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 2026

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 2025 to the 31st of December 2025. 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, 2025[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 Capital 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 PAI indicators 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., Airpower Srl, FBL Srl, Tecnomaster S.p.A., Sipa International S.r.l. (present within EC I Fund portfolio as of December 31st, 2025).

[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 2024 and 2025 are included to enable year-on-year comparison.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		*Metric*	[4] *Impact (year 2025)*	*Impact (year 2024)*	*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	1329.13 Tonnes of CO2 eq	932.28 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) and, where relevant, refrigerant losses. 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 GHG emissions compared to 2024 is primarily attributable to the inclusion in the reporting perimeter of a new investee company qualifying as gas-intensive undertaking under the Italian regulatory framework, whose natural gas consumption contributed	During the current reporting period, in line with previous reporting cycles, Entangled Capital continued to monitor portfolio companies' energy consumption data (i.e., fuel and electricity) and to assess the related Scope 1 and 2 GHG emissions. Building on the historical data collected over prior years, the Asset Manager analyzed GHG emissions trends and the main underlying drivers to identify portfolio specific decarbonization actions and support the progressive reduction of the portfolio's GHG footprint over time.

[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%.

					materially to the year-on-year increase.	
		[5]Scope 2 GHG emissions	2,283.48 Tonnes of CO2 eq	3,664.36 Tonnes of CO2 eq	Scope 2 GHG emissions are derived from the consumption of electricity imported from the grid. Emission factors used 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, decreased from 3,664.36 tCO_2eq in 2024 to 2,283.48 tCO_2eq in 2025. The decrease is primarily attributable to changes in the reporting perimeter following the exit of an energy-intensive portfolio company during the reporting period. The year-on-year reduction was also supported by lower Scope 2 GHG emissions reported by two portfolio companies, driven by a lower reliance on grid electricity as a result of increased on-site photovoltaic self-generation and self-consumption.	
		Scope 3 GHG emissions	N/A	N/A	Fund's PCs have not yet estimated their Scope 3 GHG emissions (i.e. emissions generated across their value chains).	Entangled Capital will evaluate whether to include scope 3 GHG emissions within its PCs' GHG inventory, where material for the PCs.

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

		Total GHG emissions	3,612.61 Tonnes of CO2 eq	4,596.64 Tonnes of CO2 eq	The decrease in total GHG emissions compared to 2024 is primarily attributable to lower Scope 2 GHG emissions at portfolio level, driven by changes in the reporting perimeter following the exit of an energy-intensive portfolio company and by lower electricity-related emissions reported by two portfolio companies as a result of increased on-site photovoltaic self-generation and self-consumption.	Please, refer to Scope 1, 2, and 3 GHG emissions indicators.
	2. Carbon footprint	Carbon footprint	104.75 Tonnes of CO2 eq / €M	112.19 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 decrease in carbon footprint compared to 2024 is mainly attributable to changes in the reporting perimeter during the reporting year, primarily following the exit of an energy-intensive portfolio company.	Please, refer to Scope 1, 2, and 3 GHG emissions indicators.
	3. GHG intensity of investee companies	GHG intensity of investee companies	124.77 Tonnes of CO2 eq / €M	109.52 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 moderately increased in 2025 compared to 2024, reflecting a higher ratio of GHG emissions to revenue reported across most portfolio	Please, refer to Scope 1, 2, and 3 GHG emissions indicators.

					companies. The year-on-year increase was also influenced by the inclusion in the reporting perimeter of a new investee company with an energy-intensive profile.	
	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 reporting 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 energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	96.8%	99%	Portfolio Companies continue to rely predominantly on non-renewable energy sources. None of them have green electricity supply contracts backed by Guarantees of Origin, and electricity is generally sourced through standard supply contracts. In 2025, approximately 50% of portfolio companies operated photovoltaic systems; however, the electricity generated covered only a marginal share of their total energy consumption. The majority of portfolio companies do not currently rely on renewable gases (e.g., green hydrogen or e-fuels) or biofuels, while the use of renewable diesel (i.e., HVO100) remains limited to one portfolio company.	As part of its ESG monitoring framework, Entangled Capital collected and assessed portfolio companies' energy consumption data by source. Building on the analysis of historical consumption trends, the Asset Manager identified potential actions to increase the use of renewable energy across the portfolio, including the installation of photovoltaic systems and the switch to electricity contracts backed by Guarantees of Origin (GO). These actions are intended to progressively reduce the portfolio's reliance on non-renewable energy sources.

