FORWARD.ONE Fund II Coöperatief U.A.

Statement on Principal Adverse Impacts 2024

1. Summary

FORWARD.ONE Fund II Coöperatief U.A. (the 'Fund') considers principal adverse impacts ('PAI') of its investment decisions on sustainability factors. The present statement is the consolidated statement on PAI Indicators on sustainability factors of Fund II.

This statement covers the reference period from 1 January to 31 December 2024.

This statement has been prepared in accordance with the requirements of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ('SFDR') and Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR ('SFDR RTS').

2. Description of Principal Adverse Impacts

In line with the requirements of the SFDR and the SFDR RTS, this statement includes quantitative disclosure of the impacts, measured by reference to the mandatory PAI indicators detailed in the SFDR RTS, as well as two additional PAI indicators, namely 'Deforestation' and 'Insufficient whistleblower protection', which are disclosed and described in the table below.

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Name	Metric	Impact year 2022R	Impact year 2023R[i]	Impact year 2024	Dif (%)[ii]	Explanation	Actions taken, actions planned, and targets set for the next reference period
GHG Emissions	Scope 1 emissions (tCO2-eq.)	0.00	70.45	80.43	14.17%	Calculated as a weighted average across the funds/entity. For Scope 1, we account for all direct emissions from sources that we own or control. This includes fuel combustion in company-owned vehicles and equipment, on-site heating systems (e.g., natural gas boilers), fugitive emissions such as refrigerant leaks, as well as emissions from waste treatment and industrial processes (e.g., chemical reactions in manufacturing, wastewater treatment, or on-site incineration). Emissions are calculated by collecting activity data, such as liters of fuel burned, liters of refrigerant leaked, or tonnes of waste processed, and applying the appropriate emission factor as specified by the GHG Protocol.	A significant share of the portfolio's Scope 1 GHG emissions originates from a single company operating in a GHG-intensive sector. These emissions stem primarily from natural gas use in facilities and, to a larger extent, from fugitive emissions related to refrigerants. While such emissions are inherent to the company's core activities, our engagement will focus on identifying opportunities to prevent leaks and explore alternative, lower-impact refrigerants, where feasible.
GHG Emissions	Scope 2 emissions (tCO2-eq.)	0.00	0.83	9.79	1,079.52%	Calculated as a weighted average across the funds/entity. For Scope 2 emissions, which cover indirect emissions from purchased energy, we use the market-based method as specified by the GHG Protocol. This method reflects the emissions associated with the specific electricity, heating, or cooling contracts a company has. We rely on the data found in the energy bills to determine the quantity of electricity, district heat, or cooling purchased, and also include electricity used for charging electric vehicles.	Most Scope 2 emissions in the portfolio result from electricity purchased by one of the portfolio companies. The firm will engage with this company to explore switching to green electricity providers where feasible.
GHG Emissions	Scope 3 emissions (tCO2-eq.)	n/a	n/a	n/a	n/a	Due to proportionality, Scope 3 emissions are not considered.	For the upcoming reporting periods, the Fund will reassess whether it makes sense to measure Scope 3 emissions, considering the operational boundaries and available resources.

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GHG Emissions	Total GHG Emissions (tCO_2-eq.)	0.00	71.27	90.22	1.81%	The sum of all Scope 1 and 2 emissions.	A significant share of the portfolio's total GHG emissions originates from a single company operating in a GHG-intensive sector. These emissions stem primarily from natural gas use in facilities and, to a larger extent, from fugitive emissions related to refrigerants. While such emissions are inherent to the company's core activities, our engagement will focus on identifying opportunities to prevent leaks and explore alternative, lower-impact refrigerants, where feasible.
Carbon Footprint	Carbon footprint (in tCO_2-eq./M€)	0.00	0.39	0.35	-10.26%	This indicator reflects the sum of all emissions per M€ invested. This indictor has not experienced significant changes.	The Fund will engage with portfolio companies to understand the causes and assist in improving this indicator.
GHG Intensity	GHG intensity of investee companies (in tCO_2-eq./M€)	0.00	17.17	9.67	-43.68	This indicator reflects emissions per M€ of revenue made. The figure has decreased significantly due to changes in portfolio distribution and financials.	The Fund will support its portfolio companies on mitigating GHG emissions where reasonable.
Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	0%	0%	The Fund does not invest in companies that are active in the fossil fuel sector as this is part of the firm's exclusion list.	The Fund will continue to screen its investments against the exclusion list.
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 of total	74.93%	30.07%	37.07%	-50.52%	This indicator's measurements only include companies that are in control of their own electricity bills.	The Fund will assist its companies in assessing whether switching to a different energy source makes sense based on their specific circumstances. Where feasible, the Fund will help them transition effectively.

