Entangled Capital

Disclosure pursuant to Regulation (EU) 2019/2088 of the European Parliament relating to the information on the sustainability in the financial services sector ("SFDR") Articles 3, 4

Last update: June 2025

Financial market participant: Entangled Capital SGR S.p.A.

Transparency of Policies on Sustainability Risk – Art. 3 SFDR Regulations

The integration of Environmental, Social, and Governance ("ESG") factors into the investment process is an integral part of the activities of Entangled Capital SGR S.p.A. (hereinafter "Entangled Capital" or the "Asset Manager"). Entangled Capital has established a structured approach for identifying and monitoring key ESG risks and opportunities throughout the entire investment lifecycle, as detailed in the ESG Policy.

During the pre-investment phase, Entangled Capital performs an analysis of the ESG profiles of the potential investments with the objective of assessing potential ESG risk drivers and opportunities. Additionally, the analysis is complemented by research on industry ESG trends to identify opportunities for improvement. Entangled Capital may decide whether to undertake a more in-depth analysis of the ESG risks and opportunities of potential investment by performing an ESG Due Diligence through the support of external expert ESG consultants. The considerations arising from these analyses are integrated into the investment memorandum, which informs the decision-making process.

During the ownership and monitoring phase, Entangled Capital promotes active engagement with portfolio companies in order to provide support to them in the process of managing ESG risks and criticalities identified as material at the pre-investment stage. Throughout the holding period, ESG performance of portfolio companies is monitored through annual tracking of ESG Key Performance Indicators (KPIs), using proprietary tool for data collection and monitoring. Based on the results of the ESG performance monitoring activity, risk mitigation actions could be identified in order to address potential ESG risks and critical issues, whether identified.

Comprehensive information on how sustainability risks are integrated into the investment process is detailed in the ESG Policy, publicly available on the website of the Asset Manager.

Transparency of adverse sustainability effects at the subject level – Art. 4 SFDR Regulations

Summary section

Entangled Capital SGR (hereinafter "Entangled Capital" or the "Asset Manager") considers principal adverse impacts (hereinafter "PAIs") of its investment decisions on sustainability factors, as part of its efforts to foster a responsible investment process.

The present statement on principal adverse impacts on sustainability factors covers the reference period from the 1st of January 2024 to the 31st of December 2024. The structure of the statement is aligned to the latest guidelines provided by *Final Report on supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council* (hereinafter "Regulatory Technical Standards - RTS")[1]. The reporting perimeter includes Portfolio Companies (hereinafter "PCs") present within EC I Fund portfolio as of December 31st, 2024[2].

In addition to the 14 mandatory PAIs (refer to the table presented in the paragraph *description of the principal adverse impacts of investment decisions on sustainability factors* of the present document), Entangled monitors two additional indicators from those reported in Table 2 and 3 of Annex 1 of the RTS; specifically:

- 5. Breakdown of energy consumption by type of non-renewable sources of energy; and
- 3. Number of days lost to injuries, accidents, fatalities, or illness.

The Asset Manager has developed a proprietary monitoring tool used to monitor Portfolio Companies' ESG performance, though the collection of ESG KPIs. including the information and data needed to calculate the selected 16 PAIs as prescribed by the Sustainable Finance Disclosures Regulation (EU) 2019/2088 (SFDR)[3].

[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 principle of 'do no significant harm', 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 pre-contractual documents, on websites and in periodic reports.

[2] Please note that the reported data on principal adverse sustainability indicators refer to the following Portfolio Companies: Turatti Srl, Nuova Pasquini & Bini S.p.A., Alphial Srl, Airpower Srl, FBL Srl, Tecnomaster S.p.A. (present within EC I Fund portfolio as of December 31st, 2024). The Company Sipa International S.r.l. has been excluded from the reporting perimeter, since it was acquired by EC I Fund at the end of 2024.

[3] 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 (SFDR).

