Statement on Principal Adverse Impacts of investment Decisions on sustainability factors for SG Capital Partners Fund I [1]

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Summary

SIA SG Capital Partners AIFP (registration number: 40103946854) is the manager of the alternative investment fund SG Capital Partners Fund I, KS (registration number: 40103990509). SG Capital Partners Fund I, KS (the "Fund") invests in commercial real estate and considers the principal adverse impacts on sustainability factors in its investment activities. Each year, SIA SG Capital Partners AIFP assesses the extent of adverse impacts and monitors how the Fund's investment activities affect the environment.

This statement is a consolidated statement on the principal adverse impacts on sustainability factors of the Fund and its wholly owned special purpose vehicles (SPVs) held through its subsidiary AS SGCP Real Estate (registration No. 40203660480), namely SIA Skanstes City (registration No. 40003388042) and SIA NORDO (registration No. 40103617617), as well as the SPV directly owned by the Fund – SIA SG Capital Partners 1 (registration No. 40203095862).

This principal adverse impact statement covers the reference period from 1 January 2025 to 31 December 2025.

The Fund reports on the mandatory indicators applicable to real estate investments in accordance with Regulation (EU) 2022/1288. Based on a materiality assessment conducted during the development of the Fund's sustainability strategy, the Fund also considers two climate-related and other environmental supplementary indicators relevant to real estate asset investments, namely, greenhouse gas emissions (GHG) and energy consumption intensity.

[1] The Statement on Principal Adverse Impacts of investment Decisions on sustainability factors reflects unaudited data for 2025.

Description of the principal adverse impacts on sustainability factors

INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS								
Adverse sustainability indicator		**Metric**	**Impact [2025]**	**Impact [2024]**	**Impact [2023]**	**Impact [2022]**	**Explanation**	**Actions taken and actions planned, and targets set for the next reference period**
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	0%	0%	0%	0%	The Fund has not invested in real estate assets involved in the extraction, storage, transportation or production of fossil fuels.	The Fund will continue to maintain a 0% investment weighting in fossil fuel real estate assets. Such investments are also not permitted under the list of excluded activities of the SG Capital Partners AIFP ESG Due Diligence Policy.
Energy efficiency	1. Exposure to energy-inefficient real estate assets	Share of investment in energy-inefficient real estate assets	35,25%	34,45%	34,64%	32,61%	All buildings in the Fund's portfolio that were acquired during the Fund's operation were constructed by 31 December 2020. The share of investments in energy-efficient and energy-inefficient real estate assets is determined based on the gross value of the assets, calculated using 2025 EBITDA indicators. In 2025, 64,75% of investments qualify as investments in energy-efficient assets (buildings with energy efficiency class A+, A or B), while 35,25% qualify as investments in energy-inefficient assets (buildings with energy efficiency class C). Compared to 2024 (34,45%), the indicator has remained essentially unchanged. The slight increase in the share of energy-inefficient assets is not related to	Actions taken: In 2024, the renovation of two office buildings was completed, and in 2025 the adaptation of premises to tenant needs and the leasing of these spaces continued. In mid-2025, reconstruction projects for two industrial buildings were initiated, with completion planned for 2026. Planned actions and targets: After completion of the renovation works, the energy performance certificates (EPCs) of the respective office buildings will be renewed to determine their updated energy efficiency class (expected by 2027). During the Fund's operation, it is planned to continue implementing capital investments that may contribute to improving the energy efficiency of the buildings.

INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS								
							changes in the composition of the portfolio. For some renovated buildings, updated Energy Performance Certificates (EPCs) have not yet been issued. At the same time, the increase in the value of these assets raises their relative share in the calculation until the new certificates are obtained.	

