

‘ANNEX V

**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Azora European Climate Solutions (Azora ECS)

**Legal entity identifier:** 959800GKWKE5GBM7SR55L

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Sustainable investment objective

**Did this financial product have a sustainable investment objective?** *[tick and fill in as relevant, the percentage figure represents the sustainable investments]*

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>No</b>
<p><input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> 100%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ____%</p>	<p><input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p>

**To what extent was the sustainable investment objective of this financial product met?** *[list the sustainable investment objective of this financial product, and describe how the sustainable investments contributed to the sustainable investment objective. For the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, indicate to which environmental objectives set out in Article 9 of Regulation (EU) 2020/852 to the investment underlying the financial product contributed to. For the financial products referred to in Article 9(3) of Regulation (EU) 2019/2088, indicate how the objective of a reduction in carbon emissions was aligned with the Paris Agreement]*



The Fund aims to make sustainable investments through the acquisition of temporary Equity Quotas in the capital of companies that contribute to the environmental objectives:

- a) Climate change mitigation;
- b) Climate change adaptation;
- c) Pollution prevention and control;

as defined under Regulation (EU) 2020/852, which provides a framework to facilitate sustainable investments.

Accordingly, the Fund will invest in lower middle market companies (generally defined as companies with annual normalised EBITDA <€10 million) linked to the decarbonisation of real assets and aligned with one of the following categories defined by the management team: (i) urban solutions, (ii) energy solutions.

The Fund will promote the decarbonisation of real assets in the European economy by investing in companies with proven business models that use scalable technologies to provide a sustainable solution to climate change related issues (for example, but not limited to, the transformation of waste into energy or the use of sustainable materials in construction) and promote improvements in the energy efficiency of real assets through solutions and services that integrate controls and sensors to assist with the monitoring of energy consumption (for example, but not limited to, home automation technologies that facilitate the reduction of energy consumption in residential, commercial and industrial buildings, as well as the use of sustainable farming practices to improve the efficiency of agricultural resources).

The Management Company adheres to the United Nations Principles for Responsible Investment (UN PRI). Through its investments, the Fund also seeks to promote the Sustainable Development Goals (SDGs), by estimating the potential impact on the following SDGs:

The Fund seeks to prioritise:

- **UN#7: AFFORDABLE AND CLEAN ENERGY**

The Fund will encourage the use of clean energy by investing in and supporting innovative business models that accelerate the transition from a fossil fuel-based economy to one based on clean and affordable energy to mitigate the impacts of climate change.

- **UN#11: SUSTAINABLE CITIES AND COMMUNITIES**

According to the European Commission, urban areas will host >80% of the global population by 2050, and the rate of urbanisation in Europe will increase to 84%. Additionally, built-up areas account for >40% of energy consumption and >36% of greenhouse gas emissions. Transforming the way urban spaces are built and managed is therefore a key enabler for the sustainable development of cities and communities.

The Fund aims to leverage the Management Company's expertise in property management to support urban solutions that promote the decarbonisation of buildings and cities. This involves creating sustainable ecosystems with sustainable mobility systems based on circular economy principles, sustainable construction materials and the promotion of resilient emissions controls and decarbonisation.

- **UN#13: CLIMATE ACTION**

The Fund will invest in companies that provide solutions to strengthen the resilience and the adaptive capacity of the climate risks posed by real assets. This includes supporting profitable businesses that promote solutions to meet the effective demand for climate change mitigation and adaptation plans in Europe, especially those related to real assets.

No benchmark has been designated for the Fund in accordance with Article 9.2 of the SFDR.

As of date of this disclosure, the Fund has made investments in two portfolio companies: (i) mylight150 and (ii) Abatable.

mylight150 directly contributes towards the environmental objective:

- (a) Climate change mitigation – through the installation of solar photovoltaic panels on residential rooftops;
- (b) Climate change adaptation – through the promotion of home energy security/independency and the provision of renewable-based heating/cooling systems that favor adaptation and resilience to climate change induced varying temperatures.

Abatable contributes towards the environmental objectives:

- (a) Climate change mitigation – through facilitating the transaction of high quality carbon credits that avoid/remove GHG emissions from the atmosphere, thereby directly limiting global warming;
- (b) Pollution prevention and control – through facilitating the transaction of nature-based carbon credits (e.g., avoided deforestation, reforestation) and technology-based carbon credits (e.g., DAC, BECCS) that contribute to reducing CO<sub>2</sub> atmospheric levels;
- (c) Protection and restoration of biodiversity and ecosystems – through facilitating the transaction of nature-based carbon credits (e.g., avoided deforestation, reforestation, blue carbon) that protect habitats and natural ecosystems.

To date, the financial product has met its environmental objectives through its investments and will continue contributing towards these objectives through its future investments.

