

Transparency of Policies in the Area of Sustainability Risks

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Defined by Article 3 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 (hereinafter: “SFDR”), financial market participants, as defined in point (1) of Article 2 of Regulation (EU) 2019/2088 (SFDR), are required to publish information on their websites about their policies on the integration of sustainability risks into their investment decision-making process.

“Sustainability risk” is defined as an environmental, social, or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment and thereby on the Fund’s return.

The Company believes that responsible business conduct is the foundation for creating added value in Portfolio companies and, with the diligence of a prudent expert, considers sustainability risk when investing the Fund’s assets. The way in which sustainability risk is integrated into investment decision-making consists of two levels:

First level: the exclusion of prohibited investment sectors;

Second level: analysis of sustainability factors (using the Invest Europe ESG Due Diligence Questionnaire, which is sent to the Portfolio company prior to the investment, after which the collected data is assessed to determine whether any sustainability-related issues are present).

The result of the questionnaire is included in the section titled Socially Responsible Business – ESG within the Investment Decision document.

Considering that the Fund’s objective is not to promote environmental or social characteristics or sustainable investment, the Company does not assess the likely impact of sustainability risks on the Fund’s return.

Risk management measure: Exclusion of unacceptable activities and analysis of sustainability factors.

During the portfolio company management period, the Company continues to monitor sustainability risk by ensuring that environmental and social risks do not affect the enterprise value at the time of exit.

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