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ANNEX 1

**ANNEX**

**to the**

**Commission Delegated Regulation (EU) .../...**

**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**

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## ANNEX I

### **Template principal adverse sustainability impacts statement**

For the purposes of this Annex, the following definitions shall apply:

- (1) ‘scope 1, 2 and 3 GHG emissions’ means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council<sup>1</sup>;
- (2) ‘greenhouse gas (GHG) emissions’ means greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council<sup>2</sup>;
- (3) ‘weighted average’ means a ratio of the weight of the investment by the financial market participant in an investee company in relation to the enterprise value of the investee company;
- (4) ‘enterprise value’ means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
- (5) ‘companies active in the fossil fuel sector’ means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council<sup>3</sup>;
- (6) ‘renewable energy sources’ means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;
- (7) ‘non-renewable energy sources’ means energy sources other than those referred to in point (6);
- (8) ‘energy consumption intensity’ means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company;

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<sup>1</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

<sup>2</sup> Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

<sup>3</sup> Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

- (9) ‘high impact climate sectors’ means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council<sup>4</sup>;
- (10) ‘protected area’ means designated areas in the European Environment Agency’s Common Database on Designated Areas (CDDA);
- (11) ‘area of high biodiversity value outside protected areas’ means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council<sup>5</sup>;
- (12) ‘emissions to water’ means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council<sup>6</sup> and direct emissions of nitrates, phosphates and pesticides ;
- (13) ‘areas of high water stress’ means regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the World Resources Institute’s (WRI) Water Risk Atlas tool “Aquaduct”;
- (14) ‘hazardous waste and radioactive waste’ means hazardous waste and radioactive waste;
- (15) ‘hazardous waste’ means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council<sup>7</sup> ;
- (16) ‘radioactive waste’ means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom<sup>8</sup>;
- (17) ‘non-recycled waste’ means any waste not recycled within the meaning of ‘recycling’ in Article 3(17) of Directive 2008/98/EC;
- (18) ‘activities negatively affecting biodiversity-sensitive areas’ means activities that are characterised by all of the following:
  - (a) those activities lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated;
  - (b) for those activities, none of the conclusions, mitigation measures or impact assessments adopted pursuant to any of the following Directives or national provisions or international standards that are equivalent to those Directives have been implemented:

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<sup>4</sup> 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 (OJ L 393, 30.12.2006, p. 1–39).

<sup>5</sup> Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC (OJ L 350, 28.12.1998, p. 58).

<sup>6</sup> Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

<sup>7</sup> Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

<sup>8</sup> Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste (OJ L 199, 2.8.2011, p. 48).

- (i) Directive 2009/147/EC of the European Parliament and of the Council<sup>9</sup>;
- (ii) Council Directive 92/43/EEC<sup>10</sup>;
- (iii) an Environmental Impact Assessment (EIA) as defined in Article 1(2), point (g), of Directive 2011/92/EU of the European Parliament and of the Council<sup>11</sup>;
- (iv) for activities located in third countries, conclusions, mitigation measures or impact assessments adopted in accordance with national provisions or international standards that are equivalent to the Directives and impact assessments listed in points (i), (ii) and (iii);

(19) ‘biodiversity-sensitive areas’ means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas (‘KBAs’), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139<sup>12</sup>;

(20) ‘threatened species’ means endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Delegated Regulation (EU) 2021/2139;

(21) ‘deforestation’ means the temporary or permanent human-induced conversion of forested land to non-forested land;

(22) ‘UN Global Compact principles’ means the ten Principles of the United Nations Global Compact;

(23) ‘unadjusted gender pay gap’ means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees;

(24) ‘board’ means the administrative, management or supervisory body of a company;

(25) ‘human rights policy’ means a policy commitment approved at board level on human rights that the economic activities of the investee company shall be in line with the UN Guiding Principles on Business and Human Rights;

(26) ‘whistleblower’ means ‘reporting person’ as defined in Article 5(7) of Directive (EU) 2019/1937 of the European Parliament and of the Council<sup>13</sup>;

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<sup>9</sup> Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

<sup>10</sup> Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

<sup>11</sup> Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 026, 28.1.2012, p. 1).