Description of the principal adverse impacts of investment decisions on sustainability factors

Quantitative information related to the PAIs considered and monitored (i.e., adverse sustainability indicators) is reported in the table below. Data for both 2023 and 2024 are included to enable year-on-year comparison.

The PAI indicators calculated for 2024 reflect a broader reporting perimeter compared to 2023, due to the inclusion of one new portfolio company and additional entities resulting from add-on acquisitions. This expanded coverage has contributed to year-on-year variations observed across certain indicators.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		*Metric*	[4]*Impact (year 2024)*	[5]*Impact (year 2023)*	*Explanation*	*Actions taken, 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	932.28 Tonnes of CO2 eq	560.08 Tonnes of CO2 eq	Scope 1 emissions are mainly derived from the use of natural gas for heating and process purposes and fuel consumption (i.e., Liquefied Petroleum Gas, Petrol and Diesel). Emission factors used for the calculation were sourced from the database of the UK Department for Environment, Food & Rural Affairs. The increase in Scope 1 emissions is mainly due to a 71% rise in Alphial's weighted contribution to the portfolio indicator. This increase reflects a 60% growth in the company's absolute emissions due to the	As part of its ESG monitoring activities, Entangled Capital collected energy consumption data (fuel and electricity) from all its portfolio companies and used this information to calculate the Scope 1 and 2 GHG emissions for both 2023 and 2024. This allowed the Fund to consolidate a comprehensive overview of its financed emissions. The gathered results will serve as a baseline to analyze emissions trends and identify potential tailored

[4] Please note that the data coverage (which indicates the share of investments in the portfolio in relation to which the adverse impact on sustainability factors could be calculated) for all the PAI indicators considered is equal to 100%.
[5] Please note that some indicators for the 2023 reference year have been recalculated due to methodological refinements introduced in the 2024 reporting in relation to financial metrics.

					integration of two newly acquired companies, Sicatef and Luxenia, whose energy consumption data were included in the Group's reporting, following their integration. Additionally, the entry of an energy intensive company, Tecnomaster, into the portfolio contributed to the overall increase.	decarbonization actions to be implemented in the coming years, with the goal of progressively reducing the GHG impact of its portfolio.
		[6]Scope 2 GHG emissions	3,664.36 Tonnes of CO2 eq	1,557.21 Tonnes of CO2 eq	Scope 2 GHG emissions are derived from the consumption of electricity imported from the grid. Emission factors for the calculation were sourced from the database of the International Energy Agency. The portfolio's Scope 2 GHG emissions indicator, based on weighted contributions from investee companies, increased from 1,557 tCO_2eq in 2023 to 3,664 tCO_2eq in 2024. The increase is mainly due to the inclusion of Tecnomaster, an energy-intensive company newly added to the portfolio, which alone contributed over 1,000 tCO_2eq. The weighted contribution from Alphial also rose significantly following the integration of electricity-related data from two companies acquired in 2024 (Sicatef and Luxenia). In addition, Nuova Pasquini & Bini reported higher electricity consumption	

[6] Please note that the reported data refers to Scope 2 emissions calculated using the Market-based method.

					resulting from the start-up of a new production plant equipped with several high-tonnage machines, which significantly increased its production capacity.	
		Scope 3 GHG emissions	N/A	N/A	Fund’s PCs have not yet performed an estimation of their Scope 3 GHG emissions (emissions related to the PCs’ value chains).	Entangled Capital will evaluate whether to include scope 3 GHG emissions within its PCs’ GHG inventory, where material for the PCs.
		Total GHG emissions	4,596.64 Tonnes of CO2 eq	2,117.26 Tonnes of CO2 eq	The increase in total GHG emissions is attributable to higher Scope 1 and Scope 2 GHG emissions. This reflects the inclusion of Tecnomaster in the portfolio and higher energy consumption by Alphial and Nuova Pasquini & Bini following production and/or operational expansions.	Please, refer to Scope 1, 2, and 3 GHG emissions indicators.
	2. Carbon footprint	Carbon footprint	112.19 Tonnes of CO2 eq / €M	60.36 Tonnes of CO2 eq / €M	The carbon footprint indicator measures the total annual Scope 1 and Scope 2 GHG emissions (in tonnes of CO_2 equivalent) per million euro invested in the portfolio. The indicator increased in 2024 compared to 2023 because total Scope 1 and Scope 2 emissions grew more than proportionally relative to the overall value of investments.	Please, refer to Scope 1, 2, and 3 GHG emissions indicators.