Other indicators of principal adverse impacts on sustainability factors

ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS Indicators applicable to investments in real estate assets								
Adverse sustainability impact	**Adverse impact on sustainability factors**	**Metric**	**Impact [2025]**	**Impact [2024]**	**Impact [2023]**	**Impact [2022]**	**Explanation**	**Actions taken and actions planned, and targets set for the next reference period**
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions generated by real estate assets	685,3 tCO2e	700,5 tCO2e	716,4 tCO2e	1067,6 tCO2e	Scope 1 GHG emissions were calculated using the Carbon Risk Real Estate Monitor (CRREM) tool (v.2.05)[2]. These include emissions related to natural gas consumption for heat energy supply in industrial (warehouse) buildings. In addition, emissions from fuel consumption[3] in the maintenance operations of industrial buildings (11,4 tCO_2e) were included. These were calculated separately and added	Actions taken: During 2024, the Building Management Systems (BMS) of the industrial buildings, which monitor energy consumption, indoor temperature and other operational indicators, were integrated into a single unified system to ensure more efficient monitoring and control of energy consumption across the buildings. Planned actions and targets: To continue centralised monitoring and management of consumption through the BMS, ensuring that the heat supply is adjusted according to

[2] https://www.crrem.eu/tool/

[3] Emission factors for the calculation of fuel-related emissions were sourced from the database available at https://co2emissiefactoren.nl/

							to the total Scope 1 emissions calculated using the CRREM tool. Compared to 2024, the total Scope 1 GHG emissions in 2025 are slightly lower.	the occupancy of leased premises, outdoor temperature conditions, and tenant requirements in warehouse facilities and their associated office spaces.
		Scope 2 GHG emissions generated by real estate assets	581,9 tCO2e	603,6 tCO_2e	641,2 tCO_2e	1020,6 tCO2e	Scope 2 GHG emissions data were calculated for the entire portfolio of the Fund's buildings using the Carbon Risk Real Estate Monitor (CRREM) tool (v.2.05). These represent indirect emissions from purchased and consumed electricity in office and industrial buildings, as well as purchased and consumed district heating in office buildings (heat supplier: AS "Rīgas Siltums"). Compared to 2024, the Scope 2 GHG emissions in 2025 are lower, which corresponds to reduced electricity consumption during the reporting period and the partial supply of electricity from renewable energy (solar power) in warehouse buildings. Solar energy is also used in certain office buildings; however, its impact on the overall emissions level is smaller.	Actions taken: In 2025, the solar power plant of SIA NORDO (1200 kW), commissioned in October 2024, operated for the full year and supplied part of the electricity consumption for four industrial buildings. The remaining electricity consumption of the office and industrial buildings was supplied by AS "Latvenergo", generated from renewable energy sources, as confirmed by green energy certificates. Renovation works of the Skanstes City office buildings were also completed. Planned actions and targets: To continue centralised monitoring and management of energy consumption through the BMS, adjusting energy supply according to the occupancy of leased premises, outdoor temperature conditions, and tenant requirements in office buildings. The Fund will also continue to use electricity from renewable energy sources and implement planned energy efficiency measures across the Fund's assets.
		Scope 3 GHG emissions generated by real estate assets	452,3 tCO_2e	431,2 tCO_2e	413,8 tCO_2e	432 tCO_2e	Scope 3 GHG emissions in 2022 were calculated using the GHG Protocol Scope 3 evaluation tool, applying the spend-based approach. To ensure consistency in the calculations, a similar methodology and expenditure categories were applied in 2023–2025, as the above-mentioned tool was no longer available. Due to the different methodologies	Actions taken: The management of the Fund's assets in 2025 was organised in a manner similar to previous reporting periods, with third-party service providers engaged for the main service categories. Planned actions and targets: The Fund will continue to monitor and report Scope 3 GHG emissions. In the event of a significant increase in emissions, and where deemed

