Product name:

VICENDA Debt Opportunities SCA SICAV-RAIF – Vicenda Debt Opportunities I (the "**Compartment**")

Legal entity identifier (LEI)

5299005276H0VIOS0O27

Environmental and/or social characteristics

Summary

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The Compartment integrates sustainability considerations throughout the investment process by applying a multi-layer negative screening (the "**Multi-Layer Negative Screening**") and an active sustainability integration (the "**Active Sustainability Integration**").

The Multi-Layer Negative Screening consists of:

(i) Screening environmental and social risk statically towards a list of sectors that are likely to have an adverse environmental or social impact ("**Sector Screening**");
(ii) Screening governance risk dynamically towards a set of indicators for principal adverse impacts ("**PAIs**") measuring the adherence to good governance practices ("**GGPs**") ("**GGP Screening**");
(iii) Monitoring granular ESG risks comprehensively without predefined thresholds towards the remaining indicators for PAIs to ensure a consideration of all mandatory principal sustainability indicators referred to in Table 1, Annex 1 of the SFDR RTS and any relevant but at least one other indicator for PAIs on sustainability factors in both the environmental and social category referred to in Tables 2 and 3 of Annex 1 of SFDR RTS ("**PAI Consideration**").

Active Sustainability Integration refers to the process of seeking to provide financing to entities eligible under the European Investment Fund's Climate Action and Environmental Sustainability ("**EIF CA&ES**") criteria for green financing. The Compartment aims to invest an amount at least equal to 15% of the Compartment's Aggregate Invested Capital in Portfolio Companies classified as contributing to objectives of the EIF CA&ES criteria but does not commit to any sustainable investments within the meaning of Article 2(17) SFDR.

By doing this, the Compartment promotes the following environmental or social characteristics:

- **Avoidance of Negative ESG Impact**: Screens out sectors and companies with adverse environmental, social, and governance impacts.
- **Support for Sustainable Financing**: Prioritizes financing opportunities aligned with EIF CA&ES criteria.

The investment strategy incorporates definitive binding elements to adhere to the environmental or social characteristics specified by this financial product. Avoidance of Negative ESG Impact influences the investment selection process with mandatory ESG compliance checks for potential investments. Conversely, within the Support for Sustainable Financing, the binding elements are confined to the establishment and communication of sustainability standards within the Compartment.

The attainment of environmental or social characteristics is ensured for all investments in companies, but not for any other investments, like financial derivatives, investments for which data are lacking, and liquid assets. Typically, more than 90% of the amount drawn for the purpose of investment is expected to be in debt instruments of companies aligned with environmental or social characteristics.

When monitoring the attainment of environmental or social characteristics, the Compartment measures throughout the lifecycle of the Compartment a range of indicators. The Avoidance of Negative ESG Impact is monitored annually by reevaluating data points gathered on a quarterly basis. Within this process, the Sector Screening is monitored by the share of investments that don't pass the Restricted Sector List, the GGP Screening and the PAI Consideration are monitored by the indicators for PAIs. The Support for Sustainable Financing is monitored annually by considering the average fiscal year-end alignment of revenue with EIF CA&ES-aligned activities among investees.

Methodologically, the ESG investment strategy uses variations of negative screening strategies (namely static exclusion targeting a restricted sector list, dynamic exclusion targeting governance-relevant PAIs by quantifying individual and aggregate indicator performance, and comprehensive exclusion by including PAI performance in the overall investment-decision making process), and a positive screening strategy variation that relies on an activity-centric sustainability framework.

Data used to attain the Avoidance of Negative ESG Impact is obtained primarily from direct communication through standardized protocols with investees, while data used to attain the Support for Sustainable Financing is enhanced by unstructured bilateral sessions with investees. Data are processed on a proprietary software solution.

The methodologies and data sources used have limitations, due to the conflicting requirements of needing strictness to effectively manage risks and opportunities associated with ESG factors, while also requiring flexibility to maintain the Financial Advisor's ability to attract and distribute capital. The financial advisor has strategies in place that mitigate how these limitations affect meeting the environmental or social characteristics.

The Financial Advisor uses a structured, proprietary research approach, incorporating ESG considerations, to assess investment opportunities by analyzing data from diverse sources and evaluating their impact on cash flows.

Engagement policies are not part of the environmental or social investment strategy.

The Compartment does not use a designated reference benchmark to meet the environmental or social characteristics promoted by the financial product.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The Compartment integrates sustainability considerations throughout the investment process by applying a multi-layer negative screening (the "**Multi-Layer Negative Screening**") and an active sustainability integration (the "**Active Sustainability Integration**").

The Multi-Layer Negative Screening consists of:

(iv) Screening environmental and social risk statically towards a list of sectors that are likely to have an adverse environmental or social impact ("**Sector Screening**");
(v) Screening governance risk dynamically towards a set of indicators for principal adverse impacts ("**PAIs**") measuring the adherence to good governance practices ("**GGPs**") ("**GGP Screening**");
(vi) Monitoring granular ESG risks comprehensively without predefined thresholds towards the remaining indicators for PAIs to ensure a consideration of all mandatory principal sustainability indicators referred to in Table 1, Annex 1 of the SFDR RTS[1] and any relevant but at least one other indicator for PAIs on sustainability factors in both the environmental and social category referred to in Tables 2 and 3 of Annex 1 of SFDR RTS ("**PAI Consideration**").