	3. GHG intensity of investee companies	GHG intensity of investee companies	109.52 Tonnes of CO2 eq / €M	77.28 Tonnes of CO2 eq / €M	The GHG intensity of investee companies reflects the volume of Scope 1 and Scope 2 emissions generated per million euros of revenue. The indicator experienced a moderate increase in 2024, primarily due to a rise in absolute emissions from one energy-intensive portfolio company, whose GHG emissions growth outpaced its revenue growth. The inclusion of Tecnomaster in the 2024 reporting perimeter also contributed to the increase. Emissions intensity levels of the remaining portfolio companies remained broadly stable year-on-year.	Please, refer to Scope 1, 2, and 3 GHG emissions indicators.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	EC I portfolio does not include Portfolio Companies active in the fossil fuel sector. Accordingly, the share of investments in companies active in this sector remains 0% for both years.	N/A
	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	99%	98,3%	All the PCs primarily consume energy from non-renewable sources. None of them have green electricity supply contracts backed by a Guarantee of Origin, and they rely on standard electricity contracts. In 2024, approximately 50% of the portfolio companies operated photovoltaic systems; however, the electricity generated	As part of its ESG monitoring framework, Entangled Capital has collected and assessed data on energy consumption by source from all portfolio companies. Based on the two-year trend analysis, the Fund will identify potential actions to encourage the use of renewable energy,

		energy sources compared to renewable energy sources, expressed as a percentage of total energy sources			covered only a marginal share of their total energy consumption. Additionally, none of the PCs use renewable gases (e.g., e-fuels or green hydrogen) or biofuels. The indicator showed a slight increase in 2024, primarily due to the inclusion of a new portfolio company that relied exclusively on non-renewable energy sources during the reporting period, as its photovoltaic system was not yet operational. In addition, the lack of data on self-consumed renewable electricity from one portfolio company has contributed to a higher estimate of non-renewable energy consumption.	such as the installation of photovoltaic systems, switching to electricity contracts backed by Guarantees of Origin (GO), and improving the tracking of self-consumed renewable electricity. These efforts aim to progressively reduce the portfolio's reliance on non-renewable energy sources.
	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	1.46 GWh / €M	1.04 GWh / €M	All Fund's PCs are active in a high impact climate sector according to [7]Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006. The increase observed in 2024 is primarily attributable to the inclusion in the reporting perimeter of a new investee company operating in a high-impact climate sector falling within this classification.	Entangled Capital monitors energy consumption intensity in high-impact climate sectors across its portfolio as part of its ESG monitoring efforts. The results will be used to identify potential areas for improvement. Based on the trends observed, the Fund may support portfolio companies in evaluating and implementing energy

[7] Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains Text with EEA relevance.

						efficiency measures aimed at progressively reducing energy intensity over time.
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 affect those areas	0%	0%	In both 2023 and 2024, none of the sites operated by the Fund's portfolio companies were located in or near biodiversity-sensitive areas (such as Natura 2000 sites, Key Biodiversity Areas, or other protected zones) where their activities could have a negative impact on local biodiversity.	As part of responsible investment approach, Entangled Capital is dedicated to assessing and monitoring potential biodiversity impacts during both the pre-investment and holding phases, encouraging investees to report on these matters.
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 / €M	0 Tonnes / €M	One of Fund's portfolio companies reported very low emissions to water of a priority substance (i.e., lead), as defined in Annex X of Directive 2000/60/EC, during 2024. Emissions of priority substances to water were quantified based on monitoring activities carried out as required by the Environmental Authorization. Analytical results from sampled discharges show the presence of lead (a priority substance under Directive 2000/60/EC) in concentrations well below the legal thresholds. The topic is properly managed through	As part of responsible investment activity, Entangled Capital is dedicated to assessing and monitoring whether portfolio companies may generate emissions of priority substances to water during the holding phase, encouraging investees to report on these matters.

