6 SFDR, no additional analysis was performed. Principal adverse impacts continue to be addressed through the Fund Manager's Exclusion List, while investment decision-making processes are continuously improved. No measures were implemented during the reference period, and no measures are planned for the next reference period.
	12.	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	11,2%	11,6%	Difference between the average gross hourly earnings of male and female employees, expressed as a percentage of male gross earnings and calculated as the weighted average across the portfolio. For the 2025 reporting period, 64.7% of portfolio companies reported actual data, while 0.0% were estimated.	
	13.	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	90,9%	81,36%	Weighted portfolio average of the proportion of female board members. For the 2025 reporting period, 67.6% of portfolio companies reported actual data, while 0.0% were estimated.	-

	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 sale of controversial weapons	0%	0%	*Percentage of the portfolio's market value exposed to issuers with industry involvement relating to anti-personnel mines, cluster munitions, chemical weapons or biological weapons. Industry involvement includes ownership, manufacturing and investment activities. For the 2025 reporting period, 85.2% of portfolio companies reported actual data, while 0.0% were estimated.*	*Data collection was carried out using information provided by the external ESG data provider Apiday. During 2025, the Fund Manager monitored the principal adverse impact indicators across the entire managed portfolio. Given the size of the portfolio management activity, the assets under management and the fact that the portfolios are managed under Article 6 SFDR, no additional analysis was performed. Principal adverse impacts continue to be addressed through the Fund Manager's Exclusion List, while investment decision-making processes are continuously improved.*

Indicators applicable to investments in sovereigns and supranational organizations							
Indicator for adverse sustainability effects			**Metasurement number**	**Effective year 2025**	**Effective year 2024**	**Explanation**	**Actions taken, actions planned and targets set for the next reference period**
Environmental	15.	GHG intensity	GHG intensity of the countries receiving investment	0	0	*The Funds do not actively invest in sovereign debt instruments. The existing minimal exposure to government securities serves solely technical liquidity management purposes and therefore this indicator does not form part of the active investment decision-making process.*	As the exposure is negligible and maintained exclusively for liquidity management purposes, no dedicated adverse impact mitigation measures were considered necessary. The level of sovereign exposure is monitored on an ongoing basis.
Social	16.	Countries receiving investment affected by social violations	The number of investment-receiving countries affected by violations of social rights mentioned in international treaties and conventions, UN principles and, where appropriate, national legislation (absolute number and ratio to the total number of investment-receiving countries)	0	0	Sovereign investments are held exclusively for day-to-day portfolio liquidity management. Given their negligible and purely technical nature, sustainability and social risks relating to this indicator are not actively assessed.	No specific mitigating measures were introduced due to the purely technical nature of the exposure. The Funds' investments are regularly reviewed to ensure that sovereign exposure continues to be limited to liquidity management purposes only.

	Indicators applicable to investments in real estate assets					
Indicator for adverse sustainability effects		**Metric**	**Effective year 2025**	**Effective year 2024**	**Explanation**	**Actions taken, actions planned and targets set for the next reference period**
Fossil fuels	17. Exposure to fossil fuels through real estate assets	The proportion of investments in real estate assets involved in the extraction, storage, transport or production of fossil fuels	0	0	*No data was received on invested real estate assets.*	*Data collection was carried out using information provided by the external ESG data provider* ***Apiday****. During 2025, the Fund Manager monitored the principal adverse impact indicators across the entire managed portfolio based on the data supplied by the external provider. Given the size of the portfolio management activity, the scale of assets under management and the fact that the portfolios are managed under Article 6 of Regulation (EU) 2019/2088 (SFDR), no additional analyses were performed. Certain principal adverse impacts continue to be addressed through the Fund Manager's Exclusion List, while investment decision-making processes are continuously improved.*
Energy efficiency	18. Exposure to non-energy efficient real estate assets	The proportion of investments in non-energy-efficient real estate assets	1	1	*No data was received on invested real estate assets.*	

IV. Other indicators of major adverse impacts on sustainability factors

a. Additional climate-political and other environmental indicators

The Fund Manager selected the indicator relating to Emissions from Table 2.

Adverse sustainability impact	**Adverse effect on sustainability factors (Qualitative or quantitative)**	**Metric**	**Effective year 2025**	**Effective year 2024**	**Explanation**	**Actions taken, actions planned and targets set for the next reference period**
	Indicators applicable to investments in investee companies					
	CLIMATE-POLITICAL AND OTHER ENVIRONMENTAL INDICATORS					
Emissons	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	80,1%	45,8%	Share of investments in investee companies that do not have carbon emission reduction initiatives aligned with the Paris Agreement. For the 2025 reporting period, 84% of the portfolio companies reported actual data, while 0.0% were estimated.	*Data collection was carried out using information provided by the external ESG data provider Apiday. During 2025, the Fund Manager monitored the principal adverse impact indicators across the entire managed portfolio based on the data supplied by the external provider. Given the size of the portfolio management activity, the scale of assets under management and the fact that the portfolios are managed under Article 6 of Regulation (EU) 2019/2088 (SFDR), no additional analyses were performed. Certain principal adverse impacts continue to be addressed through the Fund Manager's Exclusion List, while the investment decision-making process is continuously improved.*

b. Additional indicators for social and employee, respect for human rights, anti corruption and anti-bribery matters

The Fund Manager selected the indicator relating to Anti-corruption and anti-bribery from Table 3.