Active Sustainability Integration refers to the process of seeking to provide financing to entities eligible under the European Investment Fund's Climate Action and Environmental Sustainability ("**EIF CA&ES**") criteria for green financing. The Compartment aims to invest an amount at least equal to 15% of the Compartment's Aggregate Invested Capital in Portfolio Companies classified as contributing to objectives of the EIF CA&ES criteria but does not commit to any sustainable investments within the meaning of Article 2(17) SFDR.

The entity of interest for the analysis is determined based on a combination of three primary perspectives: (i) the activities financed by the investment (use-of-proceeds perspective), (ii) the source of potential investment performance risks, and (ii) the location of the collateral. A look-through approach may be used in alignment with these three primary perspectives but restricts the analysis to information that is economically feasible to obtain.

By doing this, the Compartment promotes the following environmental and/or social characteristics:

- **Avoidance of Negative ESG Impact**: Screens out sectors and companies with adverse environmental, social, and governance impacts.
- **Support for Sustainable Financing**: Prioritizes financing opportunities aligned with EIF CA&ES criteria.

No reference benchmark has been designated for the purpose of attaining the environmental/social characteristics promoted by the financial product.

Investment strategy

The Compartment follows a dedicated ESG investment strategy which aims at avoiding negative ESG impacts and supporting sustainable financing.

The strategy is comprised of two stages which are implemented into the investment process on a continuous basis. A Multi-Layer Negative Screening to avoid negative ESG impacts by filtering out investment opportunities and an Active Sustainability Integration to support sustainable financing by including positive sustainability performance according to the EIF CA&ES criteria for sustainable financing into the investment decision-making process.

It should be highlighted that incorporating the sustainability performance towards the EIF CA&ES criteria of investees is one aspect of a comprehensive investment decision-making process. Supporting sustainable financing does not imply that the Compartment makes sustainable investments, avoids non-sustainable investments, or maintains a minimum quota of sustainable investments.

---

[1] Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 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 DNSH principle, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in precontractual documents, on websites and in periodic reports, as amended from time to time.

A proprietary tool designed for implementing the ESG investment strategy is used as part of the due diligence process.

The investment strategy incorporates definitive binding elements to adhere to the environmental or social characteristics specified by this financial product. Avoidance of Negative ESG Impact influences the investment selection process with mandatory ESG compliance checks for potential investments. Conversely, within the Support for Sustainable Financing, the binding elements are confined to the establishment and communication of sustainability standards within the Compartment.

Avoidance of Negative ESG Impact

Step	*Binding element*	*Scope*
Sector Screening	Passing the Restricted Sector List as referenced in Appendix A.	100% investees
GGP Screening	Undergoing a GGP screening. Benchmarks are internal and may be adapted to account for sectoral/geographical differences as well as fluctuating market conditions.	100% investees
PAI Consideration	Aiming towards the measurement of all PAIs. No benchmarks are applied.	100% investees

GGPs of investee companies are dynamically considered by assessing, screening, and disclosing indicators.

Good Governance Practices

Assessment	*Screening*	*Disclosure*
Adherence to GGPs, defined as sound management structures, employee relations, remuneration of staff and tax compliance	Dynamic assessment using indicator-level benchmarks, along with a composite benchmark for governance-related Indicators for Principal Adverse Impacts as referenced in Appendix B GGPs are confirmed if all indicator-level benchmarks and the composite benchmark are met	Full indicator disclosure

The Multi-Layer Negative Screening applies a broad array of indicators to assess PAIs. The collection and measurement of indicators shall be conducted on a "best efforts" basis, recognizing that data for certain indicators, particularly those pertinent to PAI consideration, may be incomplete or unavailable. Gaps in data are anticipated and are reflective of the presently limited level of ESG integration within the investees inside the investment focus of the Compartment.

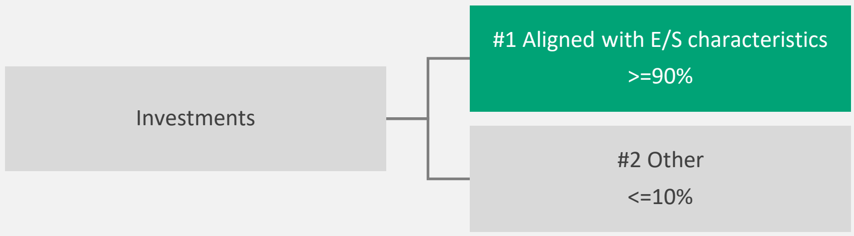
Support for Sustainable Financing

Step	*Binding element*	*Scope*
CA&ES-alignment	Determining the alignment to the EIF CA&ES criteria	100% investees

Reasonable efforts are employed to incorporate the performance towards the EIF CA&ES criteria of potential investees into the decision-making process for investments. However, there is no obligation to achieve or maintain a specific quota of EIF CA&ES-aligned or otherwise sustainable investments. Furthermore, a determination that an investment is sustainable based on such analysis does not obligate to proceed with the investment. Investment decisions are the culmination of a comprehensive, multi-faceted evaluation process, in which the assessment of sustainability is but one component among several critical factors, including financial viability and business performance.

The ESG strategy extends exclusively to investments in companies and not to any other type of investment. More information on the other types of investments is available in the section below.

