Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

Kartesia Management S.A.

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Financial Market Participant:
Kartesia Management S.A. ("Kartesia") LEI: 213800BB1FILFLUOML81
Summary:
Kartesia 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 Kartesia. The definition of the principal adverse impacts is as follows: "*negative, material or likely to be material effects on sustainability factors that are caused, compounded by or directly linked to investment decisions and advice performed by the legal entity.*" This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2024 to 31 December 2024. Kartesia considers the mandatory indicators applicable to its investments plus an additional two indicators covering code of conduct and carbon emission reduction initiatives.
Description of the Principal Adverse Impacts on Sustainability Factors:
Data relevant to the mandatory and additional indicators is set out below. For each indicator a description is provided covering the actions Kartesia has taken and actions that it plans to take to avoid or reduce the principal adverse impacts identified.

Indicators Applicable to Investments in Investee Companies						
Adverse sustainability indicator		**Metric**	**Impact [2024]**	**Impact [2023]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	95,645.44	88,459.19	Expressed in absolute terms Sources: Reporting21 Unit of measurement: tCO2-eq Coverage: 100%	• The Kartesia exclusion policy excludes business activities considered as harmful to the environment. • All investments report on their carbon emissions during due diligence and on an annual basis through the ESG questionnaire • Kartesia performs an assessment for scope 1, scope 2 and scope 3 of each of its investee companies – using models – on an annual basis.
		Scope 2 GHG emissions	50,030.38	72,389.76		
		Scope 3 GHG emissions	1,347,285.03	1,428,712.03		
		Total GHG emissions	1,492,960.85	1,589,560.98		
	2. Carbon footprint	Carbon footprint	403.02	531.612	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Reporting21 Unit of measurement: tCO2-eq / million euros invested Coverage: 100%.	
	3. GHG intensity of investee companies	GHG intensity of investee companies	500.59	698.650		

	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.0%	1.3%	Expressed in terms of assets under management Sources: Reporting21 Unit of measurement: percentage Coverage: 100%.	• No exposure and this sector is part of Kartesia exclusion policy.
	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 of total energy sources	59.5 % (Consumption) 0.7% (Production)	71.9 % (Consumption) 0.00% (Production)	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Reporting21 Unit of measurement: percentage Coverage: 60%.	• Those two indicators are monitored on an annual basis through the ESG questionnaire. Through our ESG engagement we aim to raise awareness on the importance of calculating the carbon footprint assessment and therefore the use of renewable energy consumption.
	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	0.25	1.24	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Reporting21 Unit of measurement: percentage Coverage: 100%.	

Biodiversity	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 affecting those areas	0.0	4.9	Expressed in terms of assets under management Sources: Reporting21 Unit of measurement: percentage Coverage: 99%.	• This indicator is monitored on an annual basis through the ESG questionnaire.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.15	0.35	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Reporting21 Unit of measurement: tCO2-eq / million euros invested Coverage: 90%.	• Those two indicators are monitored on an annual basis through the ESG questionnaire. • We engage with our portfolio companies and introduce them to consultants to help when necessary. I.e. we introduce one of our portfolio companies to ESG specialist consultants who will perform a support mission in definition of sustainability strategy. Part of this mission includes environmental impact including operation waste management. And responsible souring and supply chain management.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.19	0.32	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Reporting21 Unit of measurement: tCO2-eq / million euros invested	

					Coverage: 92%.	• Kartesia aims at obtaining a board seat to exercise influence on global ESG enhancement.
INDICATORS FOR 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	0.0	Expressed in terms of assets under management Sources: Reporting21 Unit of measurement: percentage Coverage: 100%	• Part of Kartesia Sustainability policy. • No investment in the portfolio violate the UN Global Compact principles and OECD Guidelines during due diligence and on an annual basis through the ESG questionnaire.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles	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	51.7	45.0	Expressed in terms of assets under management SourcesReporting21 Unit of measurement: percentage Coverage: 100%.	• Monitored on an annual basis through the ESG questionnaire. • Kartesia aims at obtaining a board seat to exercise influence on global ESG enhancement.

	and OECD Guidelines for 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	17.0	13.7	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Reporting21 Unit of measurement: percentage Coverage: 87%	• Monitored on an annual basis through the ESG questionnaire • Kartesia aims at obtaining a board seat to exercise influence on global ESG enhancement. • Additionally, Kartesia engage with portfolio companies by organising ESG calls and DE&I is always part of those discussions.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	84.5	83.5	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Reporting21 Unit of measurement: percentage Coverage: 96%	
	14. Exposure to controversial weapons (anti-personnel	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.0	0.0	Expressed in terms of assets under management Sources: Kartesia Unit of measurement:	• The Kartesia exclusion policy excludes business activities involved in controversial weapons.

	mines, cluster munitions, chemical weapons and biological weapons)				percentage Coverage: 100%.	
ADDITIONAL INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES						
Emissions	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	21.1	26.9	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Reporting21 Unit of measurement: percentage Coverage: 99%	• Monitored on an annual basis through the ESG questionnaire • Kartesia aims at obtaining a board seat to exercise influence on global ESG enhancement • For SFDR Art.8 funds, Kartesia engage with portfolio companies on environmental matters and suggested portfolio companies to perform a carbon footprint assessment. To incentivize the, Kartesia negotiated with Climate Partner a discount available to every portfolio company. Some were interested and had intro call. We also introduce them to ESG consultant to create an ESG roadmap and

						improve their climate footprint.
Human Rights	Lack of a human rights policy	Share of investments in entities without a human rights Policy	18.2	14.7	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Reporting21 Unit of measurement: percentage Coverage: 100%	• Monitored on an annual basis through the ESG questionnaire. • Kartesia aims at obtaining a board seat to exercise influence on global ESG enhancement.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors:

Kartesia adopted Sustainability Policy which described how Kartesia takes account of its economic, social and environmental impact in the way it operates as a business. The Sustainability Policy is subject to regular reviews and updates. It was last reviewed and revised on 14 February 2024. The Sustainability Policy is further supplemented by the ESG related procedures and protocols, some of which have been developed specifically for certain investment strategies.