<sup>12</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).

<sup>13</sup> Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L 305, 26.11.2019, p. 17).

- (27) ‘inorganic pollutants’ means emissions within or lower than the emission levels associated with the best available techniques (BAT-AEL) as defined in Article 3, point (13) of Directive 2010/75/EU of the European Parliament and of the Council<sup>14</sup>, for the Large Volume Inorganic Chemicals- Solids and Others industry;
- (28) ‘air pollutants’ means direct emissions of sulphur dioxides (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), non-methane volatile organic compounds (NMVOC), and fine particulate matter (PM<sub>2,5</sub>) as defined in Article 3, points (5) to (8), of Directive (EU) 2016/2284 of the European Parliament and of the Council<sup>15</sup>, ammonia (NH<sub>3</sub>) as referred to in that Directive and heavy metals (HM) as referred to in Annex I to that Directive;
- (29) ‘ozone depletion substances’ mean substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer.

For the purposes of this Annex, the following formulas shall apply:

- (1) ‘GHG emissions’ shall be calculated in accordance with the following formula:

$$\sum_n^i \left( \frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope}(x) \text{ GHG emissions}_i \right)$$

- (2) ‘carbon footprint’ shall be calculated in accordance with the following formula:

$$\frac{\sum_n^i \left( \frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope 1, 2 and 3 GHG emissions}_i \right)}{\text{current value of all investments} (\text{€M})}$$

- (3) ‘GHG intensity of investee companies’ shall be calculated in accordance with the following formula:

$$\sum_n^i \left( \frac{\text{current value of investment}_i}{\text{current value of all investments} (\text{€M})} \times \frac{\text{investee company's Scope 1, 2 and 3 GHG emissions}_i}{\text{investee company's €M revenue}_i} \right)$$

- (4) ‘GHG intensity of sovereigns’ shall be calculated in accordance with the following formula:

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<sup>14</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

<sup>15</sup> Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (Text with EEA relevance ), OJ L 344, 17.12.2016, p. 1–31

$$\sum_n^i \left( \frac{\text{current value of investment}_i}{\text{current value of all investments} (\text{€M})} \times \frac{\text{The country's Scope 1, 2 and 3 GHG emissions}_i}{\text{Gross Domestic Product}_i (\text{€M})} \right)$$

(5) ‘inefficient real estate assets’ shall be calculated in accordance with the following formula:

$$\frac{((\text{Value of real estate assets built before 31/12/2020 with EPC of C or below}) + (\text{Value of real estate assets built after 31/12/2020 with PED below NZEB in Directive 2010/31/EU}))}{\text{Value of real estate assets required to abide by EPC and NZEB rules}}$$

For the purposes of the formulas, the following definitions shall apply:

- (1) ‘current value of investment’ means the value in EUR of the investment by the financial market participant in the investee company;
- (2) ‘enterprise value’ means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
- (3) ‘current value of all investments’ means the value in EUR of all investments by the financial market participant;
- (4) ‘nearly zero-energy building (NZEB)’, ‘primary energy demand (PED)’ and ‘energy performance certificate (EPC)’ shall have the meanings given to them in paragraphs 2, 5 and 12 of Article 2 of Directive 2010/31/EU of the European Parliament and of the Council<sup>16</sup>.

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<sup>16</sup> Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13)