### ● ***How did the sustainability indicators perform?***

Through its proprietary assessment methodology supervised by external consultants, the Fund monitors progress on sustainability indicators, including:

- Indicators set out in Table 1, Annex I of the Commission Delegated Regulation (EU) 2022/1288. These indicators include alignment within the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights;
- At least one additional indicator set out in Table 2 of Annex I of the Commission Delegated Regulation (EU) 2022/1288;
- At least one additional indicator set out in Table 3 of Annex I of the Commission Delegated Regulation (EU) 2022/1288.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

Mandatory PAIs – per Regulation (EU) 2022/1288

Adverse sustainability indicator		Metric	Unit	2024
Greenhouse gas emissions	GHG emissions & Carbon footprint	PAI 1 - Total GHG Emissions	tCO2e/y	19,424
		PAI 2 - Carbon Footprint	tCO2 per €M invested	325
	GHG intensity of investee companies	PAI 3 - GHG intensity of investee companies	tCO2e per €M of revenues	582
	Exposure to companies active in the fossil fuel sector	PAI 4 - Share of investments in companies active in the fossil fuel sector	%	0%
	Share of non-renewable energy consumption and production / 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)	PAI 5 - a) Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources	%	64%
		PAI 5 - b) Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources	%	0%
		PAI 6 - Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	GWh per €M of revenues in high impact sectors	0.0016
Biodiversity	Activities negatively affecting biodiversity-sensitive areas	PAI 7 - 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%
Water	Emissions to water	PAI 8 - Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Tonnes	0
Waste	Hazardous waste and radioactive waste ratio	PAI 9 - Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	Tonnes	0

<b>Social and employee matters</b>	<b>Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</b>	<b>PAI 10</b> - Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	0%
	<b>Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</b>	<b>PAI 11</b> - 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	%	100%
	<b>Unadjusted gender pay gap</b>	<b>PAI 12</b> - Average unadjusted gender pay gap of investee companies	%	17%
	<b>Board gender diversity (Average ratio of female to male board members in investee companies)</b>	<b>PAI 13</b> - Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	%	42%
	<b>Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)</b>	<b>PAI 14</b> - Share of investments in investee companies involved in the manufacture or selling of controversial weapons	%	0%

**Additional indicators – per Regulation (EU) 2022/1288**

<b>Adverse sustainability indicator</b>		<b>Metric</b>	<b>Unit</b>	<b>2024</b>
<b>Waste</b>	<b>Non-recycled waste</b>	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average	Tonnes per €M invested	0
<b>Convictions and fines</b>	<b>Anti-corruption and anti-bribery convictions</b>	Number of convictions for violations of anti-corruption and anti-bribery laws	Count	0
	<b>Anti-corruption and anti-bribery fine amounts</b>	Amount of fines for violations of anti-corruption and anti-bribery laws	€M	0

Over the reporting period, no mandatory, voluntary or additional PAI showed area for concern requiring short-term remediation. Through its in-house flagging system, the Fund identified potential indicators presenting opportunities for medium-term improvement, in line with the Fund’ sustainable investment objective.

The Fund will continue tracking sustainability indicators related to its current and future investments and engaging with Portfolio Companies to ensure the sustainable investment objective is met.

● ***...and compared to previous periods?*** *[include for financial products where at least one previous periodic report was provided]*

As of date of the previous periodic report, the financial product had not made any investments since inception. Therefore, there are no previous sustainability indicators to compare against.

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The Management Company conducts environmental, social and governance (ESG) due diligence (“DD”) alongside internal and external consultants, as part of its investment process. This process evaluates the risks, opportunities and potential damage that a company may cause to environmental, social and governance objectives.

Once an investment is made, the Management Company assesses the main adverse impacts of each portfolio company using a catalogue of indicators included in tools developed by the Management Company. These indicators include those listed in Annex I, Table I of Delegated Regulation (EU) 2022/1288, as well as other potential indicators considered relevant by the Management Company to evaluate the potential of the portfolio company to cause significant damage.

This year, the Management Company developed an additional assessment tool, dedicated to the principle of “Do No Significant Harm” (DNSH). Each investment is assessed against the six environmental objectives, as set out under Regulation (EU) 2020/852. Each investment needs to demonstrate DNSH to each objective, as defined under EU regulation. If gaps are identified, remediation is carried out, in partnership with the Portfolio Company.

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The Management Company assesses the main adverse events related to sustainability factors using indicators defined in Annex I of the Delegated Regulation (EU) 2022/1288.

Specifically, the Management Company:

- (i) analyses these adverse events during the ESG due diligence process prior to investment; and
- (ii) monitors the indicators that allow the assessment of adverse events throughout the investment period;

thus ensuring that the Fund's investments do not cause significant harm to sustainability objectives.