					The indicator showed a slight decrease in 2025 compared to 2024, primarily attributable to the activation of photovoltaic systems by two portfolio companies, which increased the share of self-generated renewable electricity in their energy mix. The year-on-year reduction was also supported by the introduction of renewable diesel (HVO 100) by one portfolio company for its corporate fleet, contributing to a partial substitution of conventional fossil fuels.	
	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	2.15 GWh / €M	1.46 GWh / €M	All Fund's PCs are active in high impact climate sectors according to [6]Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006. The increase observed in 2025 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.	As part of its ESG monitoring framework, during the reporting period Entangled Capital continued to monitor energy consumption intensity across portfolio companies operating in high-impact climate sectors. Building on the analysis of historical trends and the main underlying drivers, the Asset Manager identified potential opportunities to improve energy efficiency and reduce energy consumption intensity over time. These findings will support future

[6] 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.

						engagement activities with portfolio companies aimed at enhancing operational efficiency and reducing energy use.
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 2024 and 2025, 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, considering the nature of portfolio companies' activities and the location of their sites and operations, including their proximity to biodiversity-sensitive areas.
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 the Fund's Portfolio Companies reported very low estimated emissions to water of a priority substance, namely lead, as defined in Annex X to Directive 2000/60/EC, during both 2024 and 2025. Emissions of priority substances to water were assessed based on monitoring activities carried out in accordance with the portfolio company's environmental authorization. Analytical testing of industrial wastewater from production processes reported lead concentrations well below the relevant legal threshold.	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 monitor and report on these matters where relevant.

					The topic is managed through periodic monitoring and testing, as required under the environmental permit. Based on the monitored concentrations and the annual volume of industrial wastewater discharged, annual lead emissions were estimated to be low (less than 0.001 tonnes/year). The other Portfolio Companies did not report emissions to water of priority substances, as defined in Annex X to Directive 2000/60/EC, during either 2024 or 2025. As a result, the investment-weighted indicator remained close to zero tonnes per € million invested in both reporting periods.	
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	5.46 Tonnes / €M	7.15 Tonnes / €M[7]	The 2025 data reported refers to the amount of hazardous waste generated by 3 portfolio companies during their production activities. The year-on-year reduction is primarily attributable to changes in the reporting perimeter following the exit of one portfolio company that contributed to the hazardous waste generated within the portfolio during the previous reporting years.	As part of its responsible investment approach, Entangled Capital assesses hazardous waste generation during the pre-investment phase where relevant and material, and throughout the holding phase, supporting portfolio companies in reporting on these matters and adopting responsible waste management practices. During the reporting period, Entangled Capital also

[7] The 2024 value for this PAI indicator has been restated to reflect updated information received from one Portfolio Company.

						analysed historical hazardous waste data across portfolio companies in order to assess trends and identify the main underlying drivers. The results of this analysis will support future engagement activities with portfolio companies aimed at improving hazardous waste management practices over time.
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 line with previous reporting periods, 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 Asset Manager 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	Share of investments in investee companies without policies to monitor compliance	48%	32%	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	During the reporting period, Entangled Capital assessed the governance and compliance frameworks adopted by portfolio companies in relation to the UNGC principles and the OECD

	Global Compact principles and OECD Guidelines for Multinational Enterprises	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			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 increase observed in the reporting period is primarily attributable to the inclusion in the portfolio of a new investee company that had not yet adopted formal policies or mechanisms to monitor compliance with the UNGC principles and/or the OECD Guidelines for Multinational Enterprises.	Guidelines. The Asset Manager 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 Capital will support the adoption of the Organizational and Control Model compliant with Legislative Decree 231/2001, including the establishment of whistleblowing channels as a mechanism for reporting and addressing potential violations.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	3%	[8]7%	According to available Gender Pay Gap statistics (Eurostat)[9] at both EU and National Level, the aggregated unadjusted gender pay gap is lower than both the EU average (11.1%) and the Italian national average (5.3%). The change in the aggregated portfolio-level indicator compared to 2024 is primarily attributable to the inclusion of gender pay gap data from two additional portfolio companies, together with changes in the	During the reporting period, Entangled Capital improved the coverage of the unadjusted gender pay gap KPI across the portfolio, reaching full coverage by supporting portfolio companies in the calculation of the indicator. This enabled the Asset Manager to perform a more representative portfolio-level assessment and to analyse the main