Proportion of investments



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

For all investments in companies, the environmental or social characteristics are promoted through appliance of the Multi-Layer Negative Screening ("**#1 Aligned with E/S characteristics**").

Investments not aligned with the E/S characteristics promoted include financial derivative instruments (for the purposes of currency and interest-rate hedging), investments for which data are lacking and liquid assets (for liquidity management, reinvestment purposes or if considered appropriate to the objective of maximizing returns). There are no minimum environmental or social safeguards for those investments. ("**#2 Other**")

Typically, over 90% of the amount drawn for the purpose of investment is expected to be in debt instruments of companies aligned with E/S characteristics. The Compartment may also invest in liquid assets and financial derivative instruments. It is important to note that the Compartment's exposure to liquid assets may materially be increased in case considered to be in the best interest of shareholders. The Compartment may, however, not hold more than 10% of its aggregate invested capital in liquid assets for a period of more than six (6) months.

The allocations referred to above are all through direct exposure to the underlying investee debt instruments. The Compartment does not use derivatives (indirect exposure) to attain the environmental or social characteristics.

Monitoring of environmental or social characteristics

A range of sustainability indicators are used to measure the attainment of the promoted environmental or social characteristics. The tables below depict which indicators are used, related screening criteria, how the indicators are monitored throughout the lifecycle of the Compartment, and related control mechanisms.

Avoidance of Negative ESG Impact

	Environmental and social risk	*Governance risk*	*Granular ESG risk*
Description	Share of investees that fall into the Restricted Sector List as referenced in Appendix A	Indicators for Principal Adverse Impacts as referenced in Appendix B	
Screening	Static assessment of an investee's involvement in the Restricted Sector List as referenced in Appendix A	Dynamic assessment using indicator-level benchmarks, along with a composite benchmark for governance-related Indicators for Principal Adverse Impacts as referenced in Appendix B GGPs are confirmed if all indicator-level benchmarks and the composite benchmark are met	Comprehensive screening of larger set of Indicators for PAIs as referenced in in Appendix B Screening without fixed quantitative benchmarks, taking into account the entire context of the investee
Monitoring	Monitoring through annual aggregation based on quarterly data points across a financial year whereby data is gathered through direct communication via standardized protocols with investees Given the illiquid nature of the instruments targeted by the investment strategy, divestments after capital disbursement are feasible only in extreme cases. As such, the primary purpose of monitoring is to ensure transparency rather than to reassure alignment with ESG screening criteria		
Control Mechanism	Controls are automated in internal systems		

Support for Sustainable Financing

	CA&ES-alignment
Description	Share of economic activities among investees that are eligible under the EIF CA&ES criteria for green financing expressed as a weighted average for all investments in investees
Screening	Positive screening by including sustainability performance as one of many components into the investment decision-making process
Monitoring	Monitoring through annual aggregation based on the revenue at year-end
Control Mechanism	Controls are automated in internal systems

Methodologies

Below table shows the methodologies used to assess, measure, and monitor the environmental or social characteristics of the Compartment.

Methodologies

	Avoidance of Negative ESG Impact	*Support for Sustainable Financing*
Assessment	The Financial Advisor filters out investees associated with substantial and persistent ESG risks, by employing a negative screening strategy while incorporating a forward-looking perspective to account for transitory and permanent ESG risk. The Financial Advisor differentiates between three distinct screening layers within the Multi-Layer Negative Screening: Static Exclusion: This involves the exclusion of investees that substantially engage in activities listed on the Restricted Sector List for their substantial and long-term ESG risks. Dynamic Exclusion: This method excludes investees that either perform very poorly on a single GGP indicator or overall poorly on multiple GGP indicators, as defined in Appendix B. The assessment leverages a combination of indicators from the SFDR and custom indicators to evaluate GGPs, including sound management structures, employee relations, remuneration policies, and tax compliance. Comprehensive Exclusion: Investees demonstrating high ESG risk through any measured PAI indicators are excluded under this approach. The Financial Advisor endeavors to assess as many PAI indicators as possible, within the constraints of data availability and quality. Each indicator received is considered on an unstructured and investment-to-investment basis, considering the entire context of the investment to make an informed decision on proceeding.	The Financial Advisor's methodology when assessing the Support for Sustainable Financing is founded on a positive screening approach. This entails incorporating the performance towards sustainable impact as an element within the broader investment decision-making framework. Hereby, the Financial Advisor defines the performance towards sustainable impact as the proportion of revenue generated in compliance with the criteria outlined under the EIF CA&ES guidelines, as detailed on the EIF's official website[2]. The EIF CA&ES criteria are an activity-centric sustainability framework. This approach dictates that sustainability criteria are tailored to particular activities, rather than applying universally across all activities. As such, certain activities are subject to a set of predefined, stringent criteria. These criteria must be met for the revenue a company earns from such activities to be considered sustainable. This method offers the advantage of making the definition of sustainability more reliable and less susceptible to the ambiguities and imprecise classifications often encountered with activity-agnostic sustainability definitions.
Measurement	The Avoidance of Negative ESG Impact is met if none of the negative screening layers results in an exclusion.	The Support for Sustainable Financing is met if the sustainability performance has been determined and is included in the investment decision-making process
Monitoring	The Avoidance of Negative ESG Impact is monitored annually, involving the reevaluation of all data points on a quarterly basis. This approach aligns with the requirements established for the measurement of PAIs by the EU regulator.	The Support for Sustainable Financing is monitored annually by considering the fiscal year-end alignment of revenue with EIF CA&ES-aligned activities.

