

ANNEX I

STATEMENT OF MAJOR ADVERSE SUSTAINABILITY EVENTS

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

- 1) *"Scope 1, 2 and 3 GHG emissions" means greenhouse gas (GHG) emissions from the scopes referred to in Annex III, point 1(e)(i) to (iii)(i) to (iii) of Regulation (EU) 2016/1011 of the European Parliament and of the Council [\(1\)](#);*
- 2) *"greenhouse gas (GHG) emissions" means greenhouse gas emissions as defined in point 1 of Article 3 of Regulation (EU) 2018/842 of the European Parliament and of the Council [\(2\)](#);*
- 3) *"weighted average" means the ratio between the weighting of the financial market participant's investment in an investee company and the value of that company;*
- 4) *"enterprise value" means the sum, at the end of the financial year, of the market capitalization of common stock, the market capitalization of preferred stock, and the book value of total debt and non-controlling interests, without deducting cash and cash equivalents;*
- 5) *"undertakings active in the fossil fuel sector" means undertakings deriving revenue from the exploration, mining, extraction, production, processing, storage, refining or distribution, including transport, storage and marketing, of fossil fuels, as defined in Article 2, point 62, of Regulation (EU) 2018/1999 of the European Parliament and of the Council [\(3\)](#);*
- 6) *"renewable energy sources" means non-fossil renewable sources, i.e. wind energy, solar energy (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tidal energy, wave energy and other ocean energy, hydropower and energy from biomass, landfill gas, sewage treatment plant gas and biogas;*
- 7) *"non-renewable energy sources": energy sources other than those mentioned in point (6);*
- 8) *"energy consumption intensity": the ratio of energy consumption per unit of activity, product or any other parameter of the investee to the total energy consumption of the investee;*
- 9) *"sectors with high climate impact": the sectors listed in sections A H and section L of Annex I to Regulation (EC) No. 1893/2006 of the European Parliament and of the Council [\(4\)](#);*
- 10) *"protected area" means the areas designated in the Common Database on Designated Areas (CDDA) of the European Environment Agency;*
- 11) *"High biodiversity value area outside protected areas" means land of high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council [\(5\)](#);*
- 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 [\(6\)](#) and direct emissions of nitrates, phosphates and pesticides;*
- 13) *"high water stress zones": regions where the percentage of total water withdrawal is high (40-80 %) or extremely high (above 80 %) in the "Aqueduct" tool of the Water Risk Atlas (WRI) of the World Resources Institute;*
- 14) *"hazardous waste and radioactive waste": 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 [\(7\)](#);*
- 16) *"radioactive waste" means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom [\(8\)](#);*
- 17) *"non-recycled waste" means non-recycled waste within the meaning of "recycling" in Article 3(17) of Directive 2008/98/EC;*
- 18) *"Activities that adversely affect sensitive areas in terms of biodiversity": activities that are characterized by all the following:*

