Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Reporting Period 31/12/2024

Product name: *Vallis Sustainable Investments II FCR*
Legal entity identifier: *254900AKYNGHDP982446*

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ Yes	☐ No
☐ It made **sustainable investments with an environmental objective: 74**%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 76 %of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It made **sustainable investments with a social objective: 74**%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Please note that in view of the publication of ESMA "Guidelines on fund´s names using ESG or sustainability related terms" on 21 August 2024, the Fund reevaluated each investment.

These guidelines aim to protect investors from misleading or exaggerated sustainability claims in fund names and establish **clear and measurable criteria** for asset managers to determine whether ESG or sustainability-related terms can be used in fund names.

Key Requirements

"Meet an 80% threshold linked to the proportion of investments used to meet environmental or social characteristics or sustainable investment objectives in accordance with the binding elements of the investment strategy This requirement applies to all ESG-related fund names ('ESG', 'Green', 'Impact', ´sustainable´, etc), and

"Exclude investments in companies referred to in Article 12(1)(a) to (g) of CDR (EU) 2020/1818"This requires the fund to **screen out and exclude** companies engaging in certain controversial activities, as defined in **Article 12(1)(a) to (g) of Commission Delegated Regulation (EU) 2020/1818** (which relates to EU Climate Benchmarks and ESG disclosures).

The excluded activities include **(1) Weapons and ammunition production or trade**; (2) **Tobacco production or trade**; (3) **Violations of the UN Global Compact Principles**; **(4) Coal-related activities** (if revenue from coal extraction or power generation exceeds a certain threshold); **(5) Oil and gas production** (if revenue from unconventional fossil fuels like Arctic drilling or tar sands exceeds a certain threshold)

"Commit to invest meaningfully in sustainable investments referred to in Article 2(17) of the SFDR" This applies only to funds using "Sustainable" in their name.

Under **ESMA's guidelines and recommendations**, to maintain the word "sustainable" in the fund's name, at least 80% of investments must meet environmental or social characteristics or objectives in accordance with the binding elements of the investment strategy, and at least **50% of assets must meet the SFDR definition of a sustainable investment**.

After completing the revaluation process for all portfolio companies with the help of external consultant "Sustanya" the Fund concluded that it remains aligned with SFDR's sustainable investment definition and can maintain "sustainable" in its name. The detailed report of the evaluation process is made available to the Fund´s investors and other stakeholders on request.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promotes E and S characteristics in their investee's companies and in the reporting period it has been fully met.

Fundamentally, the Fund has been following its proprietary ESG Framework which comprehends:

1 Pre-investment stage

1.1 ESG Screening tool: Overall assessment of the ESG compliance; check on the exclusion list; and first identification of ESG risks and opportunities.

1.2 ESG Due diligence: Implementation of the ESG Due Diligence questionnaire.

2 Investments Active ownership

2.1 ESG Action plan: Baselining and supporting the portfolio company in developing appropriate ESG key performance indicators (KPIs); development of an action plan with agreed targets and timetables.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

2.2 ESG Ongoing monitoring: Engagement with portfolio company to identify opportunities for improvement; monitoring adherence to agreed action plans and ESG KPI targets through ESG KPI monitoring.

3 Investments on exit

3.1 Valuing ESG performance

The ESG ongoing monitoring tools includes the annual ESG Health check assessment questionnaire, monitoring 28 key focus areas as follows:

10 Environmental areas:

GHG Emissions and Energy Management
Air Quality
Wastewater and Effluent
Water Stress
Waste Management
Hazardous Materials
Ecological Impacts
Environmental Compliance
Materials Sourcing
Innovation & Product Design

9 Social focus Areas:

Community Relations
Access & Affordability
Product Quality & Safety
Customer Welfare
Human and Labour Rights
Health & Safety
Employee Engagement
Employee Satisfaction
Diversity and Inclusion

9 Governance focus areas:

Data Privacy and Cyber Security
Supply Chain Management
Business Ethics
Board Composition
Competitive Behaviour
Management of the Legal & Regulatory Environment
Critical Incident Risk Management
Systemic Risk Management
Physical Impacts of Climate Change

Additionally, mandatory principal adverse impacts indicators are analysed for all investments prior to investing and during the portfolio holding.

- ***How did the sustainability indicators perform?***

While the investee companies performed favourable on some ESG matter (diversity, formalization of anti-corruption policy), there were several areas that required specific attention – accident rates and water consumption at one of the portfolio company.