[2] Available at https://www.eif.org/news_centre/publications/climate-action-sustainability-criteria.htm, as may be updated from time to time.

Data sources and processing

Data used to attain the Avoidance of Negative ESG Impact is obtained primarily from direct communication through standardized protocols with investees. Data used to attain the Support for Sustainable Financing is obtained primarily from a combination of direct communication through standardized protocols and unstructured bilateral sessions with investees.

To ensure data quality, investees sign a declaration of veracity as part of the standardized protocols. While investee companies shall be supported in measuring the indicators, the accuracy of the data provided by investee companies will not be additionally reviewed.

Reliable data on indicators for PAIs on sustainability factors is not always readily available. Investees may be unable to measure ESG data for a variety of reasons. A conservative approach is applied, and over-reporting is avoided. Lacking data will be made transparent through disclosure of coverage ratios. No data will be estimated, unless the estimation results in a negligible impact on data interpretation or follows a best-practice approach for that data point.

Data are processed on a proprietary software solution.

Limitations to methodologies and data

In order to meet the environmental or social characteristics of the financial product, methodologies and data sources must be suited to effectively reduce risks and leverage opportunities associated with ESG factors, while enabling the continuity of the Financial Advisor’s ability for capital attraction and disbursement.

This means that methodologies and data sources must be defined in a way that is strict enough to allow the environmental or social characteristics to be implemented efficiently, while leaving enough flexibility to allow the continuity of the performance of the platform on which those environmental or social characteristics exist on. Ultimately, this results in a trade-off relationship in which the Financial Advisor is required to make balanced judgments that reduce extreme limitations on either spectrum but lead to manageable limitations on both ends.

The below tables depict the core limitations to methodologies and data sources and how such limitations do not affect how the environmental or social characteristics promoted by the financial product are met.

Limitations to reduce risks and leverage opportunities associated with ESG factors

Limitation	*How such limitations do not affect how the environmental or social characteristics promoted by the financial product are met*
Investees exhibit varying levels of internal data monitoring capabilities, resulting in disparities in the quantity of data available. Entities with more extensive data should not face disadvantages due to their superior data collection capabilities.	The Financial Advisor ensures the provision of a fundamental set of data points across all investees, regardless of their data monitoring capacity. For those with advanced data capabilities, additional data points are specified, enhancing flexibility and ensuring a balanced approach. This methodology ensures that the promotion of environmental or social characteristics by the financial product is not compromised by the varying data capabilities of investees.
Data inputs, predominantly self-reported by investees, may rely on data sets and assumptions that could be insufficient, of poor quality, or contain biased information. Consequently, the Financial Advisor cannot ensure the accuracy or completeness of such data. Although the Financial Advisor selects data inputs believed to be reliable, the accuracy of the provided data cannot be fully guaranteed.	Investees are required to sign a declaration of veracity, affirming the truthfulness of their provided information. Additionally, they are encouraged to substantiate their claims with supplementary documents wherever feasible. The Financial Advisor also strives to minimize reliance on estimated data. This approach helps in mitigating the potential risks associated with data veracity and quality, ensuring that the environmental or social characteristics promoted by the financial product are not adversely affected.
The methodologies applied for ESG implementation often rely on historical data, which might not fully reflect the current efforts of investees to improve their ESG practices.	The Financial Advisor implements a multi-layered approach in its negative screening process to effectively address this limitation. This approach includes: – Static exclusion criteria based on a Restricted Sector List, which identifies industries or practices with predominantly permanent ESG issues; – GGPs serving as an intermediary solution, which may trigger exclusion in instances of extreme deficiencies in a single indicator or overall poor performance across several indicators; – Consideration of other ESG indicators in the comprehensive evaluation of investees. This strategy facilitates a nuanced assessment that acknowledges the permanent nature of an investee's ESG practices. This ensures that the reliance on backward-looking methodologies does not detract from the financial product's aim to promote environmental or social characteristics.
Divestment becomes challenging after the disbursement of capital.	During the due diligence process, analysts conduct a comprehensive review of both the current and projected operations of potential investees, identifying any significant shifts in the ESG alignment of investees. Should such changes be detected, the investee may be subject to exclusion from capital disbursement, mitigating the risks associated with post-disbursement ESG non-compliance.

Limitations to enabling the continuity of the Financial Advisor's ability for capital attraction and disbursement

Limitation	*How such limitations do not affect how the environmental or social characteristics promoted by the financial product are met*
The investment universe is selectively curated through the implementation of environmental or social characteristics, leading to a strategic tilting in capital allocation. This approach, all else being equal, could potentially result in suboptimal investment performance and, consequently, a decrease in capital attraction.	The Financial Advisor strategically excludes high ESG risks where negative investment performance is anticipated. The exclusion criteria are finely tuned to identify investments expected to underperform. Therefore, the limitation of the investment universe is not anticipated to detrimentally impact investment performance. This same principle is applied in support of Sustainable Financing; performance in relation to the sustainability framework is not the sole determinant for investment but is considered among various factors.