*Table 1*

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

<p><b>Financial market participant</b> <i>Junction Growth Investors Fund CommV</i></p>
<p><b>Summary</b></p> <p>[ENG] Junction Growth Investors Fund CommV considers principal adverse impacts (“PAI”) of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Junction Growth Investors Fund CommV. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024. Please note that portfolio company Solora was not included in the analysis due to the short holding period and the foreseen nine-month timeframe for mapping the as-is situation (incl. PAI-data) following the investment on 18 December 2024.</p> <p>Given the Fund’s aim of “enabling NetZero”, we believe that economic activities from investee companies that negatively impact aspects of the environment or society, undermine our ability to meet the needs of our beneficiaries, both in terms of financial value, and in terms of sustainability risks caused by climate change. Our investment strategy aims to minimise principal adverse impacts throughout the investment process and correct signs of adverse impact to our portfolio, where feasible.</p> <p>The Fund reports in line with regulatory requirements on all mandatory indicators related to principal adverse impact on sustainability factors as set out in this Table 1 of Annex I of the Regulatory Technical Standards of SFDR.</p> <p>In addition to the mandatory set of fourteen PAI indicators, we also selected the following additional indicators related to principal adverse impacts on a climate or other environment related sustainability factor that qualifies as principal as set out in Table 2 of Annex I and related to social, employee, human rights, anti-corruption or anti-bribery sustainability factors that qualify as principal as set out in Table 3 of Annex I of the Regulatory Technical Standards. Alongside the fourteen mandatory indicators, we believe that these two additional metrics best coincide with our materiality of sustainability factors:</p> <ul style="list-style-type: none"><li>- Investments in companies without carbon emission reduction initiatives</li><li>- Lack of anti-corruption and anti-bribery policies</li></ul>

[NL] Junction Growth Investors Fund CommV houdt rekening met de belangrijkste negatieve gevolgen van zijn investeringsbeslissingen op duurzaamheidsfactoren. Dit verslag omvat de geconsolideerde rapportering over de belangrijkste ongunstige effecten op de duurzaamheidsfactoren van Junction Growth Investors Fund CommV en heeft betrekking op de referentieperiode van 1 januari tot 31 december 2024. Noteer hierbij dat portfolio bedrijf Solora niet opgenomen werd in deze rapportering, wegens de korte holding periode en de voorziene termijn van 9 maanden voor het in kaart brengen van de as-is situatie (incl. PAI-data) na investering op 18 december 2024.

Gezien de doelstelling van het fonds om “NetZero mogelijk te maken”, zijn wij van mening dat beleggen in economische activiteiten die een negatieve invloed hebben op aspecten van het milieu of de samenleving, ons vermogen ondervinden om aan de behoeften van onze begünstigden te voldoen, zowel in termen van financiële waarde als in termen van duurzaamheidsrisico's veroorzaakt door klimaatverandering. Onze beleggingsstrategie is gericht op het minimaliseren van negatieve effecten gedurende het beleggingsproces en het corrigeren van tekenen van negatieve effecten op onze portefeuille, waar mogelijk.

Het Fonds rapporteert in overeenstemming met de wettelijke vereisten over alle verplichte indicatoren met betrekking tot de belangrijkste negatieve gevolgen op duurzaamheidsfactoren, zoals uiteengezet in deze tabel 1 van bijlage I van de Technische Standaarden van SFDR.

Naast de verplichte set van veertien PAI indicatoren hebben we ook aanvullende indicatoren geselecteerd, zoals uiteengezet in tabel 2 en 3 van bijlage I van de Technische Standaarden van SFDR (m.b.t. de belangrijkste negatieve gevolgen voor het klimaat of andere milieu gerelateerde duurzaamheidsfactoren en sociale, werknemers-, mensenrechten-, anticorruptie- of antiomkopingsduurzaamheidsfactoren). Naast de veertien verplichte indicatoren zijn wij van mening dat deze twee aanvullende indicatoren het best aansluiten bij onze investeringsstrategie:

- Investeringen in bedrijven zonder initiatieven om de uitstoot van koolstof te verminderen
- Ontbreken van beleid tegen corruptie en omkoping

**Description of the principal adverse impacts on sustainability factors**

**Indicators applicable to investments in investee companies**

<b>Adverse sustainability indicator</b>	<b>Metric</b>	<b>Impact [year n]</b>	<b>Impact [year n-1]</b>	<b>Explanation</b>	<b>Actions taken, and actions planned and targets set for the next reference period</b>
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	40,4	52,4	Aggregated scope 1 emissions from reported portfolio companies <sup>1</sup> during the reporting period, each weighted by Junction's share in the company. Based on exact data and proxies when data was not available (detailed description below)
		Scope 2 GHG emissions	9,3	10,3	Aggregated scope 2 emissions from reported portfolio companies <sup>1</sup> during the reporting period, each weighted by Junction's share in the company. Based on exact data and proxies when data was not available

<sup>1</sup>Note that portfolio company Solora was not included in this reporting, due to the short holding period and the anticipated 9-month period for mapping the as-is situation (incl. PAI data) after investment on 18 December 2024.

