

Website disclosures pursuant to Article 10 of the Regulation (EU) 2019/2088 and Articles 25 to 36 of Commission Delegated Regulation (EU) 2022/1288

Product name: PORTOBELLO HOSPITALITY FUND I SCA SICAV-RAIF

I. Summary

- **No sustainable investment objective:** this financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.
- **Environmental or social characteristics:** PORTOBELLO HOSPITALITY FUND I SCA SICAV-RAIF (the “Fund”) is an Article 8 that promotes the following environmental and social characteristics:
 - Characteristic 1: improvement in the responsible management of investee companies and
 - Characteristic 2: contribution to the achievement of specific SDGs (Sustainable Development Goals): 7, 8, 9, 12, 13 and 16.
- **Investment strategy:** The investment strategy used to meet the environmental or social characteristics promoted by the financial product is the active management of ESG factors seeking to improve the overall performance of environmental, social and good governance factors by the boards of investees. The strategy is followed throughout every stage of the investment process.
- **Proportion of investments:** 100% of the Fund's investments to promote environmental and social characteristics in accordance with Article 8 of the SFDR, without having among its objectives to make sustainable investments.
- **Monitoring of environmental or social characteristics.** The indicators used to meet the characteristics mentioned are as follows:
 - 1) Improvement in the responsible management of investee companies
 Scoring system based on a score from 0% to 100%.
 A core set of KPIs:
 - Environmental: environmental policy, tCO2 emissions, % of renewable energy
 - Social: Rotation, Absenteeism, Equality plan in place, N. of training hours
 - Governance: Diversity at Board level, Compliance package in place, Existence of supply chain policy and Cybersecurity
 Company-specific set of KPIs based on financial materiality.
 - 2) Percentage of investees that include potential alignment with SDGs 7, 8, 9, 12, 13 and 16
- **Methodologies:** for Characteristic 1, Portobello uses a Scoring system based on the methodology defined by the Global Reporting Initiative (“GRI”). The score rates each of the portfolio companies from 0% to 100%. In addition, Company-specific KPIs are based on financial materiality according to their sector and company-specific material topics. For Characteristic 2, the contribution to SDGs is measured by mapping the GRI questions into contribution to each of the SDGs, using the SDG Compass tool.
- **Data sources and processing:** Portobello, supported by an external ESG consultant and a digital tool, analyses sustainability indicators at investee level and monitors progress towards identified ESG action plans on an annual basis.
- **Limitations to methodologies and data:** there are limitations related to (i) Lack of consistency, comparability, periodicity and reliability from each of the investees (ii) human error in the provision of data and (iii) different reporting periods and group perimeters. Portobello expects to improve data quality and minimize the limitations mentioned above as the reporting process

is improved overtime. The Fund engages with an external consultant each reporting period to provide guidance on best practices to ensure data quality.

- **Due diligence:** The due diligence process allows the Fund to verify the ESG behaviour of the potential investment within our commercial, financial, business and legal verification processes,
- **Engagement policies:** engagement with companies is part of the Fund's responsible investment strategy. The investment team engages with the management team of the investee company; a key person within the investee company is appointed who must report periodically to the Board of Directors to ensure objectives are met.
- **Designated reference benchmark:** No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by PORTOBELLO HOSPITALITY FUND I SCA SICAV-RAIF

II. No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

b) Environmental or social characteristics of the financial product

The Fund promotes the improvement of the responsible management of its investee companies. To this end, Portobello integrates ESG factors in its investment process.

Characteristic 1

As a result, Portobello supports the implementation of ESG action plans that contribute to the reduction of the main negative impacts generated by its portfolio companies, the promotion of quality employment and the creation of robust governance structures that contribute to overall better risk management.

Characteristic 2

Through this active management of the ESG aspects of the investee companies, the Fund also intends to contribute to the achievement of the following SDGs:

SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all, by increasing the proportion of renewable energy in all energy sources (target 7.2). Likewise, the Fund seeks to contribute to improvements in energy efficiency (goal 7.3) by carrying out energy efficiency studies where energy consumption is material, implementing the resulting energy saving measures.

SDG 8: Decent work and economic growth, by seeking to achieve higher levels of economic productivity through diversification, technological modernization and innovation in line with target 8.2. The Fund will also pursue the growth of its investees by contributing to achieving full and productive employment and decent work for all, including young people and people with disabilities, as well as equal pay, through the promotion of the application of equality plans (goal 8.5).