Due diligence

The Financial Advisor employs a structured and methodical approach to identify promising investment opportunities by examining fundamental, quantitative, and technical factors. The cornerstone of the investment strategy is proprietary research, supported by experienced research analysts who conduct comprehensive evaluations of potential investments, including considerations of ESG elements. This detailed fundamental analysis involves credit analysts evaluating the effects of various factors, including ESG risks and advantages, on the present and projected cash flows of investees. The proprietary research methodology of the Financial Advisor integrates data from various sources, such as regulatory filings of companies, annual reports, corporate websites, direct interactions with potential investees, and news media.

Due Diligence on the underlying assets of the Compartment is subject to the external controls of the Fund Manager.

Engagement policies

Engagement policies are not part of the environmental or social investment strategy.

Designated reference benchmark

The Compartment does not use a designated reference benchmark to meet the environmental or social characteristics promoted by the financial product.

Appendix A: Restricted Sector List

Restricted Sectors

The Compartment does not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies and/or other entities:

a) whose business activity consists of an illegal economic activity (i.e., any production, trade or other activity, which is illegal under the laws or regulations applicable to the Fund in respect of the Compartment or the relevant company or entity), including without limitation, human cloning for reproduction purposes; or

b) which substantially focus on:

    (i) the production of and trade in tobacco and distilled alcoholic beverages and related products;

    (ii) the financing of the production of or trade in weapons and ammunition of any kind, it being understood that this restriction does not apply to the extent such activities are part of or accessory to explicit EU policies;

    (iii) casinos and equivalent enterprises;

    (iv) the research, development or technical applications relating to electronic data programs or solutions, which:

        (A) aim specifically at:

            (I) supporting any activity referred to under items b)(i) through b)(iv) above;

            (II) internet gambling and online casinos; or

            (III) pornography; or

        (B) are intended to enable to illegally:

            (I) enter into electronic data networks; or

            (II) download electronic data.

    (v) fossil fuel-based energy production and related activities, as follows:

        (A) coal mining, processing, transport and storage;

        (B) oil exploration & production, refining, transport, distribution and storage;

        (C) natural gas exploration & production, liquefaction, regasification, transport, distribution and storage;

        (D) electric power generation exceeding the Emissions Performance Standard (i.e., 250 grams of CO_2e per kWh of electricity), applicable to fossil fuel-fired power and cogeneration plants, geothermal and hydropower plants with large reservoirs.

    (vi) energy-intensive and/or high CO_2-emitting industries, as follows:

        (A) manufacture of other inorganic basic chemicals (NACE 20.13);

        (B) manufacture of other organic basic chemicals (NACE 20.14);

        (C) manufacture of fertilisers and nitrogen compounds (NACE 20.15);

        (D) manufacture of plastics in primary forms (NACE 20.16);

        (E) manufacture of cement (NACE 23.51);

        (F) manufacture of basic iron and steel and of ferro-alloys (NACE 24.10);

        (G) manufacture of tubes, pipes, hollow profiles and related fittings, of steel (NACE 24.20);

        (H) manufacture of other products of first processing of steel (NACE 24.30, incl. 24.31-24.34);

        (I) aluminium production (NACE 24.42);

(J) manufacture of conventionally-fuelled aircraft and related machinery (sub-activity of NACE 30.30);

(K) conventionally-fuelled air transport and airports and service activities incidental to conventionally-fuelled air transportation (sub-activities of NACE 51.10, 51.21 and 52.23).

Notwithstanding the above, investments in the sectors mentioned in clause b)(vi) above shall be allowed if the General Partner confirms that the investment either (a) qualifies as environmentally sustainable investments as defined in the EU Taxonomy Regulation as supplemented by the technical criteria established under the EU Taxonomy Delegated Acts (Commission delegated Regulations (EU) supplementing the EU Taxonomy Regulation or upcoming Taxonomy Delegated Acts, as amended from time to time, respectively), or (b) is eligible under the EIF CA&ES objectives in accordance with the latest criteria as published in the EIF's website[3] as of the date of this Offering Document or any further version published after such date.

Underlying Financing Eligibility Criteria

Where the Compartment issues loans to finance, directly or indirectly, any of the following category of assets or activities (the "**Underlying Financing**") it shall comply with the following restrictions:

a) if the Underlying Financing is granted or issued to a Portfolio Company operating inside the EU to finance the acquisition of a vehicle for the purpose of transport[4], the Underlying Financing shall not finance any Restricted Asset (as defined below);

b) if the Underlying Financing is granted or issued to a Portfolio Company operating outside the EU to finance the acquisition of a vehicle for the purpose of transport[5], the Underlying Financing shall not finance Restricted Assets listed in 1.1.d) to 1.1.h) under "Restricted Asset" below;

For the avoidance of doubt, acquisition by a lessor of an existing Restricted Asset owned by the Portfolio Company is allowed, provided that the relevant acquisition price paid by the lessor shall not be used by the Portfolio Company to finance any Restricted Asset;

c) for Underlying Financing granted or issued to finance the construction of new buildings[6] and major rehabilitation of existing buildings (i.e., exceeding 25% of the surface area or 25% of the building value excluding the land) any such construction of new buildings and major rehabilitation of existing buildings shall comply with national energy standards defined by Directive (EU) 2018/844 of the European Parliament and of the Council of 30 May 2018 amending Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency, as amended from time to time;

d) for Underlying Financing granted or issued to Portfolio Companies located outside the EU to finance the construction of new buildings and major rehabilitation of existing buildings (i.e., exceeding 25% of the surface area or 25% of the building value excluding land), any such construction of new buildings and major rehabilitation of existing buildings shall comply with the applicable national energy standards. Buildings with an indoor floor surface exceeding 1,000 square meters require a green building certification (e.g., EDGE, LEED, BREEAM or equivalent);

e) for Underlying Financing granted or issued to finance the heating and/or cooling (including combined cooling/heat and power production (CCHP, CHP)) of buildings shall finance any of the following:

(i) investments involving heat production using renewable fuels or Eligible Cogeneration, where "**Eligible Cogeneration**" is defined as:

(A) based on 100% renewable energy, waste heat or a combination thereof; or

(B) if based on <100% renewable energy and the remaining part is gas-fired (no other fossil fuel is eligible): overall efficiency shall exceed 85% where efficiency is calculated as: (heat plus electricity production) divided by gas fuel consumption;

(ii) investments involving small and medium-sized natural gas boilers with a capacity of up to 20 MWth meeting the minimum energy efficiency criteria, defined as A-rated boilers in the EU (applicable to <400kWth) or boilers with efficiencies of >90%;

[3] Available at https://www.eif.org/news_centre/publications/climate-action-sustainability-criteria.htm, as may be updated from time to time.
[4] For the avoidance of doubt, mobile assets not acquired for the purpose of transport are not covered by these restrictions. These are, for instance, machinery for construction works, agriculture/forestry mobile assets, etc..
[5] Please refer to footnote 3.
[6] Buildings are defined as roofed constructions having walls, for which energy is used to condition the indoor climate. This definition of buildings encompasses greenhouses and industrial buildings.

(iii) investments involving the rehabilitation or extension of existing district heating networks if there is no increase in CO2 emissions as a result of the combustion of coal, peat, oil, gas or non-organic waste on an annual basis; and/or

(iv) investments involving new district heating networks or substantial extensions of existing district heating networks if the network uses at least 50% renewable energy or 50% waste heat or 75% cogenerated heat, or 50% of a combination of such energy and heat.

f) for Underlying Financing granted or issued to finance investments in power and/or heat production, using biomass, the following biomass sustainability conditions shall be met:

(i) feedstock shall be from non-contaminated biomass or biogenic waste inside the EU, or certified for sustainability when sourced from outside the EU, and shall not consist of food and feed crops;

(ii) forest feedstock certified according to international sustainable forest certification standards; and

(iii) no palm oil products or raw material from tropical forest and/or protected sites[7] shall be used.

g) Underlying Financing shall not finance desalination projects.

Restricted Asset

"**Restricted Asset**" means any of the below listed mobile assets for transport vehicles:

a) passenger cars primarily used for commercial purposes for which the corresponding CO2 emission thresholds exceed 115g CO2/km according to the Worldwide Light Duty Vehicle Test Procedure (the "**WLTP**") on a per vehicle basis;

b) vans/light commercial vehicles for which the corresponding CO2 emission thresholds exceed 182g CO2/km according to the WLTP on a per vehicle basis;

c) trucks/heavy duty vehicles (the "HDVs")[8]:

(i)

Axle and chassis configuration[9]	Vehicle subgroup[10]	Reference value above gCO2 / t-km
Rigid, 4x2, GVW > 16t	4-UD	307.23
	4-RD	197.16
	4-LH	105.96
Tractor, 4x2, GVW > 16t	5-RD	84
	5-LH	56.6
Rigid, 6x2	9-RD	110.98
	9-LH	65.16
Tractor, 6x2	10-RD	83.26
	10-LH	58.26

(ii) trucks not covered under any of the four (4) axle and chassis configuration groups meeting Euro VI standards, even diesel, are not considered as Restricted Assets;

(iii) waste collection trucks, meeting Euro V standards or higher, are not considered as Restricted Assets;

(iv) vehicles dedicated to transport fossil fuels or fossil fuels blended with alternative fuels; and

[7] Protected sites include "Natura 2000" sites designated under relevant EU legislation, sites recognized under the Ramsar, Bern (Emerald network) and Bonn conventions and areas designated or identified for designation as protected areas by national governments.
[8] Trucks are divided within Regulation 2019/1242 into 18 different vehicle groups; CO2 emission standards cover only some large truck categories: 4, 5, 9 and 10.
[9] GVW - Gross Vehicle Weight.
[10] UD = Urban delivery, RD = Regional delivery and LH = Long Haul.

d) L-category vehicles (two and three-wheel vehicles and quadricycles): any such vehicle other than zero direct emissions vehicles;

e) public transport: trams, metros and buses (urban and interurban) for which the direct emissions exceed 50g CO2equivalent per passenger-km (gCO2e/pkm);

f) trains:

(i) passenger trains for which direct emissions exceed 50gCO2 equivalent per passenger-km (gCO2e/pkm);

(ii) freight trains for which direct emissions exceed 28.3gCO2 equivalent per tonne-km (gCO2e/tkm); and

(iii) vehicles dedicated to transport of fossil fuels or fossil fuels blended with alternative fuels.

g) Inland water way vessels:

(i) passenger vessels for which direct emissions exceed 50gCO2 equivalent per passenger-km (gCO2e/pkm);

(ii) freight vessels for which direct emissions exceed 28.3gCO2 equivalent per tonne-km (gCO2e/tkm); and

(iii) vessels dedicated to transport fossil fuels or fossil fuels blended with alternative fuels.

h) maritime vessels: maritime vessels dedicated to transport fossil fuels or fossil fuels blended with alternative fuels.