	energy sources (%)						
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	Sector C: 0.0125	Sector C: 0.0265	Sector C: 0.0171	Sector C: 36.80%	This indicator reflects energy consumption in GWh per M€ of revenue made. The results are disclosed separately for each high impact climate sector.	The Fund will assist its companies in assessing whether switching to a different energy source makes sense based on their specific circumstances. Where feasible, the Firm will help them transition effectively.
Activities negatively affecting biodiversity-sensitive area	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%	0%	0%	This is measured based on a set of questions assessing the proximity and potential threat to biodiverse-sensitive areas and species, using two external resources: IBAT Alliance and the ENCORE Framework.	The Fund will continue to monitor this indicator when its portfolio companies expand.
Emissions to Water	Tonnes of emissions to water generated by investee companies per million EUR invested	0.00	0.00	0.00	0%	Calculated by adding up all emissions a Fund had in their production processes based on the priority substances as defined in Article 2(30) of Directive 2000/60/EC and expressed as a weighted average.	The Fund will continue to monitor this indicator when its portfolio companies expand.
Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested	0.02	0.04	0.04	50%	Calculated by adding up all waste which has hazardous properties based on Article 3(2) of Directive 2008/98/EC and expressed as a weighted average.	The Fund will engage with the portfolio company to assess whether these emissions are proportional to the company’s size and explore optimisation opportunities where feasible.
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)	23.90%	13.73%	16.26%	-7.64%	This indicator is assessed using a structured set of questions that evaluate various factors, including publicly available reports, third-party assessments, and company disclosures, to determine whether an investee company has been implicated in any breaches. The figure for 2023 has been restated by accounting for new input.	The Fund is pleased to report improvements in this indicator due to the inclusion of additional portfolio companies with the required processes in place, and we aim to continue making progress on this indicator. We are mindful that imposing some of the necessary policies to ensure alignment with the referred Guidelines may not always be practical or proportionate at their current stage of growth. The Fund will continue to provide guidance and support where companies

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Multinational Enterprises							express willingness to act.
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 OECD Guidelines for Multinational Enterprises (%)	100%	99.21%	78.98%	-21.02%	This indicator is assessed using a structured set of questions that examine whether companies have established policies, governance frameworks, and reporting mechanisms to uphold these standards.	The Fund is pleased to report improvements in the number of portfolio companies that have implemented the required processes over the current reporting period. However, we are mindful that imposing some of the necessary policies to ensure alignment with the referred Guidelines may not always be practical or proportionate at their current stage of growth. The Fund will continue to provide guidance and support where companies express willingness to act.
Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies (%)	4.01%	7.56%	4.83%	0.82%	This is calculated by the difference of men's and women's wages in the company, irrespective of their differences in functions and expressed as a weighted average of investment size. Given the size of portfolio companies and their specialised business focus in advanced technology solutions, the increase in gender pay gap is due to a limited recruitment reach, resource constraints for dedicated DEI initiatives, and a narrow talent pipeline in specialized tech expertise. All these factors contribute to a workforce that skews heavily male. This imbalance, especially at leadership and high-paying technical levels, naturally inflates the gender pay gap, even in the absence of overt pay discrimination.	While direct influence over hiring decisions within portfolio companies is limited, particularly given recruitment is driven by operational needs and the Fund does not exert full control, we continue to engage with management teams by sharing the results of this indicator. Our aim is to raise awareness of gender representation and pay gap issues within their workforce. Although we cannot commit to specific targets or guarantee improvements in this area, we will encourage portfolio companies to take gender diversity into account in future hiring decisions. No formal targets have been set for the next reference period due to these constraints.
Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a	20.01%	19.29%	14.14%	-5.87%	This indicator shows the ratio between males and females in portfolio companies' boards, expressed as a weighted average of investment size.	The deterioration of this indicator is primarily due to the inclusion of additional portfolio companies. The Fund continues to emphasize the importance of board gender diversity. Improvements can be challenging for the

	percentage of all board members.						reasons explained in the previous indicator. Given that board composition changes infrequently, no formal targets have been set for the next reference period.
Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons (%).	0%	0%	0%	0%	The Fund does not invest in companies that are exposed to controversial weapons as this is part of the firm's exclusion list.	The Fund will continue to screen its investments against the exclusion list.
Deforestation	Share of investments in companies without a policy to address deforestation	100%	100%	100%	0%	The assessment goes beyond simply identifying whether a policy exists; the evaluation considers factors such as scope, implementation measures, and commitments, to assess the adequacy and effectiveness of the policy.	Deforestation is not a material indicator for our portfolio, as the companies operate in sectors that do not have exposure to deforestation-related risks or activities. As such, implementing a deforestation policy is not relevant in this context, and no targets have been set for this indicator.
Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers	88.05%	80.63%	61.15%	-26.90%	This indicator is assessed using a structured set of questions considering factors such as confidentiality protections, non-retaliation clauses, and accessible reporting mechanisms.	The Fund is pleased to report improvements in the number of portfolio companies that have implemented a whistleblower policy over the current reporting period and aims to continue making progress on this indicator. However, we are mindful that imposing a whistleblower policy may not always be practical or proportionate at their current stage of growth. Moreover, we note that such a policy is only legally required in the Netherlands for companies with 50 or more employees, thresholds some of our portfolio companies do not yet meet. Therefore, the Fund is not in a position to mandate or guarantee further implementation across the portfolio. The Fund will continue to provide guidance and support where companies express willingness to act.