				(detailed description below)	
	Scope 3 GHG emissions	703,8	226,1	Aggregated scope 3 emissions from reported portfolio companies <sup>1</sup> during the reporting period, each weighted by Junction's share in the company. Based on exact data and proxies when data was not available (detailed description below)	<ul style="list-style-type: none"> <li>- Portfolio companies have set or are in the process of setting annual targets</li> <li>- Junction will monitor emissions and challenge portfolio companies to meet targets</li> <li>- Junction will challenge portfolio companies to increase accuracy when proxies are used</li> </ul>
	Total GHG emissions	753,4	288,7	Aggregated scope 123 emissions from reported portfolio companies <sup>1</sup> during the reporting period, each weighted by Junction's share in the company. Based on exact data and proxies when data was not available (detailed description below)	<ul style="list-style-type: none"> <li>- Junction will support portfolio companies in developing NetZero plans and identifying min. 1 KPI</li> <li>- Junction will continuously increase ESG-related knowledge at portfolio companies and identify ESG-related opportunities</li> <li>- Junction will link management remuneration to Impact &amp; ESG KPIs</li> </ul>
2. Carbon footprint	Carbon footprint	37,3	21,7	Aggregated scope 123 emissions from reported portfolio companies <sup>1</sup> during the reporting period, each weighted by Junction's share in the company, per million EUR invested. Based on exact data and proxies when data	<ul style="list-style-type: none"> <li>- Junction will continuously monitor GHG emissions and the impact of new investments during the Due Diligence process and afterwards through our tailored methodology</li> </ul>

					was not available (detailed description below)	
3. GHG intensity of investee companies	GHG intensity of investee companies	22,0	8,9		Aggregated scope 123 emissions from the reported portfolio companies <sup>1</sup> during the reporting period each weighted by Junction's share in the company divided by the current value of all reported Junction investments. Relying on exact data and proxies when data was not available (detailed description below)	- Junction will continuously monitor GHG emissions and the impact of new investments during the Due Diligence process and afterwards through our tailored methodology
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%		None of the reported portfolio companies <sup>1</sup> operate in the fossil fuel sector	- No specific actions defined in 2025
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	85%	96%		Share of non-renewable energy consumption and non-renewable energy production of reported portfolio companies <sup>1</sup> from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	- Measured as part of Junction's approach w.r.t. annual targets for scope 123 emissions - In general, Junction aims to encourage portfolio companies to enter into green energy contracts or invest in green energy consumption (heat pumps instead of gas consumption) or production (PV installations)
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	0;0	0,0		None of the reported portfolio companies <sup>1</sup> are active in any of the high impact climate sectors	- No specific actions defined in 2025

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	0,0	To the best of our knowledge, none of the reported portfolio companies <sup>1</sup> are active in biodiversity sensitive areas	- No specific actions defined in 2025
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,0	0,0	Tons of emissions to water from each reported portfolio company <sup>1</sup> , weighted by Junction's share in the company, divided by the current value of all reported Junction investments. Based on a proxy when exact data was not available. To our knowledge, none of the reported portfolio companies generate emissions in water	- No specific actions defined in 2025
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	0,0	0,0	To our knowledge, none of the reported portfolio companies <sup>1</sup> generate hazardous and/or radioactive waste	- No specific actions defined in 2025
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic	Share of investments in investee companies that have been involved in violations of the	0%	0%	To the best of our knowledge, none of the reported portfolio companies <sup>1</sup> have been involved in violations of the UNGC principles or OECD	- No specific actions defined in 2025

	Cooperation and Development (OECD) Guidelines for Multinational Enterprises	UNGC principles or OECD Guidelines for Multinational Enterprises			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	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	83%	100%	None of the the reported portfolio companies <sup>1</sup> have (formal) processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises that Junction is aware of	- No specific actions defined in 2025
12.	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	16%	13%	Unadjusted gender pay gap describes the average wage difference between men and women in reported portfolio companies <sup>1</sup> (without taking into account the type of job). Currently, there is an unadjusted gender pay gap at all reported portfolio companies <sup>1</sup> , often driven by woman occupying lower level jobs compared to men. In one reported portfolio company the gender pay gap is negative	- No specific actions defined in 2025

