

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

PortfoLion Kockázati Tőkealap-kezelő Zrt.

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27. June 2025

Pursuant to Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the Disclosure Regulation or SFDR).

Principal Adverse Impacts (PAIs) are any negative impact that investment decisions or advice may have on environmental, social and employee issues, respect for human rights, anti-corruption and anti-bribery.

I. Summary

This is a consolidated statement of the main adverse impacts of PortfoLion Venture Capital Management Ltd. (hereinafter: PortfoLion Ltd., Fund Manager) on sustainability factors. The Fund Manager takes into account the main adverse impacts of its investment decisions on sustainability factors.

The purpose of this declaration is that PortfoLion Venture Capital Management Ltd.; Company registration number: 01-10-046106; LEI code: 5299007J2UQCATTCTF103 (hereinafter: PortfoLion Zrt., Fund Manager) ¹shall comply with the disclosure obligation set out in Article 4 of the SFDR Regulation, in accordance with the Fund Manager's effective Sustainability Policy.

This statement of the main adverse impacts on sustainability factors applies to the reference period from 1 January 2024 to 31 December 2024.

Sustainability risk means an environmental, social or governance event or circumstance, the occurrence of which could have a material negative impact on the value of investments - and related assets - the financial and income situation of the supervised entity, as well as the company's reputation.

monitoring individual adverse impact indicators, for which purpose PortfoLion Zrt. uses its own qualitative questionnaire suitable for measuring ESG risk. In order to take into account adverse effects, PortfoLion Zrt. also uses an exclusion list and individual sector exclusions during investment decision-making.

The Fund Manager has completed a qualitative questionnaire for measuring ESG risk for all its investments based on Annex 1 of the Investment Sustainability Risk Management Policy. The consolidated results of the survey show that 82% of the portfolio elements fall into the low category, while 18% of our investments fall into the medium or high risk category.

The Fund Manager will assess the main adverse impacts of its investment decisions on sustainability factors for the period between January 1, 2024 and December 31, 2024. were taken into account.

Please note that the content of this Statement is highly dependent on the availability and quality of data related to each adverse impact indicator. For the indicators detailed in the data reporting required by the SFDR Regulation (Table 1), the Fund Manager contracted with the Apiday ESG platform provider in 2023 in order to publish more and better quality ESG data. Apiday specifically helps fund managers and investors in collecting ESG data. In accordance with legal requirements, the Fund Manager will first publish a comparison of each indicator with the previous reporting period by 30 June 2024, and then regularly, annually

II. Description of the main adverse effects of sustainability factors

The table below contains information on the main adverse impacts on sustainability factors, which must be taken into account, as well as on climate or environmental issues, as well as additional optional indicators related to social and employee issues, respect for human rights, and the fight against corruption and bribery. PortfoLion Zrt. hereby

¹ Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying in detail the content and presentation of information on the principle of no significant harm and the content, methodology and presentation of information on sustainability indicators and impacts detrimental to sustainability, and the content and presentation of information on environmental and social characteristics and the promotion of sustainable investment objectives in pre-contractual documents, websites and periodic reports

draws attention to the fact that it will publish the comparison of individual indicators with the previous reporting period, as required by law, for the first time by June 30, 2024, and then regularly, annually.

The Fund Manager has developed a qualitative questionnaire suitable for measuring its own ESG risk, which is available as an annex to the Sustainability Policy.

The Fund Manager's Exclusion Policy excludes potential investments that repeatedly and seriously violate ²one or more of the ten principles of the Global Compact without taking credible corrective action.

Furthermore, the Fund Manager applies specific sector exclusions. A detailed list of these can be found in the SFDR statement dated 18 November 2022, Section I.1.2., *Description of the main impacts detrimental to sustainability and the measures taken in relation to them*.