3. Description of Policies to Identify and Prioritise Principal Adverse Impacts

The Fund identifies indicators most significant for its portfolio companies' business operations with the assistance of a trusted third-party service provider (FourOneFour). This process is reviewed on an annual basis to oversee and implement the necessary changes in the present disclosure that might arise throughout the years.

The SFDR RTS requires the disclosure of one additional climate or environmental-related indicator and one additional indicator for social and employee, respect for human rights, anti-corruption and anti-bribery matters. The Fund has selected to disclose 'Deforestation' and 'Insufficient whistleblower protection' as additional indicators.

The deforestation policy indicator was initially selected at an early stage of SFDR reporting implementation, when both the Fund and its portfolio companies were still developing internal processes and seeking to minimise the reporting burden. At that time, this indicator was deemed appropriate due to its ease of data collection and limited relevance to the portfolio's sectoral exposure. However, with increased experience and maturity in sustainability reporting and given the fund's strategic focus on technology solutions, which do not involve deforestation-related risks, no meaningful improvements are expected in this area. Therefore, one of the internal actions foreseen for the upcoming reporting period is to review and select an alternative, more relevant indicator that better reflects the Fund's actual sustainability risks and opportunities.

The Firm measures PAI indicators for all companies in the portfolio, with the exception of the investments structured as convertible loans. These instruments are complex to translate into precise financial data for comparison with sustainability impact results. Given the size of the fund, incorporating them in the calculations would not only be disproportionate but could also lead to inaccuracies. Our reporting approach is designed to ensure that the sustainability data remains as reliable and meaningful as possible for our stakeholders.

It must be noted that the Scope 3 Greenhouse Gas ('GHG') Emissions calculation which is part of the PAI framework assessment is presently excluded from this monitoring exercise. In accordance with the principle of proportionality, and in consideration of the advanced complexity, timeliness, and resource-intensiveness of obtaining results from the portfolio companies on this specific indicator, FORWARD.one proceeds to strengthen its sustainability ambition by collecting data on the rest of the PAI indicators.

The Fund begun monitoring the PAIs from 2022, using the data obtained from that year as baseline.

4. Engagement Policies

FORWARD.one believes in the importance of its role as Fund Manager in guiding its portfolio companies to minimise their operations' adverse environmental and negative social externalities. The Firm uses the PAI framework to monitor such externalities, and has set up various processes to incorporate the PAI results into its engagement with portfolio companies.

To ensure due consideration and progressive mitigation efforts from portfolio companies, FORWARD.one engages with its portfolio through the following processes:

- Help PCs set an ESG ambition
- Engage in active dialogue with PCs throughout the year
- Give PCs access to the Firm’s network and relevant stakeholders
- Yearly review based on previous results and discuss improvement options

Further details on the practical implementation of these processes can be found in the Firm's ESG Policy.

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5. Reference to International Standards

FORWARD.one complies with the Principles for Responsible Investment ('PRI'). The Firm uses its efforts of data gathering and calculation of PAI indicators to show adherence with (parts of) the international standards/codes it complies with.

The below-listed indicators from the PAI framework will be used to showcase their equivalent KPI compliance within the international standard (e.g., using the GHG emissions PAI to demonstrate adherence with the OECD environmental standard of reducing GHG emissions and other air pollutants).

- GHG Emissions
- Carbon Footprint
- GHG Intensity of Investee Companies
- Exposure to Companies active in the Fossil Fuel Sector
- Share of Non-renewable Energy Consumption and Production
- Energy Consumption Intensity per High Impact Climate Sector
- Activities Negatively Affecting Biodiversity-sensitive Areas
- Emissions to Water
- Hazardous Waste and Radioactive Waste Ratio
- Violations of UN Global Compact Principles
- Violations of OECD Guidelines for Multinational Enterprises

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- Lack of Processes and Compliance Mechanisms to monitor Compliance with UN Global Compact
- Lack of Processes and Compliance Mechanisms to monitor Compliance with OECD Guidelines
- Unadjusted Gender Pay Gap
- Board Gender Diversity
- Exposure to Controversial Weapons

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[i] Please note that certain indicators in the 2022 and 2023 PAI table have been restated. This is either due to revised underlying data in light of new findings, or updates to the calculation methodology in line with the latest regulatory guidance.

[ii] The percentage difference column compares the values reported for the current reference period (i.e., 2024) to those of the baseline year (i.e., 2022). Where the baseline value is 0 or not available, the comparison is made against the first subsequent reporting year with a non-zero value.