							applied, the 2022 data are not directly comparable with the data for subsequent years. The Scope 3 emissions calculations include the following categories: purchased goods and services (Category 1) and waste generated in operations (Category 5). In 2025, the increase in Scope 3 GHG emissions is mainly related to the increase in the cost of services used.	necessary, an appropriate GHG emissions reduction plan will be developed.
		Total GHG emissions generated by real estate assets	1719,5 tCO_2e	1735,3 tCO_2e	1771,4 tCO_2e	2520,2 tCO_2e	Total GHG emissions are calculated as the sum of Scope 1, Scope 2 and Scope 3 emissions. Compared to 2024, the total GHG emissions in 2025 are slightly lower. This was driven by a reduction in Scope 1 and Scope 2 emissions, which offset the increase in Scope 3 emissions.	Actions taken: The Fund implemented measures aimed at reducing direct and indirect emissions, including the integration of industrial building management systems (BMS) for centralised monitoring and control of energy consumption, the use of a solar power plant to supply electricity to part of the industrial buildings, and the renovation of office buildings. At the same time, Scope 3 emissions continued to be monitored within the asset management process. Planned actions and targets: To continue centralised monitoring and management of energy consumption through the BMS, to use electricity from renewable energy sources, and to implement planned energy efficiency measures across the Fund's assets, while regularly monitoring total GHG emissions and, where necessary, assessing additional emissions reduction measures.
Energy consumption	Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square metre	0,00173 GWh/ m^2	0,00171 GWh/ m^2	0,00182 GWh/ m^2	0,00187 GWh/ m^2	Energy consumption intensity was calculated for the entire portfolio of the Fund's buildings by determining the total electricity and heat consumption per unit of	Actions taken: At the end of 2025, work was initiated, with the involvement of an external service provider, on the development of a monitoring tool for the

							building area (m^2) for each office and warehouse building and subsequently aggregating these indicators at the portfolio level (GWh/m^2). Compared to 2024, the energy consumption intensity in 2025 is slightly higher, but remains lower than in 2022 and 2023.	management of building energy consumption. Planned actions and targets: The Fund will continue to implement the measures set out in its sustainability strategy, to the extent possible during the remaining term of the Fund, including planned investments aimed at improving the energy efficiency of buildings, which may also contribute to reducing energy consumption intensity. At the asset (building) level, regular consumption monitoring will continue, with corrective actions implemented where necessary to optimise building operations and system settings. In addition, consumption monitoring will also be carried out at the Fund portfolio level using the consumption management monitoring tool currently under development.

SG Capital Partners Fund I, KS does not make investments in investee companies, as the Fund's investment strategy is focused on investments in real estate assets. The Fund's SPVs are considered part of the investment structure, and consolidated data for these entities are presented in the Fund's consolidated financial statements. The Fund also does not make investments in sovereign or supranational entities. Accordingly, none of the indicators listed in Table 3 of Annex I to the Regulatory Technical Standards (EU) 2022/1288 are applicable to the Fund's investments in real estate assets.

At the same time, the Fund and its SPVs are subject to the Human Rights and Labour Rights Policy, introduced in April 2023 (and updated in July 2024), which establishes the obligation to respect internationally recognised human rights and labour rights standards.

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

SIA SG Capital Partners AIFP (hereinafter – the Manager) has approved the Investment Due Diligence Procedure (v.2.0 of 05.12.2025) and the ESG Due Diligence Policy (v.2.0 of 30.06.2025), which ensure the identification, assessment and integration of principal adverse impacts on sustainability factors into the Fund's investment decision-making process.

All investment decisions, including capital investments in the Fund's SPVs, are taken by the Fund's Investment Committee. Following the execution of investments, the Fund's Sustainability Committee and Investment Committee, within the scope of their respective competencies, monitor the performance of investments and their impact on sustainability. If the monitoring process identifies a significant actual or potential adverse impact on

sustainability factors, the Fund develops and implements measures to prevent or mitigate such impacts and, where necessary, establishes corrective actions in the management of the investments.

The Manager annually assesses the overall sustainability impact of the Fund's investments by analysing the achievement of the indicators set out in the sustainability strategy and the principal adverse impact indicators at the Fund level. Calculations of adverse impact indicators are based on data collected from the Fund's SPVs, as well as, where necessary, from other reliable sources, including public databases, third-party analyses, expert assessments and reports from competent authorities.

For GHG emissions calculations, the Carbon Risk Real Estate Monitor (CRREM) tool is used, which is designed to determine building-related emissions and energy intensity and to assess them against the Paris Agreement objective of limiting global warming to 1.5°C.

