

Statement on principal adverse impacts of investment decisions on sustainability factors.

1. FINANCIAL MARKET PARTICIPANT

GAWA Capital Partners, SGEIC, S.A.

2. SUMMARY

GAWA Capital considers principal adverse impacts of its investment decisions on sustainability factors.

The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Gawa Capital Partners SGEIC, S.A.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022.

3. DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

| Adverse sustainability indicator | Metric | Impact 2022 | Impact 2021 | Explanation | Actions taken, and actions planned and targets set for the next reference period | |
|---|------------------|-----------------------|-------------|-------------|--|--|
| CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS | | | | | | |
| Greenhouse gas emissions | 1. GHG emissions | Scope 1 GHG emissions | 104,87 | N/A | Portfolio mainly comprised of financial service providers | Analysis and monitoring of the companies that mainly contribute to this parameter. |
| | | Scope 2 GHG emissions | 4.316,09 | N/A | Portfolio mainly comprised of financial service providers | Analysis and monitoring of the companies that mainly contribute to this parameter. |

| Adverse sustainability indicator | | Metric | Impact 2022 | Impact 2021 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|---|---|--|-------------|---|---|--|
| | | Scope 3 GHG emissions | N/A | N/A | N/A | The first collection of information is planned for 2023, for the period ended December 31, 2022. |
| | | Total GHG emissions | 4.420,96 | N/A | Portfolio mainly comprised of financial service providers | Analysis and monitoring of the companies that mainly contribute to this parameter. |
| | 2. Carbon footprint | Carbon footprint | 12,64 | N/A | Portfolio mainly comprised of financial service providers | Analysis and monitoring of the companies that mainly contribute to this parameter. |
| | 3. GHG intensity of investee companies | GHG intensity of investee companies | 23,69 | N/A | Portfolio mainly comprised of financial service providers | Analysis and monitoring of the companies that mainly contribute to this parameter. |
| | 4. Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | 0% | N/A | Portfolio mainly comprised of financial service providers | No impact. |
| 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 | 64% | N/A | Portfolio mainly comprised of financial service providers | The proportion of non-renewable energy consumption for portfolio companies depends mainly on the production of the country where they are located. Analysis and monitoring of renewable energy production for self-consumption. | |

| Adverse sustainability indicator | | Metric | Impact 2022 | Impact 2021 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|----------------------------------|---|--|--|-------------|---|--|
| | | as a percentage of total 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 | NACE Sector A: 0,001 NACE Sector C: 0,001 | N/A | Portfolio mainly comprised of financial service providers | Analysis and monitoring of the companies that mainly contribute to this parameter. |
| 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% | N/A | Portfolio mainly comprised of financial service providers | No impact. |
| Water | 8. Emissions to water | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | 0,00 | N/A | Portfolio mainly comprised of financial service providers | No impact. |
| Waste | 9. Hazardous waste and radioactive waste ratio | Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average | 0,00 | N/A | Portfolio mainly comprised of financial service providers | No impact. |

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

| Adverse sustainability indicator | | Metric | Impact 2022 | Impact 2021 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|----------------------------------|---|--|-------------|-------------|---|---|
| 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% | N/A | N/A | No impact. |
| | 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 | 62% | N/A | Average of the 3 funds included in the disclosure | Portfolios mainly composed of local financial service providers, to which the principles for Multinational Companies are not directly applicable. Analysis and monitoring of improvements in this area. |
| | 12. Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | -4% | N/A | Average of the 3 funds included in the disclosure | Analysis and monitoring of the companies that mainly contribute to this parameter. |
| | 13. Board gender diversity | Average ratio of female to male board members in investee companies, expressed as a percentage of all board members | 23% | N/A | Average of the 3 funds included in the disclosure | Analysis and monitoring of the companies that mainly contribute to this parameter. |

| Adverse sustainability indicator | | Metric | Impact 2022 | Impact 2021 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|----------------------------------|--|--|-------------|-------------|-------------|--|
| | 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% | N/A | N/A | No impact. |