- a) Activities that involve the deterioration of natural habitats and species habitats and disturb the species that motivated the designation of the protected areas;
- b) None of the conclusions, mitigation measures or impact assessments adopted pursuant to any of the following directives, national provisions or international standards that are equivalent to these directives have been applied for these activities:
- i) Directive 2009/147/EC of the European Parliament and of the Council ⁽⁹⁾;
 - ii) Council Directive 92/43/EEC ⁽¹⁰⁾;
 - iii) an environmental impact assessment (EIA) as defined in Article 1(2)(g) of Directive 2011/92/EU of the European Parliament and of the Council ⁽¹¹⁾;
 - iv) for activities located in third countries, the 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 (i), (ii) and (iii);
- 19) "sensitive areas in terms of diversity": the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas (KBAs), as well as other protected areas, referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139 ⁽¹²⁾;
- 20) "Threatened species" means endangered species, including flora and fauna, listed in the European Red List or in 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 conversion by human activity of forested areas to non-forested areas;
- 22) "United Nations Global Compact principles": the ten principles of the United Nations Global Compact;
- 23) "Gender wage gap, unadjusted": the difference between the average gross hourly earnings of male wage earners and female wage earners, as a percentage of the average gross hourly earnings of male wage earners;
- 24) "Board of directors": the administrative, management or supervisory bodies of a company;
- 25) "Human rights policy": A political commitment to human rights, approved by the board, demonstrating that the investee company's economic activities will align with the United Nations Guiding Principles on Business and Human Rights.
- 26) "whistleblower" means a whistleblower as defined in Article 5(7) of Directive (EU) 2019/1937 of the European Parliament and of the Council ⁽¹³⁾;
- 27) "Inorganic pollutants" means emissions within or below the emission levels associated with best available techniques (BAT-BAT), as defined in Article 3(13) of Directive 2010/75/EU of the European Parliament and of the Council ⁽¹⁴⁾, for the large volume inorganic chemicals (solids and other products) industry;
- 28) "Air pollutants": direct emissions of sulfur dioxide (SO₂), nitrogen oxides (NO_x), non-methane volatile organic compounds (NMVOC) and fine particulate matter (PM_{2.5}), as defined in Article 3(5) to (8) of Directive (EU) 2016/2284 of the European Parliament and of the Council ⁽¹⁵⁾, ammonia (NH₃), as referred to in that Directive, and heavy metals (HM), as referred to in Annex I of that Directive;
- 29) "Ozone-depleting substances" means 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) the variable "GHG emissions" will be calculated by applying the formula:

$$\sum_n^i \left(\frac{\text{valor actual de la inversión}_i}{\text{valor de la empresa en que se invierte}_i} \times \text{emisiones de GEI del ámbito (x) de la empresa en la que se invierte}_i \right)$$

- 2) the "carbon footprint" variable will be calculated by applying the formula:

$$\frac{\sum_n^i \left(\frac{\text{valor actual de la inversión}_i}{\text{valor de la empresa en que se invierte}_i} \times \text{emisiones de GEI de los ámbitos 1, 2 y 3 de la empresa en la que se invierte}_i \right)}{\text{valor actual del total de inversiones (millones EUR)}}$$

3) the variable "GHG intensity of investees" will be calculated by applying the formula:

$$\sum_n^i \left(\frac{\text{valor actual de la inversión}_i}{\text{valor actual del total de inversiones (millones EUR)}} \times \frac{\text{emisiones de GEI de los ámbitos 1, 2 y 3 de la empresa en la que se invierte}_i}{\text{ingresos (millones EUR) de la empresa en que se invierte}_i} \right)$$

4) the variable "GHG intensity of sovereign entities" will be calculated by applying the formula:

$$\sum_n^i \left(\frac{\text{valor actual de la inversión}_i}{\text{valor actual del total de inversiones (millones EUR)}} \times \frac{\text{emisiones de GEI de los ámbitos 1, 2 y 3 del país}_i}{\text{Producto Interior Bruto}_i(\text{millones EUR})} \right)$$

5) the "inefficient real estate assets" variable will be calculated by applying the formula:

$$\frac{((\text{valor de los activos inmobiliarios constituidos antes del 31/12/2020 con certificado de eficiencia energética «C» o inferior}) + (\text{valor de los activos inmobiliarios constituidos antes del 31/12/2020 con demanda de energía primaria inferior a la de un edificio de consumo de energía casi nulo según la directiva 2010/31/UE}))}{\text{Valor de los activos inmobiliarios que deben cumplir las normas relativas al certificado de eficiencia energética y a los edificios de consumo de energía casi nulo}}$$

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

- 1) "Current value of the investment" means the value in euros of the financial market participant's investment in the investee company;
- 2) "Enterprise value" means the sum, at the end of the financial year, of the market capitalization of common stock, the market capitalization of preferred stock, and the book value of total debt and non-controlling interests, without deducting cash and cash equivalents;
- 3) "Current value of all investments" means the value in euros of all the participants' investments in the financial markets;
- 4) "nearly zero energy building", "primary energy demand" and "energy performance certificate": the respective definitions included in Article 2(2), (5) and (12) of Directive 2010/31/EU of the European Parliament and of the Council ⁽¹⁶⁾.

