



Principal Adverse Impact Statement

June 2026

LIOR Global Partners (LEI :254900967F8VA5TRFJ32)

Statement on Principal Adverse Impacts of investment decisions on sustainability factors

Summary

LIOR Global Partners (254900967F8VA5TRFJ32) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on the principal adverse impacts on sustainability factors of LIOR Global Partners.

This statement on principal adverse impacts on sustainability factors covers the reference period from January 1st, 2025 to December 31st, 2025.

It is challenging to analyze and summarize the Principal Adverse Impacts Statement due to limitations in both the quality and quantity of available data.

LIOR Global Partners' Exclusion Policy (please refer to the Exclusion Policy available at <https://www.lior-gp.com/>) has contributed to reducing the adverse impacts associated with indicators on "Social and employee matters" (indicators 10, 11, 12, 13, and 14).

LIOR Global Partners' Responsible Investment Policy (available at <https://www.lior-gp.com/>), particularly its influence on country selection through country scoring, has also contributed to reducing the adverse impacts related to the indicators applicable to investments in sovereign and supranational entities (indicators 15 and 16).

Furthermore, apart from indicators 1 to 4 (related to greenhouse gas emissions), coverage for other corporate indicators tends to be lower for U.S. entities. This is largely due to the comparatively fewer disclosure requirements imposed on U.S. companies versus their European counterparts. However, we have noticed that overall coverage has greatly increased compared to previous years.

It is important to take into account that in 2025, LIOR Global Partners decided to restructure its investment offering. As a direct result, we decided to put the LIOR GP – Proxima Fund into dormancy at the beginning of July 2025, and we significantly reduced the investment turnover and risk of the LIOR GP – Alpha Fund. This was implemented by substantially increasing the short-term treasury bond allocation of the portfolio. This event will, of course, significantly impact the results in this report, as the diversification in corporate names was reduced.

Nevertheless, as previously mentioned, the lack of data coverage for many indicators at the time of this statement may lead to potential misreadings or misinterpretations. LIOR Global Partners therefore encourages readers to take this limitation into account when analyzing the information presented in this statement.

Descriptions of the principal adverse impacts on Sustainability factors

Adverse sustainability indicator	Metric	Metric (Unit)	Impact (Year 2025)	Impact (Year 2024)	Impact (Year 2023)	Impact (Year 2022)	Explanation	Action taken, 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	tCO2eq	36.10	16.17	52.69	21.20	N/A	Exclusion Policy (Thermal Coal policy)
		Scope 2 GHG emissions	tCO2eq	29.84	9.46	67.63	32.04	N/A	
		Scope 3 GHG emissions	tCO2eq	1127.92	686.87	4545.75	424.23	N/A	
		Total GHG emissions	tCO2eq	1193.87	712.54	4666.07	477.47	N/A	
	2. Carbon footprint	Carbon footprint	tCO2eq/EURm	1193.87	712.54	1365.32	222.55	N/A	Exclusion Policy (Thermal Coal policy)
	3. GHG intensity of investee companies	GHG intensity of investee companies	tCO2eq/EURm	1781.97	485.99	796.78	170.64	N/A	Exclusion Policy (Thermal Coal policy)
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	% involved	0.00	0.00	4.88	2.29	N/A	Exclusion Policy (Thermal Coal policy)
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	% (Consumption)	38.51	33.19	49.37	53.96	N/A	Exclusion Policy (Thermal Coal policy)	
		% (Production)	2.62	0.00	27.95	48.33	N/A		
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	GWh/EURm	0.24	0.13	0.70	0.58	N/A	Exclusion Policy (Thermal Coal policy)	
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	% involved	9.67	0.19	5.70	1.46	N/A	Exclusion Policy (Thermal Coal policy)
Water	8. Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	t/EURm	0.01	0.03	0.00	0.00	N/A	Exclusion Policy
Waste	9. Hazardous waste ratio	Tons of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	t/EURm	1772.96	17.94	0.95	0.34	N/A	Exclusion Policy

Adverse sustainability indicator	Metric	Metric (Unit)	Impact (Year 2025)	Impact (Year 2024)	Impact (Year 2023)	Impact (Year 2022)	Explanation	Action taken, 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	10. Violations of UN Global Compact principles and 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	% involved	5.90	0.00	0.00	4.59	N/A	Exclusion Policy (Normative Exclusion, UN Global Compact)
	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	% involved	11.03	36.85	40.69	29.42	N/A	Exclusion Policy (Normative Exclusion, UN Global Compact)
	12. Unadjusted gender pay gap	Average unadjusted gender pays gap of investee companies	%	10.26	12.65	31.18	26.75	N/A	Exclusion Policy
	13. Board gender diversity	Average ratio of female to male board members in investee companies	%	36.61	29.65	41.84	41.06	N/A	Exclusion Policy
	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	% involved	0.00	0.00	0.00	0.00	N/A	Exclusion Policy (Controversial Weapons policy)
INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS									
Environmental	15. GHG intensity	GHG intensity of investee countries	KtonCO2eq/EURm	0.10	0.12	0.23	0.20	N/A	ESG Integration (Country Scoring)
Social and employee matters	16. 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 applicable, national law	#	0.00	0.00	0.00	0.00	N/A	ESG Integration (Country Scoring)

Adverse sustainability indicator	Metric	Metric (Unit)	Impact (Year 2025)	Impact (Year 2024)	Impact (Year 2023)	Impact (Year 2022)	Explanation	Action taken, planned, and targets set for the next reference period
INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS								
Fossil fuels	17. 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	N/A	N/A	N/A	N/A	N/A	LIOR has no vocations to disclose the "Indicators applicable to investments in real estate assets" due to no investments in this asset type.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy inefficient real estate assets	N/A	N/A	N/A	N/A	N/A	LIOR has no vocations to disclose the "Indicators applicable to investments in real estate assets" due to no investments in this asset type.