SDG 9: Industry, innovation and infrastructure

The Fund will promote inclusive and sustainable industrialization, seeking to increase the industry's contribution to employment and gross domestic product in line with target 9.2. Likewise, it will contribute to reconverting the industries in which it invests so that they are sustainable, use resources more efficiently and promote the adoption of clean and environmentally sound technologies as well as industrial processes that seek to reduce negative externalities (target 9.5).

SDG 12: Responsible consumption and production

The Fund will promote sustainable management and efficient use of natural resources among its investees, by implementing environmental policies and responsible procurement policies (target 12.2). It will also promote the reduction of waste in line with target 12.5 through activities of prevention, reduction, recycling and reuse, introducing circular economy practices within the action plans of the investees.

SDG 13: Climate action

The Fund will actively seek to incorporate measures related to climate change in investee's policies, strategies and action plans (goal 13.2). The action plans will also include measures to improve education and awareness of the necessary climate change mitigation, adaptation, reduction of its effects and early warning in line with target 13.3.

SDG 16: Peace, justice and strong institutions

The Fund will require the implementation of criminal compliance programs in the investees that contribute to fighting corruption and bribery in all their forms (target 16.5). Likewise, it will establish effective and transparent governance mechanisms in line with goal 16.6.

III. Investment Strategy

Investment strategy used to meet the environmental or social characteristics promoted by the financial product:

The Fund seeks to improve the overall responsible practices of investee companies by promoting the active management of environmental, social and good governance factors by the boards of investees. The strategy is based on active ownership, which is preceded by a preliminary analysis that is carried out in the pre-investment phase and that consists of certain binding elements:

- **Negative screening**, in compliance with our Responsible Investment Policy (<https://www.portobellocapital.es/inversion-responsable/>)
- **Due diligence** that allows us to verify the ESG conduct of the potential investment together with our commercial, financial, business and legal verification processes, the analysis of the most relevant issues in environmental matters (including climate change issues), social and good corporate governance. All of this allows us to take into account the company's main ESG risks and opportunities and possible adverse events in the pre-investment phase.
- The **investment decision** process is informed by the due diligence conclusions as well as the proposed action plan. In the event that risks or material adverse impacts have been identified, the investee must implement the appropriate measures to manage the risk and lessen the negative impact that is being generated.
- During the **holding period**, an Action Plan is prepared and is aimed at improving the ESG performance of the investee, carried out through engagement with the management team and our ability to influence derived from political rights held over the company. An ESG Responsible, defined as the person that is responsible for ESG matters at investee level, is appointed to aid execution, reporting to the main executive and to the Board of Directors on a periodical basis. Reporting is based on a set of KPIs and the actions taken to progress along the Action Plan. This holding period protocol has the following binding elements:
 - o The incorporation of ESG key aspects in the Action Plan and certain information obligations to facilitate its monitoring within a 180-day Plan and Value Creation Plan for the Investment Period;
 - o The monitoring of the Value Creation Plan through regular dialogue with investees and Board of Directors, and the ESG Responsible appointed. This Value Creation Plan is designed for the next 3-4 years and details the strategic objectives as well as actions needed to achieve such objectives.
 - o The Value Creation Plan will include, at least, the following actions:
 - o Signing of Portobello's ESG policy by the investees;
 - o The appointment of the ESG manager at investee level;

- The approval of ESG actions within the framework of the 180-day Plan and the Value Creation Plan;
- The inclusion of ESG topics on the Board of Directors' agenda at least twice a year; and
- The definition and calculation of ESG KPIs that allow the measurement and monitor the progress made. The KPIs will include those that allow the Fund to assess the portfolio's exposure to climate risk.

Policy to assess good governance practices

Good governance practices are carefully analysed in the Due Diligence phase. Among them, essential issues are addressed such as:

- Existence and composition of the Board of Directors
- Remuneration of the directors
- Existence of compliance policies, adequate information systems, supply policies, cybersecurity policies and data protection
- Employee relations
- Remuneration of staff
- Tax compliance

The action plans include, to the extent possible, actions such as the incorporation of independent Board members, the existence of criminal compliance and robust policies in the management of the supply chain, cybersecurity and data protection.

IV. Proportion of investments

100% of the fund's investments are expected to promote environmental and social characteristics in accordance with article 8 of the SFDR, without having among its objectives to make sustainable investments.