| Adverse sustainability impact | | Metric | Impact 2022 | Impact 2021 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|---|---|---|-------------|-------------|---|---|
| CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS | | | | | | |
| Water, waste and material emissions | 11. Investments in companies without sustainable land/agriculture practices | Share of investments in investee companies without sustainable land/agriculture practices or policies | 64% | N/A | Average of the 3 funds included in the disclosure | Portfolios mainly composed of financial service providers. Monitoring and analysis of best practices. |
| | 15. Deforestation | Share of investments in companies without a policy to address deforestation | 66% | N/A | Average of the 3 funds included in the disclosure | Portfolios mainly composed of financial service providers. Monitoring and analysis of best practices. |

| Adverse sustainability impact | Metric | Impact 2022 | Impact 2021 | Explanation | Actions taken, and actions planned and targets set for the next reference period | |
|---|--|--|-------------|-------------|--|---|
| INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS | | | | | | |
| Social and employee matters | 1. Investments in companies without workplace accident prevention policies | Share of investments in investee companies without a workplace accident prevention policy | 42% | N/A | Average of the 3 funds included in the disclosure | Portfolios mainly composed of financial service providers. Monitoring and analysis of best practices. |
| | 5. Lack of grievance/complaints handling mechanism related to employee matters | Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters | 4% | N/A | Average of the 3 funds included in the disclosure | Analysis and monitoring of the companies that mainly contribute to this parameter. |
| | 8. Excessive CEO pay ratio | Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual) | 72,84 | N/A | Average of the 3 funds included in the disclosure | Analysis and monitoring of the companies that mainly contribute to this parameter. |
| 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 | 19% | N/A | Average of the 3 funds included in the disclosure | Analysis and monitoring of the companies that mainly contribute to this parameter. |
| | 17. Number of convictions and amount of fines for violation of anti- | Numbers of convictions and amount of fines for violations of anti-corruption and anti- | 0 | N/A | N/A | No impact. |

| Adverse sustainability impact | | Metric | Impact 2022 | Impact 2021 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|-------------------------------|----------------------------------|------------------------------------|-------------|-------------|-------------|--|
| | corruption and anti-bribery laws | bribery laws by investee companies | | | | |

4. DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

GAWA Capital Partners has a Sustainability and Responsible Investment Policy, approved by the Board of Directors in March 2021, which integrates consideration of sustainability risks and adverse impacts on sustainability factors throughout the investment process.

As GAWA is a fund manager focused on Article 9 funds, previous impact measurement systems have incorporated an analysis of the main adverse impacts (PIA) on sustainability factors, in order to perform a more detailed analysis of the manager's potential negative impacts.

Information and analysis were collected during the 2022 financial year and the first half of 2023, the main source of information being the reports of the portfolio companies. Assumptions and approximations have also been used to estimate the greenhouse gases of the invested entities.

5. ENGAGEMENT POLICIES

None of the funds advised or managed by GAWA Capital invests in companies listed on regulated markets, therefore no engagement policies as referred to in Article 3g of Directive 2007/36/EC of the European Parliament and of the Council have been developed.

6. REFERENCES TO INTERNATIONAL STANDARDS

As mentioned above, GAWA has developed internal methodology for impact measurement in relation to all managed and advised funds (article 9), in an Environmental and Social Risk Management System.

This system ensures that investee companies manage not only the environmental and social (E&S) risks of their own activity (internal dimension), but also those arising from their investment activity (external dimension). The system applies the framework of exclusions and restrictions reinforced by sectors or companies whose activity is directly or indirectly related to controversial activities or those prohibited by the US International Development Finance Corporation (DFC) - formerly Overseas Private Investment Corporation (OPIC) - and the International Finance Corporation (IFC), which is part of the World Bank.

The monitoring of risks and covenants is carried out by incorporating the indicators of adverse impacts on sustainability factors as a quantification tool and as a warning element for possible changes in status.

In addition, GAWA uses some Alinus/SPI4 (CERISE) indicators to assess an organization's level of implementation of the Universal Standards for Social Performance Management (USSPM).

Invested entities have, in general, low environmental and social risks as they belong to the microfinance industry.

7. HISTORICAL COMPARISON

As this is GAWA Capital Partners' first such statement, it is not possible to make a comparison with previous periods. For the year ended December 31, 2023, GAWA Capital will complete this section in accordance with Article 10 of Delegated Regulation (EU) 2022/1288.