TABLE 1
Statement on the main adverse impacts of investment decisions on sustainability factors

Participant in the financial markets:							
GLOBAL SOCIAL IMPACT FUND II SPAIN FESE (V-06975460)							
LEI: 9598006P8WWBCD3W1X31							
Summary							
GLOBAL SOCIAL IMPACT FUND II SPAIN FESE considers the main adverse impacts of its investment decisions on sustainability factors. This consolidated statement addresses those adverse impacts on GLOBAL SOCIAL IMPACT FUND II SPAIN FESE's sustainability factors.							
The statement of material adverse effects on sustainability factors covers the reporting period from January 1, 2024, to December 31, 2024.							
This year marks the third consecutive reporting exercise, which allows us to appreciate the effects of the improvements introduced since the first year in which the Fund began reporting on these indicators. From the results obtained, we can highlight the following observations on the adverse impact of the Fund on sustainability issues:							
<div><div>-</div><div>The Fund has no exposure to companies that (i) are active in the fossil fuel sector, (ii) have had incidents of discrimination, (iii) violate the UN Global Compact or OECD principles for Multinational Enterprises, or (iv) are involved in the manufacture or sale of controversial weapons.</div><div>-</div><div>The companies in the Fund's portfolio do not produce emissions to water or hazardous and/or radioactive waste.</div><div>-</div><div>Regarding GHG emissions, the portfolio's carbon footprint has been reduced for the second consecutive year, with a 26% decrease compared to the previous year. This improvement responds, in part, to the actions of Revoolt, which managed to reduce its GHG emissions by eliminating the use of fossil combustion vehicles, previously required by a client, and prioritizing its fleet of electric vehicles. In addition, the incorporation of Éxxita Be Circular has reinforced this progress by focusing on the recovery of waste electrical and electronic equipment (WEEE) and extending the useful life of these devices.</div><div>-</div><div>100% (4 out of 4) of the companies in which the Fund invests have incorporated GHG emissions reduction into their business model.</div></div>							
Description of the main adverse impacts on sustainability factors							
Indicators applicable to investments in investee companies							
Indicator of sustainability in relation to adverse events	Parameter	Incidence [year 2022].	Incidence [year 2023].	Incidence [year 2024].	Explanation	Measures taken, measures planned, and objectives set for the next reporting period	
INDICATORS RELATED TO CLIMATE CHANGE AND OTHER INDICATORS RELATED TO THE ENVIRONMENT							
Greenhouse Gas Emissions (GHG)	1. GHG emissions	Scope 1 GHG emissions	43.67	101.6	128.13	For indicators 1, 2 and 3, the <i>Carbon Footprint Calculator for Organizations 2007-2023 (v.29)</i> of the Ministry for Ecological Transition and Demographic Challenge (MITECO) and the GHG Protocol Scope 3 calculation methodology have been used.	In its third year of reporting, the Fund has worked with its portfolio companies to strengthen their internal capacities to measure and manage emissions. This support has improved the accuracy of the data corresponding to indicators 1, 2 and 3, thus contributing to the reduction of the portfolio's adverse impacts.
		Scope 2 GHG emissions	18.58	53.16	74.75		
		Scope 3 GHG emissions	155.24	89.91	187.07		
		Total GHG emissions	217.50	244.13	389.95		
	2. Carbon footprint	Carbon footprint	96.67	40.89	30.19		
	3. GHG intensity of investee companies	GHG intensity of investee companies	81.28	58.09	32.43		