					annual monitoring, as required by the permit, with periodic testing of industrial wastewater from production processes. Based on measured concentrations, annual emissions were estimated to be extremely low (less than 0.00004 tonnes/year). The other Fund's portfolio companies did not generate emissions of priority substances to water, as defined in Annex X of Directive 2000/60/EC, in either 2023 or 2024. As a result, the weighted average indicator remained close to 0 tonnes per million euros of investment in both reporting years.	
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	6.15 Tonnes / €M	0.38 Tonnes / €M	The 2024 data reported refers to the amount of hazardous waste generated by 4 Fund's PCs during their production activities. The increase observed in 2024 is primarily due to the inclusion in the reporting perimeter of an additional investee company operating in a manufacturing sector, whose production activities contributed a significant share of the hazardous waste reported.	As part of responsible investment activity, Entangled Capital is dedicated to assessing and monitoring this aspect during both the pre-investment and holding phases, supporting Portfolio Companies to report on these matters and to adopt responsible waste management practices.
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%	In continuity with 2023, no PC has been involved in formalized violations of the UNGC principles and/or OECD guidelines during the reporting year.	As a member of UN Global Compact, Entangled Capital is committed to ensure the full respect of the Ten Principles in the areas of rights, labor, environment and anticorruption within its investments. During the ESG engagement process, the Fund verifies whether any portfolio company has been formally involved in violations of the UNGC principles or the OECD Guidelines.
	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	32%	45%	The reported value refers to the share of the portfolio invested in companies that do not have policies or mechanisms in place to monitor compliance with the UNGC principles and/or the OECD Guidelines for Multinational Enterprises. The remaining share corresponds to 4 portfolio companies that have adopted an Organisational Model pursuant to Italian Legislative Decree 231/2001, which aims to prevent crimes and corrupt practices, and includes a Code of Ethics and a whistleblowing system. The decrease observed in 2024 is primarily due to the adoption of such a compliance framework by one investee company during the reporting year.	Entangled Capital intends to continue encouraging Portfolio Companies to ensure ongoing compliance with the UNGC principles and the OECD Guidelines for Multinational Enterprises. To ensure proper adherence to these principles, Entangled will support the adoption of the Organizational and Control Model compliant with Legislative Decree 231/2001, including the establishment of whistleblowing channels as mechanism to address violations.

		OECD Guidelines for Multinational Enterprises				
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	[8] 8%	10%	According to available Gender Pay Gap statistics (Eurostat)[9] at both EU and National Level, the unadjusted gender pay gap of investee companies is lower than the EU average (12%) and slightly higher than the national average (2.2%). The slight decrease in the average unadjusted gender pay gap compared to the previous year is primarily attributable to the inclusion of a new portfolio company in the reporting perimeter, that reported a negative pay gap, indicating that the average gross hourly pay of female employees exceeded that of male employees.	Entangled Capital will support Portfolio Companies in the annual monitoring of the KPIs, supporting them in identifying potential performance improvement actions, if material for the PCs.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	22%	19%	Considering the Board composition, all Fund's portfolio companies register a prevalence of male board members over female board members. The gender imbalance is strictly related to the reported difficulty faced by the portfolio companies in changing the Board composition and selecting new Board members with the	