The Management Company considers specific indicators, including all mandatory PAIs listed in Table 1 of Annex I of Delegated Regulation (EU) 2022/1288. The Fund may also include, if considered necessary, any of the optional indicators listed in Tables 2 and 3 of Annex I of Delegated Regulation (EU) 2022/1288. Indicators exceeding expected thresholds are carefully evaluated and appropriate remediation action is taken, if applicable.

--- Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Both the Management Company and the Fund's investments are in alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. No violations have been reported to date. The Management Company expects portfolio companies to have formalised policies and grievance/complaints handling mechanisms to address violations of OECD Guidelines/UNGC principles by investment exit.

To ensure compliance with minimum standards by the Fund's investee companies, the Management Company monitors social and labour matters related to human rights, as listed in Table I of Annex I of Delegated Regulation (EU) 2022/1288. The Management Company may also perform a specific in-depth assessment of compliance with these guidelines, if deemed necessary or relevant.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**How did this financial product consider principal adverse impacts on sustainability factors?** *[include section if the financial product considered principal adverse impacts on sustainability factors]*

The Management Company considers the main adverse impacts that its financial product may have on sustainability factors, as aforementioned in this document.

The Fund uses a tool for monitoring and tracking a set of indicators to estimate the adverse effects that its investments may cause and, if necessary, the Fund evaluates the creation of measures to mitigate the magnitude of any such adverse impacts.

The Management Company makes all efforts possible to identify adverse impacts through a due diligence process prior to making an investment, rigorously screening relevant ESG aspects.

The Management Company also takes into consideration all mandatory PAIs listed in Table 1 of Annex I of Delegated Regulation (EU) 2022/1288. Moreover, the Fund may include, if considered necessary, any of the optional indicators listed in Tables 2 and 3 of Annex I of Delegated Regulation (EU) 2022/1288.

The Fund issues regular reports that include the main adverse impacts on sustainability factors, in accordance with Article 11 of Regulation (EU) 2019/2088, based on the template specified in Annex V of Delegated Regulation (EU) 2022/1288.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2024 *[complete]*



**What were the top investments of this financial product?**

Largest investments	Sector	% Assets*	Country
mylight150	Renewable energy	62%	France
Abatable	Carbon management	38%	UK

\*Based on 31/12/2024 valuations.



**What was the proportion of sustainability-related investments?**

100%.

[include note for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

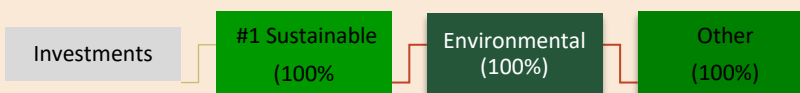
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

**Asset allocation** describes the share of investments in specific assets.

### ● What was the asset allocation?

[Include only relevant boxes, remove irrelevant ones for the financial product]



**#1 Sustainable** covers sustainable investments with environmental or social objectives.

**#2 Not sustainable** includes investments which do not qualify as sustainable investments.

### ● In which economic sectors were the investments made? [include information referred to in Article 61(c) of this Regulation]

Energy (solar PV) and Carbon Management (carbon credits).



### To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy? [include section for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 and include information in accordance with Article 62 of this Regulation]

As of date of this disclosure, the sustainable investments with an environmental objective in this financial product are not aligned with the EU Taxonomy.

### ● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

Yes: [specify below, and details in the graphs of the box]

In fossil gas  In nuclear energy

No

**The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**

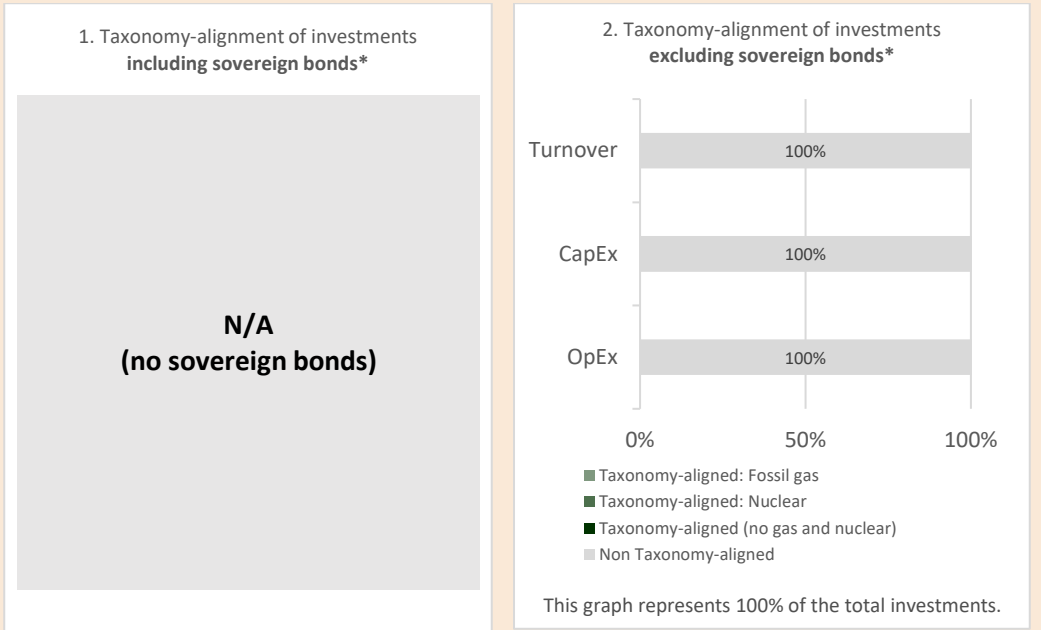
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