Adverse sustainability impact	Adverse effect on sustainability factors (Qualitative or quantitative)	Metric	Effective year 2025	Effective year 2024	Explanation	Actions taken, actions planned and targets set for the next reference period
	Indicators applicable to investments in investee enterprises					
	INDICATORS RELATING TO SOCIAL AND LABOR ISSUES, RESPECT FOR HUMAN RIGHTS, THE FIGHT AGAINST CORRUPTION AND THE FIGHT AGAINST BRIBERY					
Anti-corruption and anti-bribery	15. 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	83,4%	36,3%	Share of investments in entities that do not have anti-corruption and anti-bribery policies aligned with the United Nations Convention against Corruption. For the 2025 reporting period, 83% of the portfolio companies reported actual data, while 0.0% were estimated.	Data collection was carried out using information provided by the external ESG data provider Apiday. During 2025, the Fund Manager monitored the principal adverse impact indicators across the entire managed portfolio based on the data supplied by the external provider. Given the size of the portfolio management activity, the scale of assets under management and the fact that the portfolios are managed under Article 6 of Regulation (EU) 2019/2088 (SFDR), no additional analyses were performed. Certain principal adverse impacts continue to be addressed through the Fund Manager's Exclusion List, while the investment decision-making process is continuously improved.

The Fund Manager does not use any additional indicators, beyond those presented above, for the identification and assessment of further principal adverse impacts on sustainability factors.

V. Policies on the Identification and Prioritisation of Principal Adverse Impacts on Sustainability Factors

Sustainability factors are incorporated into several internal policies and governance documents of the Fund Manager.

The Anti-Corruption Policy (effective as of 24 April 2026) sets out the principles governing the anti-corruption activities of the OTP Group and its group members, including the Fund Manager. Its purpose is to identify areas that are particularly exposed to corruption risk and to serve as the primary governance document for establishing the regulatory framework supporting the Group's anti-corruption activities and the conduct of the employees concerned. Further information is available in the extract published on the Fund Manager's website:

https://strapi.portfolion.hu/api//uploads/3sz_m_Korrupcieellenes_Politika_2024_ENG_e39f736cfd.pdf

The OTP Group Sanctions Policy (effective as of 24 April 2026) also applies to the Fund Manager.The OTP Banking Group maintains a uniform Sanctions Policy and sanctions procedures that define the minimum requirements applicable to OTP Bank and its subsidiaries in order to ensure compliance with applicable sanctions obligations. Further information is available at: https://strapi.portfolion.hu/api//uploads/5sz_m_Szankcios_Politika_PF_2024_ENG_honlapra_b9ef94b4a1.pdf

The Data Protection Policy (effective as of 24 April 2026) addresses the sustainability factor of reducing information asymmetry between investors and the Fund Manager. The policy is available on the Fund Manager's website: https://strapi.portfolion.hu/api//uploads/2sz_m_Adatvedelmi_Politika_kivonat_PF_2024_kn_5b57e441cd.pdf

The Code of Ethics of the Fund Manager (effective as of 15 July 2025) establishes clear ethical principles and expectations for all persons maintaining a relationship with the Fund Manager, thereby supporting ethical business conduct and protecting the Fund Manager's core values. The Code of Ethics is available at:

https://strapi.portfolion.hu/api//uploads/A_Portfo_Lion_Zrt_Etikai_Kodexe_20221214_honlapra_0d0c5e31fc.pdf

The Investment Sustainability Risk Management Policy (effective as of 4 August 2025) describes the sustainability risk management principles applied by PortfoLion throughout its investment activities.The Policy also sets out the disclosure framework for information relating to the principal adverse impacts of investment decisions on sustainability factors. In addition, the Policy includes the targeted exclusion policy, defining the criteria for excluding investments that do not comply with predetermined ESG standards.The Policy is available at:

https://strapi.portfolion.hu/uploads/20230707_Pf_fenntarhatosag_kockazatkez_fin_clean_d9c8bc560c.pdf

As the first line of defence, the Investment Directors of the Fund Manager are responsible for monitoring whether the sustainability risk profile of each target company or portfolio company remains consistent with the Fund Manager's risk appetite.

Implementation of the above policies is the responsibility of the Fund Manager's senior management.

To identify and assess principal adverse impacts, the Fund Manager applies the questionnaire contained in Annex 1 of its Sustainability Policy. The results are evaluated in accordance with the methodology defined in that Policy. As the questionnaire is based primarily on qualitative rather than quantitative information, no margin of error has been defined. To manage potential adverse impacts, PortfoLion applies both an Exclusion List and sector-specific exclusion criteria throughout its investment decision-making process.