The Fund Manager completed and evaluated its own qualitative questionnaire for measuring ESG risk for all investments. The results at a consolidated level show that the vast majority of portfolio elements fall into the low category and that we do not have a small percentage of investments classified as medium or high risk. The Fund Manager did not identify any risks that would require action in 2024. There are no planned actions for the following year, and the Fund Manager is placing increasing emphasis on data collection in 2025.

PortfoLion aims to identify and analyze key ESG challenges, risks and opportunities throughout the investment cycle. PAI indicators help us measure the extent to which our investments have a negative impact on sustainability factors.

In addition, we monitor and evaluate all the mandatory PAI indicators. The table 1 of Annex 1 below provides the list of PAI indicators monitored, along with, where applicable, descriptions of actions taken or planned to avoid or reduce our adverse impact. Other additional indicators are used to identify and assess principal adverse impacts. As shown in the table 2, these include:

- Investments in companies without carbon emission reduction initiatives
- Investment in companies without policies on anti-corruption and anti-bribery

We collect ESG metrics annually to track the impact of our investee companies and their progress on adverse sustainability impacts. Quarterly reporting is currently not feasible due to the lack of resources.

²UN Global Compact: "A call for businesses to align their strategies and operations with universal principles on human rights, labor, the environment and anti-corruption, and to take action to achieve social goals."

III. Indicators applicable to investments in investee companies

| Indicator for adverse sustainability effects | Metric | Effective year 2024 | Effective year 2023 | Explanation | Actions taken, actions planned and targets set for the next reference period |
|---|------------------|--|----------------------------|------------------------------|--|
| CLIMATE-POLITICAL AND OTHER ENVIRONMENTAL INDICATORS | | | | | |
| Greenhouse gas emissions | 1. GHG emissions | Scope 1 GHG emissions | 2,141.4 tCO ₂ e | 9,309.35 tCO ₂ e | <p>The portfolio companies carbon dioxide emissions - Scope 1 (tCO₂e), weighted by the portfolio to company to be investment with its value and the company latest available standing , including cash corporate with a value of . By 2024 regarding the portfolio companies 100% reported</p> <p>The portfolio companies carbon dioxide emissions amount - Scope 2 (tCO₂e), weighted by the portfolio to company to be investment with its value and the company latest available standing , including cash corporate with the value of . By 2024 regarding the portfolio companies 100% reported</p> <p>The portfolio companies carbon dioxide emissions - Scope 3 (tCO₂e), weighted by the portfolio to company to be investment with its value and the company latest available standing , including cash corporate with the value of . By 2024 regarding the portfolio companies 100% reported</p> <p>The portfolio market to its value related complete annual Scope 1, Scope 2 and estimated Scope 3 greenhouse gases emission. By 2024 regarding the portfolio companies 100% reported</p> <p>Data collection was based on data provided by an external data provider (Apiday). In the year 2023, the Fund Manager has carried out the monitoring of the main adverse impact indicators for the total assets under management of the portfolio based on the data provided by the external data provider. Given the scale of the portfolio management activity, the size of the assets under management and the fact that the portfolio is managed in accordance with Article 6 of Regulation (EU) No 2019/2088 (SFDR), no further analysis was carried out by the Fund Manager.</p> |
| | | Scope 2 GHG emissions | 1,026.7 tCO ₂ e | 9,298.09 tCO ₂ e | |
| | | From 1 January 2023, Scope 3 GHG emissions | 5,099.1 tCO ₂ e | 9,023 tCO ₂ e | |
| | | Total GHG emissions | 8,267.2 tCO ₂ e | 27,630.44 tCO ₂ e | |