V. Monitoring of environmental or social characteristics

Once a year, the investees' ESG Responsible or ESG Teams, assigned by Portobello Capital will be required to complete a questionnaire that will include questions about the degree of compliance with the Value Creation Plan and the report of the key indicators. The monitoring will include the following sets of indicators:

- 3) Characteristic 1: improvement in the responsible management of investee companies
Scoring system based on a score from 0% to 100%.
A core set of KPIs:
 - Environmental: environmental policy, tCO2 emissions, % of renewable energy
 - Social: Rotation, Absenteeism, Equality plan in place, N. of training hours
 - Governance: Diversity at Board level, Compliance package in place, Existence of supply chain policy and CybersecurityCompany-specific set of KPIs based on financial materiality.
- 4) Characteristic 2: contribution to the achievement of specific SDGs (Sustainable Development Goals): 7, 8, 9, 12, 13 and 16.
Percentage of investees that include potential alignment with SDGs 7, 8, 9, 12, 13 and 16.

VI. Methodologies

Portobello uses a Scoring system that is based on the methodology defined by the Global Reporting Initiative ("GRI"). Portobello's ESG questionnaire integrates questions and calculation formulas that are based on GRI's definition allowing to obtain responses based on calculations generally accepted by the financial community. As a result, our Scoring allows the Fund to track the evolution based on a score from 0% to 100%.

Portobello's core set of KPIs are also based on GRI's definition.

In addition, Company-specific KPIs are based on financial materiality according to their sector and company-specific material topics.

Finally, the contribution to SDGs is measured by mapping the GRI questions into contribution to each of the SDGs, using the SDG Compass tool.

VII. Data processing

(a) Data sources

the sources of data are the Funds' investees, relying on their internal ESG Governance.

(b) Data quality

Portobello has an internal ESG Team and the support of an external advisor to review the information to ensure data quality. Once the information is gathered, it needs to be validated by the Portobello ESG Team and the external advisor. In case insufficient data quality is spotted, the ESG Team engages with the investee to iterate the data until it is correct and undertakes an internal validation.

(c) Data processing

the data are processed through a digital tool, that defines the person that inputs the data and requires the data to be validated backed-up by the company's governance.

(d) Data estimation

Portobello relies on real data and 0% are estimated, with the limitations mentioned below.

VIII. Limitations to methodologies and data

Limitations to the methodologies and data referred to in the above sections include, but are not limited to:

- Lack of consistency, comparability, periodicity and reliability from each of the investees
- Human error in the provision of data,
- Different reporting periods and group perimeters

We expect to improve data quality and minimize the limitations mentioned above as the reporting process is improved overtime. The Fund engages with an external consultant each reporting period to provide guidance on best practices.

IX. Due diligence

Our Due diligence process allows us to verify the ESG behaviour of the potential investment together with our commercial, financial, business and legal verification processes. In this exercise, we undertake the analysis of the most relevant issues related to environmental matters (including climate change issues), social and good corporate governance. All of this allows us to take into

account the company's main ESG risks and opportunities, and possible adverse events in the pre-investment phase.

X. Engagement policies

During the holding period, an Action Plan is prepared to improve the investee's ESG performance. The Fund's investment team engages with the investee's management team and uses its ability to influence derived from the political rights held over the company. In order to ensure the success of this engagement, it is key to appoint within each investee a person in charge to whom the main executive must set annual objectives (the ESG Responsible). This ESG Responsible reports periodically to the Board of Directors on the work carried out in each of the specific areas of action in order to ensure objectives are met. The engagement will materialise in the following aspects:

- Include the action plan's material aspects as well as certain information obligations to facilitate its monitoring within a 180-day Plan and Value Creation Plan for the Investment Period
- The monitoring of the execution of the Value Creation Plan through periodic dialogue with the investee's ESG Responsible as well as Board of Directors' meetings. This Value Creation Plan details the ESG high-level qualitative objectives and the actions necessary to achieve said objectives. During the Investment Period, compliance with the action plan is monitored and promoted in the Investee Companies through representation on the Board of Directors, dialogue with the management team and coordinated action with the ESG Responsible.

The Value Creation Plan includes a core set of annual ESG actions that have been described in the "Investment Strategy" section.

XI. Where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark'.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by PORTOBELLO HOSPITALITY FUND I SCA SICAV-RAIF