There are still obstacles for better quality information for some of our portfolio companies but we continue to support our portfolio companies in their transition to a better performance in the sustainability area.

- ***…and compared to previous periods?***

We register overall improvements across some focus areas – reduction in energy consumption intensity, more diverse gender distribution and reduction in hazardous waste ratio. We also observed a higher water consumption per Million of EUR of revenue in one of our portfolio companies, whose respective weighting also increased due to higher capital allocation in 2024.

Details of our performance in 2024 can be found on our website (https://vallis.pt/esg/).

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The Vallis Sustainable Investments II Fund (VSI II) made investments that contribute to both environmental and social objectives, in alignment with the Sustainable Finance Disclosure Regulation (SFDR) Article 2(17) requirements.

1. Environmental Objectives:

Across the portfolio, the companies contributed to the following environmental objectives:

Climate Change Mitigation:

Reduction of greenhouse gas emissions through operational efficiencies, use of renewable energy, low-carbon logistics, and circular economy initiatives.

Examples:

- *ARKA: 50% reduction of Scope 1 and 2 GHG emissions by 2030, carbon neutrality by 2040*
- *LOGIFRIO: 20% CO_2 emissions reduction over five years.*
- *EUROPALCO: Energy efficiency improvements and renewable energy adoption.*

Energy Efficiency & Management:

Use of solar panels, reduction of total energy consumption, and transition to green energy.

Examples:

- *ARKA: ISO 50001 certification targeted by 2025.*
- *Insparya: 100% green energy in Portuguese facilities.*

Water Management:

Reduction and recycling of water used in industrial processes.

Example:

ARKA: 50% water consumption reduction per glove by 2030 and 30% water recycling.

Waste Management and Circular Economy:

Reduction of waste, minimization of single-use plastics, and reuse of materials through circular economy practices.

Examples:

ARKA: Transforming used gloves into new products like shoe soles.

Europalco: Waste reduction in event production.

Docout: Increase in paper recycling and reduction of non-recyclable waste.

2. Social Objectives:

The fund's investments also targeted social sustainability goals:

Employee Training & Development:

Significant investment in workforce education, upskilling, and safety programs.

Examples:

- *ARKA: Establishment of the "Arka Academy" for internal knowledge sharing.*
- *Insparya: High-potential employee development programs.*
- *LOGIFRIO: Extensive training and well-being programs.*

Diversity, Equality & Inclusion:

Promotion of gender diversity, support for disabled employees, and policies fostering equal opportunities.

Examples:

- *ARKA: 5% of employees with disabilities by 2030.*
- *Insparya and Europalco: Diversity and inclusion programs.*

Employee Well-being and Health & Safety:

Proactive health and safety measures aiming to reduce workplace accidents.

Examples:

ARKA: 80% reduction in workplace accidents by 2030.

Europalco: Zero serious workplace accidents target.

Community Engagement:

Support for social, educational, and community initiatives through partnerships and corporate volunteering.

Examples:

LOGIFRIO: Annual financial contributions to Doctors Without Borders.

Europalco: Social initiatives through the ShowCare employee support program.

SUMMARY

The sustainable investments of VSI II contributed to:

Tangible environmental benefits such as emissions reduction, increased energy efficiency, renewable energy adoption, and waste minimization.

Meaningful social impact through employee development, diversity promotion, community support, and workplace safety improvements.

These contributions were backed by measurable Key Performance Indicators (KPIs), which were tracked and reported by each investee company, aligning the portfolio with the environmental and social characteristics required under SFDR Article 2(17).

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

1. Principal Adverse Impact (PAI) Assessment

*The **Vallis Sustainable Investments II Fund (VSI II)** ensured that its sustainable investments did not cause significant harm to any environmental or social objectives through the systematic application of the **Principal Adverse Impact (PAI) assessment** as required under the **SFDR**.*

Each portfolio company was analysed annually against all relevant PAI indicators.

*The Fund developed a **dedicated ESG framework** that included the identification, measurement, and monitoring of PAIs throughout the entire investment lifecycle (pre-investment, active ownership, and exit).*

*For companies with incomplete data, the Fund performed assessments using **available information, company size, sector-specific risks, and implemented ESG initiatives** to conclude that no significant harm was expected.*

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2. EU Taxonomy Assessment

*The Fund verified whether its investments could be classified as sustainable economic activities under the **EU Taxonomy**.*

None of the investee companies qualified as Taxonomy-aligned activities. *Therefore, the DNSH assessment was not required under the Taxonomy framework.*

*The DNSH principle was instead assessed **through the PAI methodology and internal ESG due diligence.***

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3. Internal ESG Due Diligence and Monitoring

Pre-investment ESG Screening:
Each potential investment was screened using exclusion lists (e.g., weapons, tobacco, coal, oil & gas) to avoid harmful sectors.