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|--|--|---|---|--|---|---|
| | 2. Carbon footprint | Carbon footprint | 156.2 tCO ₂ e/ million euro | 189.81 tCO ₂ e/ million euro | <i>The portfolio for its value projected to EUR 1 million connecting complete annual Scope 1, Scope 2 and estimated Scope 3 greenhouse gas emissions . (tCO₂/ million EUR) By 2024 regarding the portfolio companies 100% reported</i> | Some of the main adverse impacts have been considered through an exclusion list, a process which the Fund Manager intends to maintain in the future and to continuously improve its decision-making processes. No action was taken during the reference period and no action is planned for the next reference period. |
| | 3. GHG intensity of investee enterprises | GHG intensity of investee companies | 69.1 tCO ₂ e/ million euro | 104.32 tCO ₂ e/ million euro | <i>The portfolio owned being GHG intensity of emitters (Scope 1, Scope 2 and Scope 3 GHG emissions / million EUR income for the year 2024 for the portfolio companies 83% reported , estimate no happened .</i> | |
| | 4. Exposure to companies operating in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | 0% | 0% | <i>The portfolio market value of the fossil with fuel related activity continuing to issuers exposed percent rate , including petroleum products extraction , processing and storage and transportation , natural gas , and heat and metallurgical coal . for the year 2024 for the portfolio companies 86% reported , estimate no happened .</i> | |
| | 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 | 14.8% | 25.12% | <i>The portfolio weighted average is the issuers energy consumption and or no renewable source by production of the entire used and or produced energy in percent . . for the year 2024 for the portfolio companies 89% reported , estimate no happened .</i> | |
| | | 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 | 74.4% | 88.32% | <i>The portfolio weighted average is the issuers no renewable source by no renewable consumption the proportion is renewable for energy sources compared to in percentage expressed . for the year 2024 for the portfolio companies 20.69% (weighted 21.49%) reported , estimate no happened</i> | |
| | | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage | 0% | 0% | <i>The portfolio weighted average is the issuers from energy sources from no renewable the ratio of its energy production compared to renewable energy sources in percent . . for the year 2024 for the portfolio companies 89% reported , estimate no happened .</i> | |
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|---|----|---|---|--|-------------------------|--|--|
| | 6. | Energy consumption intensity by sector with high climate impact | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector | A - Agriculture , forestry and fishing | 75.2 MWh/ million EUR | 3.49 MWh/ million EUR | Energy consumption of the investee companies in MWh/million EUR revenue. For the year 2024, 9% reported for portfolio managed stock and 00.00% estimated. The notation n/a indicates when there is no data for the indicator, i.e. the portfolio level coverage indicator is 0%. |
| B - Mining and quarrying | | | | 0 MWh/ million EUR | 0 MWh/ million EUR | | |
| C - Production | | | | 0 MWh/ million EUR | 0 MWh/ million EUR | | |
| D- Electricity , gas , steam and air conditioning | | | | 0 MWh/ million EUR | 0 MWh/ million EUR | | |
| E - Water supply ; sewage ; waste management and remediation activities | | | | 0 MWh/ million EUR | 0 MWh/ million EUR | | |
| F - Construction | | | | 0 MWh/ million EUR | 0 MWh/ million EUR | | |
| G - Large and retail trade ; motor vehicles and motorcycles improvement | | | | 0 MWh/ million EUR | 0 MWh/ million EUR | | |
| H - Shipping and storage | | | | 0 MWh/ million EUR | 0 MWh/ million EUR | | |
| L - Real estate transactions | | | | 0 MWh/ million EUR | 93.54 MWh/ million EUR | | |
| Biological diversity | 7. | Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites/operations located in or near to biodiversity- sensitive areas where activities of those investee companies negatively affect those areas | 0% | 0% | Exposed percentage of portfolio market value of issuers that reported operating in or near biodiversity sensitive areas and are involved in controversies with severe or very severe environmental impacts. For the year 2024, 86% reported for portfolio managed holdings, compared to an estimated 0.00%. | |
| Water | 8. | Emissions to water | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | 0 tonnes/million EUR | 0 tonnes/million EUR | The total annual volume of wastewater (metric tonnes) discharged to surface water as a result of industrial or manufacturing activity per €1 million of portfolio value. For the year 2024, 83% of the portfolio treated stock is reported, compared to an estimated 0.00%. | |
| Waste | 9. | Hazardous waste ratio and radioactive waste ratio | Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average | 0.086 tonnes/million EUR | 0.06 tonnes/million EUR | Total annual hazardous waste related to EUR 1 million per portfolio value. For the year 2024, 89% of the portfolio managed stock is reported, while an estimated 0.00% is reported. | |