	4. Exposure to companies active in the fossil fuels sector	Share of investments in companies active in the fossil fuels sector	0%	0%	0%	None of the investees (0/4), derive revenues from fossil fuels.	The Fund aims to maintain exposure at 0%.
	5. Non-renewable energy production and consumption ratio	Share of non-renewable energy consumption and non-renewable energy production of investees from non-renewable energy sources compared to renewable energy sources (share of total energy sources)	100%	100%	100%	All the companies in the fund (4/4) have energy consumption from non-renewable energy sources, or do not have a Guarantee of Origin certificate. None of our invests produces energy.	
	6. Energy consumption intensity by sector with high climate impact	Energy consumption in GWh per million EUR of revenues of investee companies by high climate impact sector	0.20	0.17	0.14	Companies invested in sectors with high climate impact: Section G (wholesale and retail marketing) Section H (transportation and storage) Section E (Water supply, sewerage, waste management and decontamination activities)	Jetnet WIMAX S.L. belongs to the economic activity sector "J - Information and Communications", specifically Telecommunications (61), which is not considered a sector with high climate impact. The latest addition of Éxxita Be Circular, which is classified in sector E, waste recovery (38.2), is considered to have a high climate impact. The indicator could increase next year with the possible incorporation of companies belonging to sectors with high climate impact.
Biodiversity	7. Activities that negatively affect sensitive areas in terms of biodiversity.	Proportion of investments in companies with headquarters or operations located in or near biodiversity sensitive areas where the activities of such companies adversely affect these areas.	0%	0%	0%	Jetnet WIMAX S.L., by offering internet connection services in rural areas of Spain, has installed wireless telecommunication bases in forested areas of the Spanish territory. However, the company complies with all relevant regulations, and the environmental impact is minimal, since it occupies a reduced surface area and the vegetation affected is minimal, therefore, there is no damage or negative impact to consider.	As part of its investment screening process, the Fund ensures that all companies comply with the necessary environmental requirements, especially if their activity affects protected areas in their quest to meet the social impacts of their business model. The fund is committed to carrying out this procedure in a diligent manner.

Water	8. Emissions to water	Tons of emissions to water generated by investees per million EUR invested (weighted average).	0%	0%	0%	None of the invested companies (0/4) discharge polluting waste into the water.	The Fund aims to maintain its exposure to this indicator at 0%.
Waste	9. Ratio of hazardous waste and radioactive waste	Tons of hazardous waste and radioactive waste generated by investees per million EUR invested (weighted average)	0%	0%	0%	None of the invested companies (0/4) generate hazardous waste or radioactive waste.	The Fund aims to maintain its exposure to this indicator at 0%. Éxita Be Circular complies with all established environmental requirements and efficiently manages potentially hazardous waste, minimizing the risks associated with inadequate management.

INDICATORS ON SOCIAL AND LABOR ISSUES, RESPECT FOR HUMAN RIGHTS, AND THE FIGHT AGAINST CORRUPTION AND BRIBERY

Social and labor issues	10. Violations of the principles of the United Nations Global Compact and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Proportion of investments in companies that have been linked to violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.	0%	0%	0%	None of the invested companies (0/4), have been related to violations of the principles of the United Nations Global Compact and the OECD Guidelines.	The Fund aims to maintain its exposure to this indicator at 0%.
	11. Lack of compliance processes and mechanisms to monitor compliance with the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.	Proportion of investments in companies without policies to monitor compliance with the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises or without complaint or grievance handling mechanisms to address violations of the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises.	0%	0%	0%	The Fund's portfolio companies do not have specific policies to monitor compliance with the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises. However, the Social Due Diligence that all investees undergo seeks to ensure that they have policies and procedures in place to protect the various stakeholders (customers, employees, suppliers, etc.), or if they do not have them, they are willing to implement them.	The Fund will continue to ensure the existence of policies and procedures aligned with the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises, and in the case of not having them, will collaborate in their creation.