[8] Please note that the data coverage (which indicates the share of investments in the portfolio in relation to which the adverse impact on sustainability factors could be calculated) for the PAI indicator "Unadjusted gender pay gap" is equal to 67%
[9] Source: Gender pay gap statistics, 2023

					required experience in the company's core business. The indicator increased in 2024 compared to 2023, primarily due to the inclusion in the reporting perimeter of a new investee company with one female board member out of three (33.3% female representation).	
	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%	EC I Fund portfolio does not include Portfolio Companies involved in the manufacturing or selling of controversial weapons, as involvement in such activities would make the company non-eligible according to Entangled Capital's exclusion list.	Entangled Capital's Responsible Investment Policy outlines formal guidelines concerning the exclusion of investment opportunities in companies involved in the production and/or trade of weapons, explosives, and ammunition of any kind.
ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						

Energy performance	5. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source	Non-renewable electricity: 60.41 %	Non-renewable electricity: 55.26 %	The breakdown of energy consumption by type of non-renewable sources indicates that non-renewable electricity and natural gas constitute the largest shares of energy use among investee companies, accounting for 60.41% and 37.02% in the reporting year, respectively. The remaining non-renewable sources, which are related to fuel consumption for fleets, contribute marginally to the overall energy consumption, with LPG, diesel, and petrol making up only a minor fraction of the total. The change in the breakdown of non-renewable energy sources between 2023 and 2024 is primarily attributable to a general increase in electricity consumption from non-renewable sources across all investee companies. While the	Based on the results of the energy monitoring activity and the analysis of consumption trends, Entangled Capital will evaluate potential measures to reduce the reliance on non-renewable energy sources across portfolio companies (e.g., adoption of Guarantees of Origin, installation of photovoltaic systems).
			Natural gas: 37.02%	Natural gas: 41.38%		
			LPG: 0.03%	LPG: 0.05%		
			Diesel: 2.11 %	Diesel: 2.92 %		

			Petrol: 0.43%	Petrol: 0.38%	consumption of other non-renewable sources such as natural gas remained stable or decreased in some cases, the growth in electricity consumption was more pronounced, resulting in a higher relative share of electricity in the overall non-renewable energy mix.	
ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	92 Days	59 Days	The data refers to four Portfolio Companies that reported work-related injuries in 2024. Across the portfolio, all recorded injuries resulted in fewer than 40 lost workdays, except for a single case that led to an absence exceeding this threshold. None of the injuries was classified as severe (i.e., implying permanent disability or fatality). The rest of the PCs did not record any work-related injuries. The increase in 2024 is primarily due to a higher number of lost workdays	All PCs manage Health and Safety aspects in line with national regulations on Occupational H&S (L.Decree 81/08). Entangled Capital will support PCs in the annual monitoring of KPIs, supporting them in identifying and implementing proper mitigation measures for enhancing the performance in managing H&S related aspects.

					reported by one investee company, largely linked to the continuation of injuries that occurred in the previous year.	

Description of policies to identify and prioritize principal adverse impacts of investment decisions on sustainability factors

As formalized in Entangled Capital ESG policy, updated in July 2023 and whose proper implementation is overseen by the ESG Officer, the Asset Manager has defined and adopted a structured approach for identifying and prioritizing principal adverse impacts on sustainability factors.

At asset manager level, Entangled Capital has identified ESG commitments to be promoted throughout the investment activity (namely: contribution to fighting against climate change and the promotion of health and safety measures) and has selected from the additional indicators reported in Table 2 and 3 of Annex 1 of the RTS, the following ones, as they resulted to be strongly aligned with the aforementioned commitments:

- Breakdown of energy consumption by type of non-renewable sources of energy;
- Number of days lost to injuries, accidents, fatalities, or illness.

Entangled Capital is supported by third party ESG consultants in the identification and assessment of Principal Adverse Sustainability Impacts through the use of a proprietary methodology and through specific ESG Due Diligence assessments.