[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% for the 2024 reporting year. The 2024 value for the PAI indicator has been restated to reflect updated information received from one portfolio company.
[9] Source: Gender pay gap statistics, 2024 - Eurostat

					reporting perimeter following the inclusion of a new investee company, which reported an unadjusted gender pay gap of 0.2%.	drivers underlying the year-on-year changes in the aggregated indicator. Based on this assessment, Entangled Capital will continue to support portfolio companies in monitoring this KPI and, where relevant and material, in identifying potential actions to address pay disparities over time.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	33%	22%	Across portfolio companies, board composition remains characterized by a predominance of male board members over female board members. The current level of gender imbalance reflects the reported difficulty faced by the portfolio companies in changing the Board composition and selecting new Board members with the required experience in the company's core business. The indicator increased in 2025 compared to 2024, primarily due to the inclusion in the reporting perimeter of a new investee company with three female board members out of five (60% female representation).	During the reporting period, Entangled Capital monitored the composition of portfolio companies' boards and analyzed the main drivers underlying the reported level of gender diversity and its year-on-year evolution. Based on this assessment, Entangled Capital will continue to monitor this KPI and, where relevant, engage with portfolio companies on board diversity matters.

	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%	Fund's 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.	As part of its Responsible Investment Policy, Entangled Capital applies exclusion criteria to investment opportunities in companies involved in the production and/or trade of weapons, explosives, and ammunition of any kind. Compliance with these exclusion criteria is assessed during the screening and due diligence process for new investments and monitored throughout the holding period.
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: 45.69 %	Non-renewable electricity: 60.41 %	In 2025, natural gas and non-renewable electricity remained the main non-renewable energy sources, accounting for 52.24% and 45.69% of total non-renewable energy consumption, respectively. Diesel, petrol and LPG continued to represent only a marginal share of the portfolio's non-renewable energy mix. Compared to 2024, the share of non-renewable electricity decreased, while the relative contribution of natural gas increased. This change reflects both the activation of photovoltaic systems at two	During the reporting period, Entangled Capital monitored portfolio companies' energy consumption by source and analysed the breakdown of non-renewable energy consumption across the portfolio. Based on this assessment, the Asset Manager identified the main sources contributing to non-renewable energy use and may consider, where relevant, potential measures to support a gradual reduction in
			Natural gas: 52.24%	Natural gas: 37.02%		
			LPG: 0.02%	LPG: 0.03%		

			Diesel: 1.78 %	Diesel: 2.11 %	portfolio companies, which reduced their reliance on grid electricity, and the inclusion in the reporting perimeter of a new investee company whose production processes require significant natural gas consumption.	reliance on non-renewable energy sources over time (e.g., adoption of Guarantees of Origin, installation of photovoltaic systems).
			Petrol: 0.28%	Petrol: 0.43%		
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	24 Days	92 Days	The data refers to four Portfolio Companies that reported work-related injuries in 2025. Across the portfolio, all recorded injuries resulted in fewer than 40 lost workdays. 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 year-on-year reduction primarily reflects the lower number of workdays lost due to work-related injuries reported across the portfolio compared to 2024.	During the reporting period, Entangled Capital monitored health and safety related KPIs across portfolio companies and analyzed the main drivers underlying the reported number of lost workdays due to injuries, accidents, fatalities or illness. Based on this assessment, the Asset Manager will continue to support portfolio companies in monitoring health and safety-related performance and, where relevant, in identifying potential improvement actions aimed at strengthening the management of H&S-related matters.

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

As formalized in Entangled Capital ESG policy, approved by the Board of Directors in 2020 and subsequently reviewed in 2021 and 2023, the Asset Manager has defined and adopted a structured approach for identifying and prioritizing principal adverse impacts on sustainability factors. The implementation of the policy is coordinated by the ESG Officer, who oversees its application throughout the investment process and ongoing monitoring activities.

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 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 active engagement with each PC 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 GHG emissions 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 to generate the expected results in terms of adverse impact mitigation.

During the reporting period, Entangled Capital performed an analysis of the evolution of PAI indicators across the portfolio with the aim of identifying the main contributors to adverse sustainability impacts. The results of this assessment were used to prioritize engagement activities and support the definition of potential targeted improvement actions at portfolio company level.

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.

Forward-looking climate scenarios are not currently incorporated into the assessment process, as the climate risk analysis is primarily focused on identifying and evaluating current exposure to physical and transition climate risks across the portfolio. The portfolio climate risk assessment is 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 third year of PAI reporting. Data reported for the 2025 reporting period are compared with those reported for the 2024 reporting period 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 areas requiring further attention, and assess the effectiveness of actions undertaken to mitigate adverse sustainability impacts. Detailed metrics and year-on-year trends for each indicator are presented in the corresponding sections of this statement.