	12. Wage gap between men and women, unadjusted	Average wage gap between men and women, unadjusted, of investee companies	0%	0%	0%	<p>None of the companies invested (0/4) declare the existence of a wage gap between men and women.</p> <p>The Social Due Diligence that all investees undergo collects information in this regard and seeks to ensure equal working conditions for all employees.</p>	The Fund aims to maintain its exposure to this indicator at 0%.
	13. Gender diversity of the board of directors	Ratio between the number of women on the board of directors and the total number of board members (men and women) of investee companies.	0%	0%	7%	Éxxita Be Circular has a woman on its board of directors, who plays an active role and participates in strategic decision-making.	The fund aims to increase the presence of women on the boards of directors of its investees
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	Proportion of investments in companies related to the manufacture or sale of controversial weapons.	0%	0%	0%	None of the invested companies (0/4) are involved with the manufacture or sale of controversial weapons.	The Fund aims to maintain its exposure to this indicator at 0%.
OTHER INDICATORS OF THE MAIN ADVERSE IMPACTS ON THE SUSTAINABILITY FACTORS							
	15. Investments in companies without carbon emission reduction initiatives.	Percentage of investments in investees without carbon emissions reduction initiatives aimed at aligning with the Paris Agreement.	0%	0%	0%	All invested companies (4/4) have a carbon emissions reduction initiative inherent to their business model.	Within the portfolio, three companies (Sgrups and Revoolt, Éxxita) have business models that inherently contribute to reducing CO2 emissions. Additionally, Jetnet WIMAX plans to change all its vehicles to hybrid models. By calculating the carbon footprint of each, we will be able to monitor how these actions affect the environment over time.
	16. Incidents of discrimination	<p>1. Number of incidents of discrimination reported by investees, expressed as a weighted average.</p> <p>2. Number of incidents of discrimination that have resulted in sanctions in investee companies, expressed as a weighted average.</p>	0	0	0	None of the investees (0/4) report incidents of discrimination.	The Fund aims to maintain its exposure to this indicator at 0%.

Description of policies to identify and prioritize major adverse impacts on sustainability factors.

[Information referred to in Article 7]

This description should include the date on which GSI's governing body approved the policies, how responsibility for implementation of the policies is assigned, the methods for assigning indicators, any margin of error associated with the methods, and the data sources used. If any of this information is not available, the efforts made to obtain the information should be detailed.

GSI considers the Major Adverse Impacts on Sustainability in all its investment products. The intention to generate a positive and measurable social impact is a hallmark of GSI's activity and for this reason, it integrates environmental, social and governance (ESG) aspects and impact management at all stages of its investment cycle. In this regard, it conducts a due diligence process to identify, prevent, mitigate, and explain how PIAS are addressed.

The analysis of PIAS is done considering the size, scale of operations and the specific nature of the company. This considers the magnitude of the impact of adverse events on a case-by-case basis.

The manager's Responsible Investment Policy, approved on January 2, 2023, and revised in November of the same year. It was drafted in accordance with current legislation on sustainability in the financial services sector and aligned with international standards, principles and guidelines, such as the Guiding Principles on Business and Human Rights and the Sustainable Development Goals. This policy determines and prioritizes the management of adverse incidents and stipulates the roles and responsibilities that ensure its effective operation and the identification of the materiality of adverse impacts.

Involvement policies

[Information referred to in Article 8]

A summary should be provided on engagement policies (if applicable) that reduce adverse events. These summaries should describe the indicators of adverse events that are considered in the engagement policies and how the policies will be adapted when they do not reduce adverse events in more than one period.

The manager was created with the objective of promoting the inclusion of disadvantaged groups and generating a double positive impact, social and/or environmental, as well as financial profitability. It strives to build sustainable, equitable, healthy and diverse communities through a combination of innovative business practices and exemplary environmental, social and governance (ESG) performance.