	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	5%	3%	Board member diversity is currently below 20% at all reported portfolio companies <sup>1</sup>	- If possible, Junction will advocate for gender diversity on the board
	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%	None of the reported portfolio companies <sup>1</sup> is involved in the production or sale of controversial weapons	- No specific actions defined in 2025

#### Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	GHG intensity	GHG intensity of investee countries	Not applicable	Not applicable	Not applicable	Not applicable
Social	Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where	Not applicable	Not applicable	Not applicable	Not applicable

		applicable, national law				
<b>Indicators applicable to investments in real estate assets</b>						
<b>Adverse sustainability indicator</b>		<b>Metric</b>	<b>Impact [year n]</b>	<b>Impact [year n-1]</b>	<b>Explanation</b>	<b>Actions taken, and actions planned and targets set for the next reference period</b>
Fossil fuels	Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	Not applicable	Not applicable	Not applicable	Not applicable
Energy efficiency	Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	Not applicable	Not applicable	Not applicable	Not applicable
<b>Other indicators for principal adverse impacts on sustainability factors</b>						
<b>Adverse sustainability indicator</b>		<b>Metric</b>	<b>Impact [year n]</b>	<b>Impact [year n-1]</b>	<b>Explanation</b>	<b>Actions taken, and actions planned and targets set for the next reference period</b>
Emissions	15. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction	17%	60%	Junction requires its portfolio companies to set up NetZero plans (including reduction initiatives) within the first 12 months after investment. As a result, this KPI should go to 0% at the end of the first 12 months after investment (for each individual portfolio)	<ul style="list-style-type: none"> <li>- Support companies to develop Net-Zero plans (incl. reduction initiatives) and identify KPI's within the first year after investment</li> <li>- Continue to increase ESG related knowledge at portfolio companies and identify opportunities</li> </ul>

					company). Note: on 31/12/2024, for 1 of the 6 reported portfolio companies <sup>1</sup> , the first 12 months have not yet elapsed	- Link Mgmt. incentives to Impact & ESG KPI's
Anti-corruption and anti-bribery	16. 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	33%	80%	4 out of 6 reported portfolio companies <sup>1</sup> have implemented formal anti-corruption and anti-bribery policies.	- Develop and implement anti-corruption and anti-bribery policies at remaining portfolio companies during 2025

#### Description of policies to identify and prioritise principal adverse impacts on sustainability factors

As described in our ESG policy (approved in July 2022 and updated in March 2024), the fund aims to make sustainable investments which are aligned with our internal Sustainable Investment Objective (cfr. [Junction ESG Policy](#)). One of the criteria of our internal Sustainable Investment Objective is a screening against the Do No Significant Harm principles within the EU Taxonomy. Principal adverse impacts are thus screened as part of our initial investment decision (requiring approval from our Investment Committee).

Once we have made the investment decision, we work closely with management to define and select feasible pathways to the Green Deal targets in 2030 and 2050. Given the range of companies invested in, individual targets are set. While some climate change mitigation opportunities may be able to set ambitious carbon reduction targets ahead of others (e.g. adaptation opportunities), all investments have to demonstrate a carbon reduction plan. To reduce the risk of inertia, we break down long-term targets into intermediary steps across 5-year time frames. As part of this, we identify and develop action plans to drive progress on ESG Management and Sustainability Impact performance. All required datapoints to complete our PAI statement (Annex 1, Table 1 and 2 additional KPI's of Tables 2 and 3) are requested nine months after investment and annually thereafter as part of this Net-Zero approach.

The Fund puts the development, approval, and follow-up of such plans on the agenda of the portfolio company's Board of Directors. Plans are presented to the Fund's *Impact & ESG Committee*, to anchor KPIs in context of the remuneration policy at fund level. On a yearly basis, a progress report is presented to the *Impact & ESG Committee*.