During the pre-investment phase, the Asset Manager performs a preliminary assessment of the potential investment opportunities against the principal adverse impacts on sustainability factors through the use of a proprietary tool, built upon recognized ESG reporting standards (e.g., SASB), which enables to screen for potential issues that would determine the exclusion of the investment opportunity (e.g., due to non-compliance with the exclusion list or major reputational issues). The Asset Manager is supported by third party ESG experts in the identification and prioritization of Principal Adverse Sustainability Impacts through specific ESG Due Diligence assessments and through the use of the proprietary tool that helps assessing the potential investment's ESG materiality, in accordance with the sector, the type of operations and the geographic locations, as well as it enables to assess its level of maturity in managing the topics that resulted to be material.

If a potential negative effect on sustainability factors, resulting from an investment decision, is identified, improvement actions are identified in order to mitigate the adverse impact during the ownership phase.

During ownership and monitoring phase, a data collection activity is performed on an annual basis through the use of a proprietary tool for gathering and monitoring key performance indicators on the ESG performance of the EC I Fund portfolio, including those related to the PAIs on sustainability factors. Based on the results of the data collection activity, Entangled Capital engages with its PCs in order to define remedial actions aimed at minimizing adverse impacts, where relevant, as disclosed within the previous section.
The data used for the calculation of the PAI indicators derives from engagement activities with PCs, and it is subject to data quality and consistency checks.

Engagement policies section

Throughout the ownership phase, Entangled Capital promotes an active engagement with each PC in order to supervise the processes in place for addressing risks and opportunities, as well as mitigating principal adverse impacts, whether identified.

Through the conduction of data collection activity, Entangled Capital encourages the PCs to actively participate in the ESG performance monitoring process, enabling them to gather all the data needed to calculate PAI Indicators and to, subsequently, identify significant adverse effects related to the investments and remediation actions. The data collection exercise is complemented by the conduction of a carbon footprint assessment encompassing scope 1 and 2 across the entire Fund portfolio. Similarly, an assessment of PCs' exposure to climate-related physical and transition risks is also conducted within the yearly engagement. If a potential negative effect on sustainability factors is identified through annual ESG monitoring activity, improvement actions may be identified in order to mitigate the adverse impact.

In case the engagement does not prove to be successful in reducing relevant principal adverse impacts identified, Entangled Capital will define, by fostering dialogue and collaboration with PCs' management, an effective course of corrective measures to implement in order to generate the expected results in terms of adverse impact mitigation.

References to international standards

Entangled Capital refers to internationally recognized standards to provide consistency in the definition and implementation of ESG activities promoted within its responsible investment framework.

As a first instance, with regards to the ESG commitments that Entangled Capital has set as an asset manager, the framework used for the definition of the very objectives as well as to their attainment is aligned to the United Nations' Sustainable Development Goals (UN SDGs).

Moreover, as a UN PRI signatory, Entangled Capital is committed to adhering and applying UN PRI's 6 Principles for Responsible Investment in its responsible investment process.

As a member of the United Nations Global Compact, Entangled Capital promotes the incorporation of the Ten Principles in the areas of human rights, labor, environment, and anti-corruption through all its business activities.

Additionally, as mentioned within the previous sections, the ESG tools used by Entangled Capital to support the investment screenings and ESG performance quantifications embed ESG materiality principles, following the sectorial SASB standards to determine relevant areas of impact.

During the reporting period Entangled Capital has not proceeded with the performance of forward-looking climate scenario on EC I portfolio. However, an update of the high-level climate-screening activity was conducted with the objective to assess the exposure of the existing portfolio of the EC I Fund to physical climate and transitional risks. The portfolio climate risk assessment was carried out in line with the guidance of the international reporting framework set by the Task Force on Climate Related Financial Disclosure (TCFD).

Historical comparison

The present disclosure marks the second year of PAI reporting. Data from the 2023 reporting period, which serves as the baseline, are compared with 2024 results to assess the evolution of Principal Adverse Impact (PAI) indicators across the portfolio. This historical comparison enables Entangled Capital to monitor progress, identify emerging trends, and detect potential areas for improvement. Detailed metrics and year-on-year trends for each indicator are presented in the corresponding sections of this statement.