Sustainable Finance Disclosures Regulation ("SFDR") Article 4

Principal adverse sustainability impacts (PAIs) at entity level

Disclosure

SAIL Investments considers all the mandatory environmental and social adverse impacts when assessing its investee companies and discloses measurable metrics on how it reports on these.

Description of Principal Adverse Sustainability Impacts

The following PAIs indicators are monitored and measured:

1. GHG emissions (broken down by scope 1, 2 and 3

2. Carbon footprint

3. GHG intensity of investee companies

4. Exposure to companies active in the fossil fuel sector

5. Share of non-renewable energy consumption and production

6. Energy consumption intensity per high impact climate sector

7. Activities negatively affecting biodiversity-sensitive areas

8. Emissions to water

9. Hazardous waste and radioactive waste ratio

10. Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

12. Unadjusted gender pay gap

13. Board gender diversity

The Do No Significant Harm (DNSH) Principle:

SAIL Investments incorporates nature-related risks into our comprehensive risk management strategies, adapting investment and portfolio management practices to align with minimizing and safeguarding risks and maximizing impact objectives.

SAIL Investments aligns with the International Finance Corporation (IFC) Performance Standards as its framework for the management of E&S risks and impacts associated with the investees and projects it seeks to finance. We conduct rigorous environmental and social assessments to evaluate the nature-related risks and impacts of potential investments. This assessment informs all aspects of the investment decision and management process.

Moreover, our exclusion List presents the types of projects and activities that we explicitly exclude from financing. These include activities that have significant adverse environmental or social impacts, such as the production of hazardous substances or the use of exploitative labor practices.

Once the potential environmental and social risks and their mitigation strategies are identified, they are addressed in the contractually binding Environmental and Social Action Plans (ESAP). Each ESAP is designed to address identified environmental and social risks specifically associated with the investment, defining actions, deliverables/target indicators and timelines related to each of the strategic, impact and IFC Performance Standards conformity targets.

To ensure that these plans are not just aspirational but actively implemented, SAIL Investments incorporates compliance with the portfolio companies' ESAP as a fundamental part of the loan agreement. The loan agreement includes clauses that require borrowers to adhere to environmental and social requirements, including respect for human rights and community engagement. Violation of these requirements may constitute a breach of contract, which may result in penalties or even the cessation of funding, depending on the severity of the non-compliance. Regular monitoring and reporting are required, and adherence to these plans is closely tracked throughout the investment period.