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

| Indicator for adverse sustainability effects | | Metric | Effective year 2024 | Effective year 2023 | Explanation | Actions taken, actions planned and targets set for the next reference period |
|--|---|--|---------------------|---------------------|--|--|
| Social and employee issues | 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 0% | 0% | Percentage of the market value of the portfolio exposed to issuers with very serious inconsistencies in the company's operations and/or products. For 2024, 80% reported for portfolio managed holdings and 0.00% estimated. | Continue to screen out such potential investments. |
| | 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 83,3% | 70,92% | Percentage of the market value of the portfolio exposed to issuers that are not signatories to the UN Global Compact. 83% reported for the year 2024 for the portfolio managed holdings, compared to an estimated 0.00%. | Data collection was based on data provided by an external data provider (Apiday). For the year 2024, the Fund Manager has carried out a monitoring of the main adverse impact indicators for the total assets under management of the portfolio based on the data provided by the external data provider. Given the scale of the portfolio management activity, the size of the assets under management and the fact that the portfolio is managed in accordance with Article 6 of Regulation (EU) No 2019/2088 (SFDR), no further analysis was carried out by the Fund Manager. |
| | 12. Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | 11,6% | 9,16% | Difference between average gross hourly earnings of male and female employees as a percentage of male gross earnings as a weighted average of portfolio holdings. For the year 2024, 80% reported for portfolio holdings and 0.00% estimated | Some of the main adverse impacts have been considered through an exclusion list, a process which the Fund Manager intends to maintain in the future and to continuously improve its decision-making processes. No action was taken during the reference period and no action is planned for the next reference period. |

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|--|--|--|--------|-------|--|--|
| | 13. Board gender diversity | Average ratio of female to male board members in investee companies | 81,36% | 97,3% | Weighted average of portfolio holdings for the percentage of female board members. 74% reported for portfolio holdings under management in 2024, compared to an estimated 0.00% | - |
| | 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | 0% | 0% | Percentage of the portfolio's market value exposed to issuers with industry ties to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry linkages include ownership, manufacturing, and investment. 86% reported for the portfolio-managed stock for 2024, compared to an estimated 0.00%. | <p><i>Data collection was based on data provided by an external data provider (Apiday). In the year 2023, the Fund Manager has carried out the monitoring of the main adverse impact indicators for the total assets under management of the portfolio based on the data provided by the external data provider. Given the scale of the portfolio management activity, the size of the assets under management and the fact that the portfolio is managed in accordance with Article 6 of Regulation (EU) No 2019/2088 (SFDR), no further analysis was carried out by the Fund Manager.</i></p> <p><i>Some of the main adverse impacts have been considered through an exclusion list, a process which the Fund Manager intends to maintain in the future and to continuously improve its decision-making processes.</i></p> |