Through the following policies, the company seeks to guarantee equality, diversity and social and economic inclusion, both internally and in its investee companies, extending these principles to all its stakeholders:

- The Responsible Investment Policy allows us to systematically analyze and monitor adverse incidences of ESG issues. It focuses on reducing such incidences through appropriate mitigation measures, such as non-investment (exclusion criteria), divestment, reduction of exposure or placing certain assets or issuers under observation. The necessary engagement actions will also be initiated to address these issues.
- The Equality, Diversity and Inclusion Policy reflects the firm commitment to equal opportunities and non-discriminatory treatment, rejecting practices or behaviors based on prejudices related to nationality, ethnic origin, skin color, marital status, family responsibility, religion, age, disability, social status, political opinion, serological and health status, gender, sex, sexual orientation, gender identity and expression. This policy is applied internally in all aspects of employment and extends to the companies in which the manager invests, ensuring that these also meet the same standards of equality and non-discrimination.
- The Sustainability or Environmental, Social and Governance (ESG) Policy establishes the general objectives and structures the bases that should govern the sustainable development strategy at the level of the entity and all stakeholders with which it relates. The manager will promote, through its representatives in the management bodies of the investees, the alignment of their policies with those of GSI, ensuring that they follow principles and guidelines consistent with this policy. The Impact Measurement Department is responsible for implementing, monitoring, controlling, and correcting the failures of the key indicators associated with the objectives described, ensuring that sustainability commitments are effectively met.

References to international standards

[Information referred to in Article 9]

They should indicate whether there are codes of responsible business conduct and internationally recognized standards on due diligence and how they meet the objectives of the Paris Agreement. This should include the indicators used to consider the main adverse impacts, the methods and data used to measure compliance or compliance with codes and international agreements and how they predict adverse impacts, and whether a prospective climate scenario is used.

GSI's investment process, as well as the tools and policies developed, are aligned with the UN Guiding Principles on Business and Human Rights and the Sustainable Development Goals. Our Due Diligence process for all investees uses filters to ensure that adverse impacts are identified, prevented, mitigated, and managed in compliance with local and international legislation, ESG indicators, and environmental and impact sustainability. This process includes comprehensive data collection that analyzes the business model and impact strategy of potential investments in the following dimensions:

- Social mission,
- Stakeholders,
- Environmental sustainability,
- Theory of change,
- Contribution to the SDGs,
- Governance,
- Contribution to the impact objectives of the manager's funds,

(viii) OECD-DAC criteria: Relevance, impact generated and sustainability of impact.

As impact investors and in compliance with applicable legislation, GSI also introduces the Principal Adverse Impacts (PIAs) identified by the EU Sustainable Financial Disclosure Regulation (SFDR). This methodology and the use of detailed data allow us to effectively identify adverse impacts and take appropriate action to manage them.

Historical comparison

[Information referred to in article 10]

In 2024, the fund added Éxxita Be Circular S.A. to its portfolio, a company whose mission is to improve people's quality of life through technological solutions aimed at a circular and sustainable economy in the field of electrical and electronic equipment. The company operates in the water supply, sanitation, waste management and decontamination sector, specifically in waste recovery (CNAE Code 38.2), classified as having a high climate impact. Nevertheless, Éxxita Be Circular has adopted key environmental policies and certifications, such as ISO 14001 and EMAS accreditation for verified environmental management, in addition to having NIMA registration as a producer of hazardous waste (WEEE). All this ensures its compliance with Royal Decree 110/2015, which regulates the management of waste electrical and electronic equipment.

On the other hand, the companies in the portfolio have shown a positive evolution in their indicators. Although there has been an increase in greenhouse gas (GHG) emissions in the different scopes, this increase is aligned with the growth of their activity. However, when analyzing the carbon footprint adjusted to the size of each company, a reduction is observed with respect to the previous year, which is evidence of the efforts to move towards sustainable growth through a more efficient management of resources.

In addition, Sqrups has managed to reduce its fossil fuel consumption by 12% compared to the previous year.