

## STATEMENT ON THE NON-CONSIDERATION OF PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS AT THE ENTITY LEVEL

Envolve Capital UAB (**Management Company**), acting in accordance with 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**), which requires managers of alternative investment funds to disclose whether and how they consider the principal adverse impacts of investment decisions on sustainability factors<sup>1</sup> (Article 4 of the SFDR and Articles 4–10 of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 with regulatory technical standards (**SFDR RTS**)), hereby issues the following statement.

### 1. Non-consideration of principal adverse impacts of investment decisions on sustainability factors at the level of the Management Company

The Management Company does not consider the principal adverse impacts of investment decisions (**PAI**) on sustainability factors at the level of the entity (at the level of the Management Company), i. e., the Management Company does not perform a consolidated assessment of PAI on sustainability factors across all the funds under its management (**Funds**) and, consequently, does not prepare consolidated PAI reports. The Management Company is of the view that PAI reports prepared at the level of each individual Fund are more informative and relevant for the respective investors and, therefore, better serve their interests compared to the consolidated entity-level disclosures.

### 2. Implementation of PAI-related obligations at the level of financial products (Funds)

Given that all the Funds managed by the Management Company pursue sustainable investment objectives, the Management Company, in compliance with the requirements of Article 7 of SFDR, carries out an assessment of the PAI on sustainability factors at the level of each Fund and prepares corresponding Fund-specific PAI reports. These reports are prepared in accordance with the content and format requirements set out in the SFDR RTS.

The Management Company evaluates all mandatory PAI indicators set out in Table 1 of Annex I to the SFDR RTS, in addition to two supplementary voluntary environmental and social indicators listed in Tables 2 and 3 of the same Annex. The selection of these additional indicators is based on: (i) the nature and geographical scope of the Fund's investments; and (ii) the probability, severity, and potential irreversibility of the adverse impacts. The Management Company has selected the following additional voluntary indicators to be applied across all managed Funds:

- (a) One (1) additional environment-related indicator (*Indicator 14: Impacts on biodiversity and ecosystems (threatened species and protected areas)*) - this indicator has been selected on the basis that the portfolio companies in which the Funds invest are exclusively engaged in the development and operation of renewable energy projects (primarily solar and wind power plants), which may have a material impact on biodiversity and the integrity of ecosystems. Accordingly, such activities may be subject to environmental impact assessments and specific assessments concerning their effects on, or in proximity to, environmentally sensitive or protected areas, including those designated under Directive 2011/92/EU, Directive 2009/147/EC, and Directive 92/43/EEC (e.g., Natura 2000 sites, UNESCO World Heritage sites, Key Biodiversity Areas, and other protected zones), and may trigger obligations to implement mitigation or compensatory measures as identified during such assessments.
- (b) One (1) additional social and governance indicator (*Indicator 17: Number of convictions and amount of fines for violations of anti-corruption and anti-bribery laws*) - this indicator has been selected in view of the fact that the Funds invest exclusively in renewable energy infrastructure, a sector that is subject to stringent regulation and, in some jurisdictions, supported by public subsidies. As such, the inherent risk of corruption-related misconduct is considered to be relatively elevated in this context.

The Management Company prepares the PAI reports for each Fund (i.e., financial product) on an annual basis, covering each calendar year, and makes it available to the relevant Fund's investors no later than 30 June of the following year. These reports are published via the investor portal accessible through the Management Company's website ([www.envolve.capital](http://www.envolve.capital), <https://investors.envolve.capital/>). Each Fund-specific PAI report also includes overarching information on the policy framework applied across all Funds under management. This comprises the methodology for identifying and prioritizing relevant PAI indicators per Fund, the Management Company's engagement strategy, and the international standards observed by the Management Company and its Funds in the investment decision-making process.

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<sup>1</sup> Sustainability factors shall be understood as defined in the SFDR, i.e., environmental, social and employee matters, respect for human rights, and anti-corruption and anti-bribery matters.