| Indicators applicable to investments in sovereigns and supranational organizations | | | | | | | |
|--|-----|--|--|---------------------|---------------------|---|--|
| Indicator for adverse sustainability effects | | | Measurement number | Effective year 2024 | Effective year 2023 | Explanation | Actions taken, actions planned and targets set for the next reference period |
| Environmental | 15. | GHG intensity | GHG intensity of the countries receiving investment | 0 | 0 | The sovereign emitters of GHG emissions intensity weighted average in the portfolio (Scope 1, 2 and 3./M EUR GDP) for the year 2024 regarding the portfolio management for stock related to 100.00 % data coverage , of which reported 100.00%, while estimated 0.00%. | Data collection was based on data provided by an external data provider (Apiday). In the year 2023, the Fund Manager has carried out the monitoring of the main adverse impact indicators for the total assets under management of the portfolio based on the data provided by the external data provider. Given the scale of the portfolio management activity, the size of the assets under management and the fact that the portfolio is managed in accordance with Article 6 of Regulation (EU) No 2019/2088 (SFDR), no further analysis was carried out by the Fund Manager. Some of the main adverse impacts have been considered through an exclusion list, a process which the Fund Manager intends to maintain in the future and to continuously improve its decision-making processes. |
| Social | 16. | Countries receiving investment affected by social violations | The number of investment-receiving countries affected by violations of social rights mentioned in international treaties and conventions, UN principles and, where appropriate, national legislation (absolute number and ratio to the total number of investment-receiving countries) | 0 | 0 | The portfolio on it unique sovereign to its issuers number of which the European Foreign affairs Service (EKSZ) . the for import and the for export concerning limiting measures (sanctions) are applied , and the portfolio on it unique sovereign issuers percent ratio , in which the European Foreign affairs Service (EKSZ) is restrictive measures (sanctions) apply the for import and the for export by 2024 regarding the portfolio management for stock related reported 0.00% while estimated 100.00%. | |

| Indicators applicable to investments in real estate assets | | | | | | |
|--|---|--|---------------------|---------------------|---|--|
| Indicator for adverse sustainability effects | | Metric | Effective year 2024 | Effective year 2023 | Explanation | Actions taken, actions planned and targets set for the next reference period |
| Fossil fuels | 17. Exposure to fossil fuels through real estate assets | The proportion of investments in real estate assets involved in the extraction, storage, transport or production of fossil fuels | 0 | No data available | The data refer to 33% of the real estate assets invested. | Data collection was based on data provided by an external data provider (Apiday). In the year 2023, the Fund Manager has carried out the monitoring of the main adverse impact indicators for the total assets under management of the portfolio based on the data provided by the external data provider. Given the scale of the portfolio management activity, the size of the assets under management and the fact that the portfolio is managed in accordance with Article 6 of Regulation (EU) No 2019/2088 (SFDR), no further analysis was carried out by the Fund Manager. Some of the main adverse impacts have been considered through an exclusion list, a process which the Fund Manager intends to maintain in the future and to continuously improve its decision-making processes. |
| Energy efficiency | 18. Exposure to non-energy efficient real estate assets | The proportion of investments in non-energy-efficient real estate assets | 1 | No data available | The data refer to 33% of the real estate assets invested. | |

IV. Other indicators of major adverse impacts on sustainability factors

a. Additional climate-political and other environmental indicators

chose from Table 2 among the indicators relating to Issuances .

| Adverse sustainability impact | Adverse effect on sustainability factors (Qualitative or quantitative) | Metric | Effective year 2023 | Effective year 2022 | Explanation | Actions taken, actions planned and targets set for the next reference period |
|---|---|---|---------------------|---------------------|--|--|
| Indicators applicable to investments in investee companies | | | | | | |
| CLIMATE-POLITICAL AND OTHER ENVIRONMENTAL INDICATORS | | | | | | |
| Emissions | 4. Investments in companies without carbon emission reduction initiatives | Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement | 45,8% | 20,42% | <p>The sovereign issues the proportion of investments made in investee companies that do not have a carbon emission reduction initiative aimed at aligning with the Paris Agreement for the year 2024 regarding the portfolio management for stock related, reported 86%, while estimated 0.00%.</p> | <p>Data collection was based on data provided by an external data provider (Apiday). In the year 2023, the Fund Manager has carried out the monitoring of the main adverse impact indicators for the total assets under management of the portfolio based on the data provided by the external data provider. Given the scale of the portfolio management activity, the size of the assets under management and the fact that the portfolio is managed in accordance with Article 6 of Regulation (EU) No 2019/2088 (SFDR), no further analysis was carried out by the Fund Manager.</p> <p>Some of the main adverse impacts have been considered through an exclusion list, a process which the Fund Manager intends to maintain in the future and to continuously improve its decision-making processes.</p> |