*[Include note only for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852*

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

*[Include information on Taxonomy aligned fossil gas and nuclear energy and the explanatory text in the left hand margin on the previous page only if the financial product invested in fossil gas and/or nuclear energy Taxonomy-aligned economic activities during the reference period]*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

*[include a breakdown of the proportions of investments during the reference period]*

0% – All investments made by this financial product directly contribute to at least one environmental objective, as defined under Regulation (EU) 2020/852. Therefore, the share of investments made in transitional and enabling activities – that enable other activities to make a substantial contribution to an environmental objective – is 0%, whilst 100% of investments directly contribute to at least one environmental objective, as defined under Regulation (EU) 2020/852.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?** *[include where at least one previous periodic report was provided]*

As of date of the previous periodic report, the financial product had not made any investments since inception. Therefore, there is no previous percentage alignment of investments with the EU Taxonomy to company against.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?** *[include only for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 where the financial product included investments with an environmental objective that invested in economic activities that are not environmentally sustainable economic activities and explain why the financial product invested in economic activities that were not taxonomy-aligned]*

*[include only for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 where the financial product included investments with an environmental objective that invested in economic activities that are not environmentally sustainable economic activities and explain why the financial product invested in economic activities that were not taxonomy-aligned]*

100% – As of date of this disclosure, the sustainable investments with an environmental objective in this financial product are not aligned with the EU Taxonomy. Throughout the lifecycle of investments made, the Fund will consider the possibility of evaluating the alignment of sustainable investments with an environmental objective with the EU Taxonomy, as defined under Regulation (EU) 2020/852. Throughout this process, the Fund will consider available information and the repercussions that may affect the Portfolio Companies and the Fund.



**What was the share of socially sustainable investments?** *[include only where the financial product includes sustainable investments with a social objective]*

0% – The Fund does not target sustainable investments aimed at achieving social objectives. However, the Fund expects several of its investments (with an environmental objective) to have a series of social benefits whose impact will be reported to investors when applicable.



**What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

None of the Fund's investments were included under “not sustainable”.



**What actions have been taken to attain the sustainable investment objective during the reference period?** *[list the actions taken within the period covered by the periodic report to attain the sustainable investment objective of the financial product, including shareholder engagement as referred to in Article 3g of Directive 2007/36/EC and any other engagement relating to the sustainable investment objective]*

During the reference period, the Fund continued to source sustainable investments aligned with the environmental objectives:

- a) Climate change mitigation;
- b) Climate change adaptation;
- c) Pollution prevention and control;

as defined under Regulation (EU) 2020/852. Simultaneously, the Fund continued to engage with Portfolio Companies to achieve its sustainable investment objective.

This year, the Management Company developed an additional assessment tool, dedicated to the principle of “Do No Significant Harm” (DNSH). Each investment is assessed against the six environmental objectives, as set out under Regulation (EU) 2020/852. Each investment needs to demonstrate DNSH to each objective, as defined under EU regulation. If gaps are identified, remediation is carried out, in partnership with the Portfolio Company.

This year, all Portfolio Companies completed a physical climate risk assessment, in line with the the principle DNSH to climate adaptation. Portfolio Companies also implemented a proportion of management compensation linked to sustainability KPIs (incl. annual and exit-based sustainability KPIs).

The Fund will continue to taken actions to attain the sustainable investment objective during future reference periods.

*[include note for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]*



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**How did this financial product perform compared to the reference sustainable benchmark?** *[include section only for the financial products referred to in Article 9(1) of Regulation (EU) 2019/2088 and indicate where the methodology used for the calculation of the designated index can be found]*

No benchmark has been designated for the Fund in accordance with Article 9.2 of the SFDR.

*[include note for the financial products referred to in Article 9(1) of Regulation (EU) 2019/2088]*

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

● ***How did the reference benchmark differ from a broad market index?***

N/A – per aforementioned.

● ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

N/A – per aforementioned.

● ***How did this financial product perform compared with the reference benchmark?***

N/A – per aforementioned.

● ***How did this financial product perform compared with the broad market index?***

N/A – per aforementioned.