Measures taken to obtain sustainability data and information

To collect the information required for the indicators specified in **Table 1** under the SFDR reporting framework, the Fund Manager entered into a service agreement with the French ESG service provider **Apiday**. Apiday specialises in supporting asset managers and institutional investors in the collection of ESG data, the development of sustainability strategies and the implementation of the related governance framework.

Working together with Apiday, the Fund Manager collected ESG information directly from its portfolio companies. The service provider's platform and expertise supported the data collection process and enabled reporting entities to obtain direct assistance whenever clarification of specific concepts or reporting requirements was needed.

To facilitate data collection, the Fund Manager launched a dedicated reporting campaign through which investee companies were able to submit the required ESG information. The collected responses formed the basis for the quantitative disclosures included in this Principal Adverse Impacts Statement.

The **RTS[3] Regulation** permits the use of estimated values where appropriate. The Fund Manager applied this option in relation to the **carbon footprint calculation**, with the estimates prepared by **Apiday**.

The Fund Manager believes that active engagement with investee companies on sustainability matters can positively influence both investment performance and broader societal outcomes.

Engagement is regarded as an important tool through which the Fund Manager can maintain constructive dialogue with portfolio companies and encourage behavioural improvements. Such engagement may be undertaken either in response to a specific adverse sustainability event or proactively, with the objective of guiding companies towards more sustainable and responsible business practices.

The Fund Manager integrates the following principal adverse impact indicator into its stewardship activities: PAI 13. Board gender diversity.

Where principal adverse impacts do not improve over more than one reference period, PortfoLion will respond by:

- strengthening engagement with investee companies;
- where appropriate, considering the disposal of investments that continue to generate significant adverse impacts despite engagement efforts.

VI. Engagement Policy

The Fund Manager has reviewed Act LXVII of 2019 on the encouragement of long-term shareholder engagement and on amendments to certain laws for the purposes of legal harmonisation**.** Pursuant to Section 2(1)(b) of the Act, and taking into account that the Fund Manager qualifies as a sub-threshold alternative investment fund manager**,** it is not required to adopt a formal engagement policy.

VII. References to International Standards

PortfoLion does not use indicators that measure compliance with or alignment to international standards for the purpose of assessing the principal adverse impacts of its investment decisions on sustainability factors.

[3] Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022

Nevertheless, in preparing this Statement and the Fund Manager's Sustainability Policy, PortfoLion has taken into consideration the principles and recommendations contained in the following international frameworks:

- United Nations Global Compact
- Paris Agreement
- United Nations Sustainable Development Goals (SDGs)
- United Nations Guiding Principles on Business and Human Rights.

To assess compliance with, or alignment to, international conventions and standards, the Fund Manager uses the following principal adverse impact indicator: PAI 13. Board gender diversity.

In addition, the Fund Manager relies on the following methodologies and data sources in assessing compliance with international conventions and standards: annual assessment of principal adverse impacts (PAIs); preparation and evaluation of the mandatory PAI indicators.

In Section IV(a) of this Statement, the additional indicator relating to carbon emissions is presented. The Fund Manager considers the reduction of carbon emissions to be an important value to promote across its investments. Monitoring this indicator provides useful feedback on the environmental performance of the portfolio.

Section IV(b) presents the additional indicator relating to anti-corruption and anti-bribery. The Fund Manager's Exclusion Policy explicitly rejects corruption and therefore seeks to invest in companies that apply comparable ethical standards.

PortfoLion aligns its investment activities with the principles established in the above international agreements and conventions. Consequently, during the due diligence process the relevant sustainability criteria derived from these frameworks are also assessed.

PortfoLion does not apply forward-looking climate scenario analysis, as none of the current portfolio companies are of a size or operate in sectors that would justify such analysis.

VIII. Time-based comparison

In this Statement, PortfoLion has compared the data for the 2025 reference period with the corresponding 2024 baseline data**.** The year-on-year comparison indicates that the sustainability profile of the portfolio has remained broadly stable.Both the environmental indicators (including zero emissions to water and a reduced carbon footprint per unit of portfolio value) and the social indicators (including favourable board gender diversity and a negligible risk of UN Global Compact violations) demonstrate a consistent and continuous approach to ESG risk management.

The quantitative differences observed between the two reporting periods do not primarily reflect a deterioration in the sustainability performance of the portfolio. Rather, they are mainly attributable to the significant improvement in data quality and methodological developments. Following the implementation of the Apiday platform and the launch of direct ESG data collection campaigns, earlier estimates have increasingly been replaced by verified company-reported information. The Fund Manager nevertheless acknowledges that, given the methodologies and resources currently applied, the comparability of data across reporting periods may also be influenced by differences in the definition and interpretation of materiality among portfolio companies.

The Fund Manager will continue to maintain its internal ESG controls and Exclusion Policy. Through the continued operation of the Apiday platform, it will ensure that the necessary infrastructure remains in place for the collection, assessment and comparison of indicators for the 2026 reference period.