Table 3 . Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

| Adverse sustainability impact | Adverse effect on sustainability factors (Qualitative or quantitative) | Metric | Effective year 2024 | Effective year 2023 | Explanation | Actions taken, actions planned and targets set for the next reference period |
|--|---|--|---------------------|---------------------|---|---|
| Indicators applicable to investments in investee enterprises | | | | | | |
| INDICATORS RELATING TO SOCIAL AND LABOR ISSUES, RESPECT FOR HUMAN RIGHTS, THE FIGHT AGAINST CORRUPTION AND THE FIGHT AGAINST BRIBERY | | | | | | |
| Anti-corruption and anti-bribery | 15. Lack of anti-corruption and anti-bribery policies | Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption | 36,3% | 41,42% | Percentage of investments made in organizations without an anti-corruption and anti-bribery policy in line with the United Nations Convention against Corruption for the year 2024 regarding the portfolio management for stock related, reported 83%, while estimated 0.00%. | <i>Data collection was based on data provided by an external data provider (Apiday). In the year 2023, the Fund Manager has carried out the monitoring of the main adverse impact indicators for the total assets under management of the portfolio based on the data provided by the external data provider. Given the scale of the portfolio management activity, the size of the assets under management and the fact that the portfolio is managed in accordance with Article 6 of Regulation (EU) No 2019/2088 (SFDR), no further analysis was carried out by the Fund Manager. Some of the main adverse impacts have been considered through an exclusion list, a process which the Fund Manager intends to maintain in the future and to continuously improve its decision-making processes.</i> |

The Fund Manager is mentioned above introduced on indicators over no use other indicators of sustainability factor practiced further main harmful effects for identification and for evaluation .

V. Description of policies for identifying and prioritizing the main adverse effects on sustainability factors

Sustainability factors appear in several different policies and regulations.

Anti-corruption policy (effective: 2024.05.24) The purpose of this policy is to define the principles of the anti-corruption activities of the OTP Group and its group member Fund Manager, to identify areas particularly exposed to the risk of corruption, and to serve as a basic document for the development of the regulatory documents necessary for the Group's anti-corruption activities and for the anti-corruption activities of the relevant employees. More information about the relevant policy is available in the excerpt published on the website: https://strapi.portfolion.hu/api/uploads/3sz_m_Korruptcieellenes_Politika_2024_ENG_e39f736cfd.pdf

OTP Group Level 1 Sanctions Policy (effective: 2024.05.24) which also includes the Fund Manager. OTP Bank Group has a uniform Sanctions Policy and Sanctions Procedures, which define the minimum requirements applicable to OTP Bank and its subsidiaries in order to comply with its specific obligations. Further information about this policy is available on the website:

https://strapi.portfolion.hu/api/uploads/5sz_m_Szankcios_Politika_PF_2024_ENG_honlapra_b9ef94b4a1.pdf

the *Data Protection Policy (effective: 2024.05.24)*, the reduction of information asymmetry between investors and the Fund Manager is the sustainability factor. This policy has been published on our website:

https://strapi.portfolion.hu/api/uploads/2sz_m_Adatvedelmi_Politika_kivonat_PF_2024_kn_5b57e441cd.pdf

The Fund Manager's Code of Ethics (effective: 2024.02.19) sets out clear and unambiguous guidelines and expectations for those associated with the Fund Manager regarding ethical business operations, in order to protect the Fund Manager's values. The Code of Ethics is available on our website at the following location:

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

The Investment Sustainability Risk Management Policy (effective: 2024.06.20.) generally describes the sustainability risk management principles that PortfoLion applies in its investment activities and defines the disclosure procedure for information related to adverse impacts on sustainability factors. Furthermore, the policy includes the targeted exclusion policy, which defines criteria for excluding investments that do not meet predefined ESG standards. The policy is available at:

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

Primary defense as a line the Fund manager its foundations investment directors responsibility with regard to to accompany , to the given target company or portfolio company sustainability risk in accordance with the risk is high with appetite .