Other indicators for principal adverse impacts on sustainability factors

Adverse sustainability indicator	Metric	Metric (Unit)	Impact (Year 2025)	Impact (Year 2024)	Impact (Year 2023)	Impact (Year 2022)	Explanation	Action taken, planned, and targets set for the next reference period
ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS								
Water, waste and material emissions	Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006	% involved	0.00	0.00	0.00	0.00	N/A Exclusion Policy
ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS								
Social and employee matters	Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labor and forced labor)	% involved	0.00	0.00	0.00	3.33	N/A Exclusion Policy

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

LIOR Global Partners' Responsible Investment Policy (available at <https://www.lior-gp.com/>) applies to 100% of the cash assets managed by LIOR Global Partners, excluding uninvested cash and foreign exchange positions. The policy is continuously monitored and updated to reflect evolving market standards and best practices.

LIOR's ESG policy has been developed by our investment and management teams and is implemented, monitored, and reviewed by our portfolio managers.

Principal Adverse Impact (PAI) indicators may reflect low data coverage due to limited disclosure by certain companies. The absence of reported data can lead to gaps in the information provided by data providers for specific indicators.

For the 2025 and 2024 reporting period, LIOR Global Partners has used Bloomberg and publicly available data to assess Principal Adverse Impact indicators. For the years 2022 and 2023, we relied on Sustainalytics as our primary data provider. The switch to Bloomberg and public data in 2024 was motivated by a significant improvement in data coverage for most indicators compared to previous years.

Additional Principal Adverse Impact Indicators Disclosed by LIOR Global Partners in this Statement

1. Investments in Companies Producing Chemicals

Following an analysis of data coverage and in recognition that the mandatory climate and other environmental indicators primarily focus on greenhouse gas emissions, energy consumption, water use, and hazardous waste, LIOR Global Partners has decided to include an additional indicator on adverse impacts related to chemical production. This supplementary indicator is intended to enhance and complete the mandatory list at the time of this statement.

2. Lack of a Supplier Code of Conduct

Based on our coverage analysis and aligned with the values and corporate culture that LIOR Global Partners has embraced since its inception, we believe that monitoring the existence of a supplier code of conduct represents a key adverse impact worth addressing. Accordingly,

LIOR Global Partners has chosen to include this indicator in the current statement, reflecting our commitment to responsible and ethical business practices throughout the supply chain.

Engagement policies

LIOR Global Partners' engagement policies for mitigating key negative impacts vary by company and sector. These policies include promoting strong corporate governance, encouraging responsible environmental and social practices, participating in sector-specific collaborations, and integrating ESG considerations throughout the investment process. The specific indicators considered for adverse impacts depend on company-specific factors and contexts.

LIOR's ESG framework, including our ESG Exclusion Policy, enables us to effectively manage and mitigate ESG-related risks by embedding this consideration at every stage of the investment process.

Directive 2007/36/EC emphasizes shareholders' rights, particularly their ability to exercise voting rights effectively.

Aligned with this directive, LIOR's voting policy promotes active shareholder engagement, encourages transparency in corporate cooperation, and supports the disclosure of voting outcomes.

References to international standards

Committed to upholding human rights and, in particular, the effective abolition of child labor, LIOR Global Partners has integrated a normative exclusion policy aligned with the principles of the United Nations Global Compact (UNGC). The UNGC is "a call to companies to align strategies and operations with universal principles on human rights, labor, environment, and anti-corruption, and to take actions that advance societal goals."

LIOR applies its exclusion process to companies that are found to be in severe breach of the UNGC principles and guidelines. For more information, please refer to LIOR Global Partners' Exclusion Policy, available at <https://www.lior-gp.com/>.

Historical Comparison

In 2025, the proportion of assets invested in corporates decreased compared to 2024. On average, approximately 19% of assets were allocated to corporates in 2025, down from around 26% in 2024. This shift is primarily the result of the restructuring of the LIOR GP – Alpha Fund and the dormancy of the LIOR GP – Proxima Fund in mid-2025. Such a significant change in allocation may also influence the values of indicators related to corporate data.

When analyzing the results of the indicators, we observe a degradation in the environment-related indicators. This is mainly because, as more companies improved their disclosure, previously unreported data—often reflecting weaker environmental performance—became visible and is now included in the calculation. To be more specific, a non-negligible portion of the corporates we invested in during 2025 were financial companies; in 2024, 2023, and 2022, companies from this sector were poorly covered for environment-related indicators. Moreover, the companies we invested in within Consumer Discretionary (and especially Automobile Manufacturers) saw their indicators deteriorate compared to the previous year. Around the second half of the year, we reduced our exposure to these sectors.

What is interesting to note is that the social- and governance-related indicators improved for most of the corporates we invested in. Indeed, we believe that even though environment-related indicators are one of the main targets for many corporates, they are harder to improve; by comparison, social and governance-related indicators can be enhanced through simpler solutions to implement.

Another important point we would like to highlight in the historical comparison, as already explained in this document, is that 2025 is a transition year for the investment strategies at LIOR Global Partners. Indeed, one sub-fund has been put into dormancy and the other is undergoing restructuring. This impacted the overall results of the indicators, as toward the end of the year we significantly reduced our investment in corporates to increase the proportion held in treasuries.

In conclusion, LIOR Global Partners is confident that the metrics presented in this statement reflect positive progress, taking into account the changes outlined above.