In addition, when providing support to the financing of research, development or technical applications relating to (a) human cloning for research or therapeutic purposes or (b) genetically modified organisms (“GMOs”), the General Partner and the Financial Advisor ensure the appropriate control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.

Excluded Activities

The Compartment shall not invest, finance, guarantee and/or otherwise provide financial and/or other support, directly or indirectly, to

i) Portfolio Companies that are not deemed economically viable according to internationally accepted standards;

ii) persons or entities designated by EU Restrictive Measures[11]; and/or

iii) an Excluded Final Recipient (as defined below).

The Compartment shall further not support activities referred to in Section B in Annex V of Regulation (EU) No 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017, as amended (the "**InvestEU Regulation**").

"**Excluded Final Recipient**" means an entity or a natural person: (i) that cannot benefit directly or indirectly from financing as a result of the application of the Guidelines on the EIF Restricted Sectors[12], as amended from time to time; and/or (ii) falling - at the date of the investment of the Compartment in the relevant portfolio company - under any of the Prohibited Situations as defined below.

Prohibited Situations

Situations in which portfolio companies

i) are bankrupt, subject to insolvency, being wound up, having their affairs administered by a liquidator or by the courts, in this context are in an arrangement with creditors, having their business activities suspended or a standstill (or equivalent) agreement has been signed with creditors and validated by the competent court when required by the applicable law, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;

[11] As described in the consolidated list presently available at https://data.europa.eu/euodp/en/data/dataset/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions.
[12] As published on www.eif.org.

ii) in the past five years, have been the subject of a final judgment or final administrative decision for being in breach of their obligations relating to the payment of taxes or social security contributions in accordance with the applicable law and where such obligations remain unpaid unless a binding arrangement has been established for payment thereof;

iii) in the past five years, they or persons having powers of representation, decision-making or control over them have been convicted by a final judgement or a final administrative decision for grave professional misconduct, where such conduct denotes wrongful intent or gross negligence and which is for one of the following reasons:

1. negligently providing misleading information that may have a material influence or fraudulently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract or an agreement;

2. entering into agreements with other persons aimed at distorting competition;

3. attempting to unduly influence the decision-making process of the contracting authority during the relevant award procedure (as this term is defined in the Financial Regulation[13]);

4. attempting to obtain confidential information that may confer upon it undue advantages in the relevant award procedure (as this term is defined in the Financial Regulation);

iv) in the past five years, they or persons having powers of representation, decision-making or control over them have been the subject of a final judgment for:

1. fraud;

2. corruption;

3. participation in a criminal organisation;

4. money laundering or terrorist financing;

5. terrorist offences or offences linked to terrorist activities, or inciting, aiding, abetting or attempting to commit such offences;

6. child labour and other forms of trafficking in human beings;

v) they are subject to a decision on exclusion contained in the early detection and exclusion database (the EDES database available at the official website of the EU11) set up and operated by the European Commission.

[13] Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012

Appendix B: Indicators for Principal Adverse Impacts

#	Indicator	Scope[14]	Asset	Source
1	Exposure to companies active in the fossil fuel sector		Companies	SFDR PAI Indicators
2	Unadjusted gender pay gap		Companies	SFDR PAI Indicators
3	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)		Companies	SFDR PAI Indicators
4	Investments in companies producing chemicals		Companies	SFDR Additional Indicators
5	Investments in companies without workplace accident prevention policies		Companies	SFDR Additional Indicators
6	Number of days lost to injuries, accidents, fatalities or illness		Companies	SFDR Additional Indicators
7	Excessive CEO pay ratio		Companies	SFDR Additional Indicators
8	Number of identified cases of severe human rights issues and incidents		Companies	SFDR Additional Indicators
9	Ongoing cases of corruption or bribary incidents[15]		Companies	VDO Custom Indicators
10	Active lawsuits under employment law[16]		Companies	VDO Custom Indicators

[14] [ ] means that the indicator is used for the Sector Screening.
[ ] means that the indicator is used for the GGP Screening.
[ ] means that the indicator is used for the PAI Consideration.
[ ] means that the indicator is part of the Compartment's add-on indicators that may be used on a case-by-case basis to measure ESG risk.

[15] Share of investments in investee companies with ongoing legal cases of corruption or bribary incidents as defined under the company's national law.

[16] Average ratio of active lawsuits per employee under national employment law of investee companies.

11	Average time employed per employee[17]		Companies	VDO Custom Indicators
12	Assets located in non-cooperative jurisdictions for tax purposes[18]		Companies	VDO Custom Indicators
13	Ongoing cases of unlawful tax evasion on an entity basis[19]		Companies	VDO Custom Indicators
14	Ongoing cases of unlawful tax evasion on a personal basis for board members[20]		Companies	VDO Custom Indicators
15	Scope 1 GHG emissions		Companies	SFDR PAI Indicators
16	Scope 2 GHG emissions		Companies	SFDR PAI Indicators
17	Scope 3 GHG emissions		Companies	SFDR PAI Indicators
18	Total GHG emissions		Companies	SFDR PAI Indicators
19	Carbon footprint		Companies	SFDR PAI Indicators
20	GHG intensity of investee companies		Companies	SFDR PAI Indicators
21	Share of non-renewable energy consumption and production		Companies	SFDR PAI Indicators
22	Energy consumption intensity per high impact climate sector		Companies	SFDR PAI Indicators
23	Activities negatively affecting biodiversity sensitive areas		Companies	SFDR PAI Indicators
24	Emissions to water		Companies	SFDR PAI Indicators
25	Hazardous waste and radioactive waste ratio		Companies	SFDR PAI Indicators
26	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises		Companies	SFDR PAI Indicators