The implementation of the above-mentioned policies is the responsibility of the Management Company.

To identify and assess adverse impacts, the Fund Manager uses the questionnaire included in Annex 1 to the Sustainability Policy. The results of the questionnaire are evaluated according to the methodology included in the policy. The information in the questionnaire is not numerical data, therefore no margin of error has been defined. In order to manage potential adverse impacts, PortfoLion Zrt. also uses an exclusion list and sector-specific exclusions during the investment decision-making process.

Measures taken to obtain sustainability data and information

Apiday, a French company, to collect information on the indicators detailed in the reporting requirements of the SFDR Regulation (Table 1). Apiday's main focus is to provide Fund Managers and other investors with ESG data, strategies and the necessary policies.

Working with Apiday, the Fund Manager requested data directly from its investors, and the service provider's interface and expertise helped it to collect it. This allowed the data providers to ask for direct help with any questions that arose and any concepts that needed clarification.

To collect the data, the Fund Manager had to launch a campaign through which companies receiving investments could provide the necessary information. The responses received were used to produce the figures for the Fund Manager's PAI statement.

The RTS³ regulation provides the opportunity to publish an estimated value that the Fund Manager used to calculate the carbon footprint, the estimate was made by Apiday.

The Fund Manager believes that engaging with the sustainability issues of investment target companies can have a positive impact on investment results and society.

We see dialogue as a tool to engage with a company and influence its behavior. This can be done in response to a specific event with an adverse impact on sustainability, or proactively, moving companies towards a "safe" and "fair" or "positive" impact.

The Fund Manager integrates the following adverse impact indicator into its practice: PAI 13. Gender distribution of the composition of the boards of directors.

If the main adverse effects do not decrease over more than one reference period, the PortfoLion will adjust as follows:

- Enhancing our collaboration with investment target companies
- As a last resort, we consider divesting investments that do not reduce adverse impacts despite our engagement efforts.

VI. Participation policy

The Fund Manager examined Act LXVII of 2019 on the promotion of long-term shareholder involvement and the amendment of certain laws for legal harmonization. law. Based on Section 2.1.b) of the referenced law, given that the Fund Manager is a fund manager below the limit, it is therefore not obliged to apply a role policy.

VII. References to international standards

PortfoLion Zrt does not use indicators measuring compliance or aligning with international standards to examine the main adverse effects on sustainability factors.

The Fund Manager took into account the standards detailed below in its publications and during the preparation of the Sustainability Regulations, and the guidelines contained in them were incorporated into our documents.

- UN Global Compact
- Paris Agreement
- the UN Sustainable Development Goals (SDGs)

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

- the UN Guiding Principles on Business and Human Rights

To measure the adherence or alignment with international conventions and norms, PortfoLion use the following adverse impact indicator: PAI 13. Board gender diversity.

In addition, PortfoLion uses the following methodologies and data sources to assess adherence or alignment with international conventions and norms: an annual evaluation of Principal Adverse Impacts (PAIs), including the preparation of PAI indicators.

In section IV. Other indicators of major adverse impacts on sustainability factors, point a) presents the carbon emissions metric. The Fund Manager would like to represent the value of reducing carbon emissions in its investments, therefore keeping this metric in mind is a good feedback.

Presentation of the impact on the fight against corruption and bribery presented in point b). The Fund Manager's exclusion policy includes a condemnation of corruption. Therefore, it strives to think along a similar mentality in its investments.

The PortfoLion is aligned with the provisions of various conventions and agreements, therefore, during the screening of investments, the critical points contained therein are also examined.

The PortfoLion does not apply a forward-looking climate change scenario because there are no companies in the portfolio with the size and activity to justify this.

VIII. Time comparison

A comparison over time based on published figures was first made in the framework of this Statement on the “Main Adverse Impacts of Investment Decisions on Sustainability Factors” for 2024, which will be published in 2025.