Kartesia relies on its ESG team which consists of a Managing Partner in charge of ESG, the Head of Sustainability and senior sustainability specialist. The sustainability team holds overall accountability for the integration of the Sustainability Policy and related ESG protocols into the investment process as well as the regular review and approval of Kartesia's Sustainability Policy.

All Kartesia investment professionals are responsible for ensuring ESG aspects are considered at all stages of the investment cycle together with investee companies' management and are supported by the Head of sustainability in this effort. The Head of sustainability provides input on ESG risks and opportunities during the investment decision-making process and oversees the ongoing monitoring of ESG policies. Additionally, the Head of sustainability is responsible for reporting the ESG performance of Kartesia and its portfolio to investors with the support of the sustainability team.

Furthermore, ESG training and update is provided to the Kartesia employees on a regular basis, to ensure that the team is kept updated on regulations as well as Kartesia's ESG policies and procedures.

Kartesia uses due diligence policies and procedures and ongoing engagement processes to identify and mitigate/manage principal adverse impact, where possible and to the extent the respective fund strategy includes ESG related considerations.

When applicable, ESG safeguards include application of exclusion lists, norm-based screening, and integrating consideration of principal adverse impacts in investment-decision making process.

By applying general screening criteria pre-investment, Kartesia aim to limit investing into companies with negative impact on sustainability factors. Kartesia excludes companies involved in drugs, prostitution, pornography, anti-personnel / land mines, cluster bombs and munitions, financial speculation on food commodities, and companies whose principal business or source of revenue is derived from tobacco, or any products pertained, gambling or casinos, weapons or munitions, or coal. Kartesia also exclude companies in violation of international conventions or standards and those present on a sanction list (UN Security Council blacklist, EU, OECD, FATF, tax havens)

The same set of PAI indicators is used across all fund strategies of Kartesia. In addition, funds that have ESG related elements in their investment strategy may also consider further environmental or social indicators as described in applicable regulatory disclosures and internal ESG procedures and protocols.

For certain investment strategies, identification of high negative impact on environmental and social factors results in further analysis and may be a driver for active voting and engagement, as a mean to mitigate that impact. High negative impact on sustainability factors may ultimately lead to divestment. Monitoring of principal adverse impact is subject to data availability and quality.

During the acquisition process and over the life of each fund managed by Kartesia, adverse impacts on sustainability factors will be assessed. At the due diligence phase of the investment cycle, in accordance with the due diligence policy, an ESG questionnaire assesses indicators that would indicate presence or absence of a principal adverse impact. These indicators include principal adverse impacts related to environmental damage and social and employee matters.

During the investment cycle, Kartesia assesses and monitors on a yearly basis the sustainability performance of investee companies by collecting the ESG questionnaire and by performing a carbon assessment for scope 1, scope 2, scope 3 of each of its investee companies on an annual basis.

It is important now that the methodology to identify PAI is always subject to data availability and quality, as Kartesia is often reliant on the quality of data received from investee companies and third-party data providers. To the extent possible, data reported by investee companies is prioritised. This is done in order to minimise the reliance on third-party estimations, contributing to improving the overall quality of the data and active stewardship processes.

Where reported data is not available or of adequate quality, Kartesia uses proxy data provided by third-party data providers. A limitation in terms of data availability is that Kartesia is not always able to gather the same level of information about the impact of all investee companies.

Kartesia evaluates the quality of all internal and external data on an ongoing basis, and continuously assesses if new data providers can improve the analysis and models. Prior to a data provider being chosen as a supplier, extensive market research is conducted, and the potential data providers are assessed on relevant issues, such as data quality, coverage, security, methodology, price, reliability, and conflict of interest.

Data is collected and translated into usable information through the tool Reporting21. Reporting 21 is a "software as a service"/SaaS platform that aims at measuring and reporting on sustainability metrics for companies and private equity / private debt firms.

Engagement Policies:

Kartesia has implemented an active stewardship policy aimed at encouraging investee companies that are considered by Kartesia as promoting environmental and social characteristics or where a specific fund has sustainable investment as its objective to carry out regular ESG-related reporting to contribute to the overall enhancement of ESG reporting and to contribute to reduction of negative environmental impact.

Kartesia will use, where possible, engagement and voting in its ESG engagement strategy that would apply to all investee companies that are considered by Kartesia as promoting environmental and social characteristics or are sustainable investment.

The purpose is to influence and encourage improved ESG practices, enhance sustainable long-term financial performance and to seek to mitigate adverse impact on sustainability factors.

References to International Standards:

Kartesia has been signatory to the UN Principles for Responsible Investing ("PRI") since 2014 and has embedded responsible investing policies in its investment philosophy and in its investee company review processes.

Kartesia reports to the UN Principles for Responsible Investing annually. Reports are publicly available on their website. Kartesia participated in the first report of the PRI on the private debt market published in 2019, including through a case study. Kartesia follows the PRI Guide for GPs as practical support to implement the six Principles, and as guidance for incorporating ESG risks & opportunities into investment analysis and decision-making processes.
Historical Comparison: Historical comparison related to the above indicators is made between the period covering 01/01/2023 – 31/12/2023 and 01/01/2024 - 31/12/2024.