[17] Median number of years of uninterrupted employment of current staff under the company.
[18] Share of assets located in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes.
[19] Share of investments in investee companies with ongoing legal cases of unlawful tax evasion against the company as defined under the company's national law.
[20] Share of investments in investee companies with ongoing legal cases of unlawful tax evasion against any of the board members as defined under the applicable national law.

27	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises		Companies	SFDR PAI Indicators
28	Board gender diversity		Companies	SFDR PAI Indicators
29	Emissions of inorganic pollutants		Companies	SFDR Additional Indicators
30	Emissions of air pollutants		Companies	SFDR Additional Indicators
31	Emissions of ozone-depleting substances		Companies	SFDR Additional Indicators
32	Investments in companies without carbon emission reduction initiatives		Companies	SFDR Additional Indicators
33	Breakdown of energy consumption by type of non-renewable sources of energy		Companies	SFDR Additional Indicators
34	Water usage and recycling		Companies	SFDR Additional Indicators
35	Investments in companies without water management policies		Companies	SFDR Additional Indicators
36	Exposure to areas of high water stress		Companies	SFDR Additional Indicators
37	Land degradation, desertification, soil sealing		Companies	SFDR Additional Indicators
38	Investments in companies without sustainable land/agriculture practices		Companies	SFDR Additional Indicators
39	Investments in companies without sustainable oceans/seas practices		Companies	SFDR Additional Indicators
40	Non-recycled waste ratio		Companies	SFDR Additional Indicators
41	Natural species and protected areas		Companies	SFDR Additional Indicators
42	Deforestation		Companies	SFDR Additional Indicators
43	Share of securities not issued under Union legislation on environmentally sustainable bonds		Companies	SFDR Additional Indicators
44	Rate of accidents		Companies	SFDR Additional Indicators

45	Lack of a supplier code of conduct		Companies	SFDR Additional Indicators
46	Lack of grievance/complaints handling mechanism related to employee matters		Companies	SFDR Additional Indicators
47	Insufficient whistleblower protection		Companies	SFDR Additional Indicators
48	Incidents of discrimination		Companies	SFDR Additional Indicators
49	Lack of a human rights policy		Companies	SFDR Additional Indicators
50	Lack of due diligence		Companies	SFDR Additional Indicators
51	Lack of processes and measures for preventing trafficking in human beings		Companies	SFDR Additional Indicators
52	Operations and suppliers at significant risk of incidents of child labour		Companies	SFDR Additional Indicators
53	Operations and suppliers at significant risk of incidents of forced or compulsory labour		Companies	SFDR Additional Indicators
54	Lack of anti-corruption and anti-bribery policies		Companies	SFDR Additional Indicators
55	Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery		Companies	SFDR Additional Indicators
56	Number of convictions and amount of fines for violation of anti-corruption and antibribery laws		Companies	SFDR Additional Indicators
57	Exposure to fossil fuels through real estate assets		Real estate assets	SFDR PAI Indicators
58	Exposure to energy-inefficient real estate assets		Real estate assets	SFDR PAI Indicators
59	GHG emissions		Real estate assets	SFDR Additional Indicators
60	Energy consumption intensity		Real estate assets	SFDR Additional Indicators
61	Waste production in operation		Real estate assets	SFDR Additional Indicators

62	Raw materials consumption for new construction and major renovations		Real estate assets	SFDR Additional Indicators
63	Land artificialisation		Real estate assets	SFDR Additional Indicators

64	GHG intensity		Sovereigns/ supranationals	SFDR PAI Indicators
65	Investee countries subject to social violations		Sovereigns/ supranationals	SFDR PAI Indicators
66	Share of bonds not issued under Union legislation on environmentally sustainable Bonds		Sovereigns/ supranationals	SFDR Additional Indicators
67	Average income inequality score		Sovereigns/ supranationals	SFDR Additional Indicators
68	Average freedom of expression score		Sovereigns/ supranationals	SFDR Additional Indicators
69	Average human rights performance		Sovereigns/ supranationals	SFDR Additional Indicators
70	Average corruption score		Sovereigns/ supranationals	SFDR Additional Indicators
71	Non-cooperative tax jurisdictions		Sovereigns/ supranationals	SFDR Additional Indicators
72	Average political stability score		Sovereigns/ supranationals	SFDR Additional Indicators
73	Average rule of law score		Sovereigns/ supranationals	SFDR Additional Indicators

Version Control

Version	Date	Updated text
2	February 18, 2024	Following a strategic amendment of the Compartment’s ESG framework, disclosures have been thoroughly revised to reflect a transition to Multi-Layer Negative Screening and Active Sustainability Integration strategies to attain the Avoidance of Negative ESG Impact and the Support for Sustainable Financing. The update encompasses a fundamental restructuring of ESG disclosures to align with these revised strategies and objectives.
1	December 19, 2022	-