Scope 3 GHG emissions, considering data availability, are mainly calculated in two categories: purchased goods and services (Category 1) and waste generated in operations (Category 5). As input data for emissions calculations, the relevant accounting and data management system data of the Fund's SPVs are used. For goods, emissions are calculated based on the number of units purchased, while for services the procurement value in monetary terms is used. Emission factors are obtained from internationally recognised databases, including Ecoinvent 3.10 and EXIOBASE.

The methodology applied depends on data availability and quality. Where new calculation methods are applied, existing methodologies are improved, or data for certain indicators are unavailable, appropriate disclosures are provided in the PAI report. The Manager implements reasonable measures to ensure the use of data that are as reliable as possible.

Engagement policy

SIA SG Capital Partners AIFP, as the manager of the Fund (and the general partner representing the Fund) and through its representation on the management boards of the Fund's SPVs, ensures its influence in investment decision-making, including the mitigation of principal adverse impacts related to investment decisions, as well as in investment management and oversight, with the objective of increasing the value of the Fund's assets and implementing the objectives set out in the Fund's investment and sustainability strategies.

The key principles governing how the Manager exercises its influence in the above matters are defined in the Engagement Policy (v.3.0 approved on 23 September 2025). Among other things, the Engagement Policy also establishes cooperation principles with the Fund's management team, investment/property managers and other key stakeholders in order to ensure the proper management of sustainability-related matters.

If such actions do not achieve the desired results in addressing principal adverse impacts on sustainability factors, the Manager may consider divestment and, where deemed necessary, adjust the Engagement Policy in order to ensure adequate management of the principal adverse impacts.

References to international standards

In accordance with the ESG Due Diligence Policy, the Manager assesses the sustainability impact of the Fund's investments and monitors the investments made by the Fund, ensuring good governance and compliance with the following internationally recognised best practice standards:

1. OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines).
2. UN Guiding Principles on Business and Human Rights (UNGPs).
3. International Labour Organisation Declaration on Fundamental Principles and Rights at Work.
4. International Bill of Human Rights.

BREEAM certification[4]

The Fund, in implementing sustainable practices, uses BREEAM certification for its real estate assets as a framework for assessing quality and sustainability, within which energy efficiency improvement measures play a significant role in meeting the certification requirements. These certifications demonstrate responsible environmental management and serve as a standard for evaluating the performance and sustainability of the properties.

Paris Agreement

In line with global initiatives aimed at mitigating climate change, the Fund has contributed to climate change mitigation by improving the energy efficiency of its real estate assets and reducing greenhouse gas (GHG) emissions associated with the real estate portfolio.

The Fund Manager supports the objective of the Paris Agreement to limit global warming to 1.5°C[5] and, since 2023, has monitored Scope 1 and Scope 2 GHG emissions and energy consumption of the Fund's real estate assets using the Carbon Risk Real Estate Monitor (CRREM) tool. This tool enables the assessment of the emissions and energy intensity of the Fund's assets and their alignment with decarbonisation pathways consistent with limiting global warming to 1.5°C. Within the Fund's sustainability strategy, energy consumption targets for office and industrial buildings were established in line with these pathways and were used to monitor progress in previous reporting periods.

Considering the approaching end of the Fund's term (March 2027) and the fact that no significant additional capital investments are planned for the assets to continue the decarbonisation pathway, the Fund's activities will no longer be formally aligned with the Paris Agreement objectives at the energy consumption level. At the same time, the Manager will continue to monitor energy consumption and GHG emissions in accordance with the CRREM methodology and, where possible, will implement operational measures to maintain energy efficiency.

[4] https://breeam.com/

[5] The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties on 12 December 2015 in Paris, France, at the United Nations Climate Change Conference (COP21) and entered into force on 4 November 2016. Its main objective is to limit the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. See: https://likumi.lv/ta/lv/starptautiskie-ligumi/id/1730

Historical comparison

The first Principal Adverse Impact (PAI) statement was published in 2023, covering the 2022 indicators. This statement includes the 2025 indicators, as well as comparative data for 2022–2024, which have been compiled in the previously published table.