The Fund fully relies on data provided by its portfolio companies to complete a consolidated PAI statement. If data is not available at portfolio companies, they are instructed to make well substantiated, reasonable (and transparent) assumptions. Note that portfolio companies often rely on consultants to support them in identifying emissions and are required to calculate all material Scope 1, 2 and 3 emissions by default. To minimize the potential error margin, we ensure accuracy of data collected through implementing internal review, external auditing (of emission-related data) and ESG services provided by our advisors. We will continuously review our approach to collecting, and reviewing, PAI data on a no less than annual basis.

## **Engagement policies**

Through active ownership, the Fund engages with investee companies to identify and measure principal adverse impacts on sustainability factors.

We engage with all our companies on a continual basis and set targets to demonstrate measurable improvement in the reduction of any identifiable adverse impacts. The Fund provides proposed approaches, lists of ESG consultants or tools, templates and (if necessary) operational support or advice.

As mentioned before, we will continuously review our approach to collecting, and reviewing, PAI data on a no less than annual basis.

## **References to international standards**

The Fund doesn't have as an objective to make EU Taxonomy aligned investments, given that (i) the methodology and data availability on reporting under the EU Taxonomy continues to develop, and (ii) on 24/01/2023, the Belgian Financial Services and Markets Authority (FSMA) prohibited any fund based in Belgium to state that investments qualify as sustainable under the EU Taxonomy<sup>1</sup>. During the Fund's duration, when the necessary data from portfolio companies becomes available, we intend to informally report on the EU Taxonomy alignment of our portfolio.

Portfolio companies are required to define and select feasible pathways to the Green Deal targets in 2030 and 2050. During the reference period, all portfolio companies have relied on the GHG Protocol guidelines to identify GHG emissions. Depending on materiality and/or data availability, the included scope 1, 2 or 3 emissions can vary across our portfolio. Below a table can be found, indicating what data was included per portfolio company and to what extent the calculations are based on proxies. As mentioned above, we will continuously challenge portfolio companies on further increasing data accuracy.

Note (1): See FSMA\_2023\_01 of 24/01/2023 - Q&A's over de inwerkingtreding van de Gedelegeerde Verordening (EU) 2022/1288 van de Commissie van 6 april 2022 tot aanvulling van de SFDR-verordening met technische reguleringsnormen inzake activiteitsbeheer.

Category	Subcategory	Haulogy	Hysopt	Eturnity	Ampacimon	EET	Eneida	Solara
SCOPE 1  Directe emissions	Company facilities (gas/oil)	Not available	Activity based	Activity based	Not applicable	Not applicable	Not applicable	Not available
	Delivery vehicles	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not available
	Passenger vehicles	Activity based	Activity based	Not applicable	Activity based	Activity based	Activity based	Not available
	-- Diesel	Activity based	Activity based	Not applicable	Activity based	Activity based	Activity based	Not available
	-- Petrol	Activity based	Activity based	Not applicable	Activity based	Not applicable	Not applicable	Not available
SCOPE 2  Electricity, heating & cooling	Electricity (on which we have impact)	Activity based	Activity based	Activity based	Activity based	Activity based	Activity based	Not available
	Heat & steam	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not available
	District cooling	Not material	Not material	Not applicable	Not available	Not available	Not applicable	Not available
	Electricity for Electrical vehicles	Activity based	Activity based	Not applicable	Activity based	Activity based	Not applicable	Not available
SCOPE 3  Upstream	1. Purchased good & Services	Honoraires (accounting, legal, audit, notary, consulting, insurance, telco)	Spent based	Spent based	Spent based	Activity based	Spent based	Not available
	Other purchased goods & services, such as e.g. marketing costs, HR costs, maintenance costs, material costs	Spent based	Spent based	Spent based	Spent based	Activity based	Spent based	Not available
	Electrical and optical IT and office equipment	Spent based	Spent based	Activity based	Spent based	Activity based	Spent based	Not available
	Components production hardware	Not applicable	Not applicable	Not applicable	Spent based	Activity based	Not available	Not available
	Freelancers	Activity based	Activity based	Not available	Not material	Activity based	Spent based	Not available
	Water consumption	Activity based	Activity based	Not available	Not available	Activity based	Not available	Not available
	Cloud computing	Spent based	Activity based	Spent based	Spent based	Activity based	Spent based	Not available
	2. Capital goods	Spent based	Activity based	Spent based	Spent based	Activity based	Spent based	Not available
	3. Fuel & energy related activities	Not available/ material	Activity based	Not available/ material	Activity based	Activity based	Activiteit gebaseerd	Not available
	4. Upstream transportation & distribution	Not applicable	Not applicable	Not applicable	Activity based	Activity based	Not available	Not available
SCOPE 3  Upstream  Downstream	5. Waste generated in operations	Not available	Activiteit gebaseerd	Not available	Not available	Activity based	Not available	Not available
	6. Business travel	Hotel	Spent based	Not available	Not available	Spent based	Activity based	Spent based
		Transport	Spent based	Activity based	Activity based	Activity based	Activity based	Not available
	Employee commute	Car	Activity based	Activity based	Activity based	Activity based	Not available	Activity based
		Public transport	Activity based	Activity based	Activity based	Activity based	Not available	Not available
		Home office (gas/elec)	Activity based	Activity based	Activity based	Activity based	Activity based	Not available
	8. Upstream leased assets	Electricity	Activity based	Not applicable	Not applicable	Not applicable	Not applicable	Not available
	9. Transportation & distribution of sold products	Not applicable	Not applicable	Not applicable	Not available	Not available	Not available	Not available
	10. Processing of sold products	Not applicable	Not applicable	Not applicable	Not available/ material	Not available	Not available	Not available
	11. Use of sold products	Not applicable	Not applicable	Not applicable	Not available/ material	Not available	Activity based	Not available
	12. End-of-life treatment of sold products	Not applicable	Not applicable	Not applicable	Not available	Not available	Not available	Not available
	13. Downstream leased assets	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not available
	14. Franchises	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not available
	15. Investments	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not available
Other comments		Haulogy 50% stake in FR entity, but 100% control: 100% emissions reported	Emissions 'freelancers' 'reported under 'other purchased services'	Employees work entirely remotely, oil consumption Not material deemed, 'capital goods' included under 'electrical and optical IT and equipment'	EU & US entity 100% owned and included, 'Components manufacturing hardware' included in 'electrical and optical IT and equipment' category; 'Cloud computing' included in 'other purchased services' category	Emissions 'freelancers' 'reported under 'other purchased services'	Emissions 'freelancers' 'reported under 'other services purchased';	Not available

**Legenda:** Not applicable: not included in S123 calculations as not relevant for portco; not material: not included in S123 calculations as assessed not of material importance; Spent based: GHG emissions derived from spendings of portfolio company multiplied by a spent based emission factor; Activity based: GHG emissions derived from bottom up activity data (e.g. actual amount of flights taken or actual kWh energy consumed) or proxy's for activity data (e.g. estimated kWh energy consumed), multiplied with activity based emission factor; Not available: not included due to lack of data.

**Note** that portfolio companies work with consultants or tools that provide emission factors, as such the approach and actual emissions can vary across portfolio companies.

### Historical comparison

The Fund compares the reference period n (1 january – 31 december 2024) with period n-1 (1 january – 31 december 2023). At the end of 2024, the portfolio consisted of 7 portfolio companies, while at the end of 2023, the portfolio consisted of 5 portfolio companies.

**Note:** Portfolio company Solora was not included in this reporting, due to the short holding period and the anticipated 9-month period for mapping the as-is situation (incl. PAI data) after investment on 18 December 2024. Reported emissions of the remaining companies include emissions for the full financial year (i.e. without adjustment for the Fund's investment period).

A comparison between 2024 and 2023 will provide limited insights, as in 2024 the Fund expanded its portfolio by two companies (one of which is included in this reporting), increased its share in two existing portfolio companies and further increased the maturity of emissions calculations. Even though, we note that total scope 1 and 2 emissions from portfolio companies decreased, and the share of companies with anti-corruption and anti-bribery policies increased. Nevertheless, total emissions from portfolio companies increased.