ESG Due Diligence:
Prior to investment, the Fund applied a comprehensive ESG Due Diligence process using a structured questionnaire to assess ESG risks and identify potential adverse impacts.

Ongoing Monitoring:
During the holding period, the Fund continuously monitored ESG KPIs and worked with portfolio companies on ESG action plans to address potential risks and enhance sustainability practices.

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4. Portfolio-Level DNSH Assessment Findings

*The **portfolio DNSH conclusions** were as follows:*

No significant harm to environmental or social objectives was identified in any of the portfolio companies.

Although some investees (Europalco and Docout) had limited PAI reporting at the time of assessment (due to recent investment), it was considered that based on their size, sector, and ESG initiatives, no significant harm was expected.

The Fund is actively working with all investees to ensure ***full PAI reporting in future periods.***

SUMMARY:

The Vallis Sustainable Investments II Fund adopted a comprehensive process combining PAI assessment, exclusion screening, internal ESG due diligence, and active ESG engagement to ensure that its sustainable investments did not cause significant harm to any other environmental or social sustainable investment objectives.

The Fund's ongoing improvements in ESG monitoring and governance further support the robustness of this conclusion.

How were the indicators for adverse impacts on sustainability factors taken into account?

The ***Vallis Sustainable Investments II Fund*** *fully integrated the* ***Principal Adverse Impact indicators*** *into its investment strategy and ongoing management processes. These indicators were used:*

- ***Pre-investment*** *to screen and evaluate risks.*
- ***During investment*** *to monitor ESG performance and ensure continuous improvement.*
- ***Portfolio-wide*** *to assess alignment with the DNSH principle.*

The Fund actively supports its portfolio companies in enhancing data reporting and mitigating any potential adverse impacts on sustainability factors.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes, the ***sustainable investments of the Vallis Sustainable Investments II Fund (VSI II)*** *were aligned with the* ***OECD Guidelines for Multinational Enterprises*** *and the* ***UN Guiding Principles on Business and Human Rights****.*

Here are the detailed elements supporting this conclusion based on the document:

Alignment with OECD Guidelines and UN Guiding Principles on Business and Human Rights

1. Fund Policy and Governance Requirements

- *The* ***Fund explicitly required all investee companies*** *to:*

- *Align with the **OECD Guidelines for Multinational Enterprises.***
- *Comply with the **UN Guiding Principles on Business and Human Rights.***
- *Respect the **UN Global Compact principles.***

- *Since the start of the Fund's investments, **none of the portfolio companies have been identified as violating** these international standards.*

- ***All portfolio companies demonstrated compliance** with these international standards via their internal policies, ethical codes, and governance practices.*
- *Where certain elements (like formal ESG risk management systems) were still being developed, the Fund has in place active **engagement, monitoring, and improvement plans** to ensure full alignment going forward.*

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The Fund follows a formal Responsible Investment Policy of Vallis Capital Partners and ESG Framework which incorporate the methodology that is applied to assess, measure and monitor the ESG factors in our investment decisions. We also publish the Sustainability Report to share a set of ESG indicators across our portfolio companies based on the information provided by our investee companies and which we consider to be material for the Fund overall.

Following introduction of the Level II disclosure of SFDR and in accordance with the article 4 of SFDR regulation, we also consider among other factors the following principal adverse Impacts indicators when making out investment decisions:

- *Carbon Footprint (Scope 1+2+3)*

- *GHG Intensity of Investee Companies*
- *Exposure to companies active in fossil fuel sector %*
- *Share of non-renewable energy consumption and production %*
- *Energy consumption intensity per high impact climate sector*
- *Activities negatively affecting biodiversity -sensitive areas*
- *Emissions to water*
- *Hazardous Waste Ratio*
- *Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises*
- *Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises %*
- *Unadjusted Gender Pay Gap %*
- *Board Gender Diversity %*
- *Exposure to controversial weapons %*
- *Rate of accidents*
- *Water usage and Recycling*
- *Lack of Anti-corruption and anti-bribery policy*

The Fund closely work with the investee companies to analyse on the regular basis and report on these PAI indicators on our website and update the relevant disclosure annually.

The PAIs data is collected at the beginning of each year and later analysed at the portfolio company level and at the Fund level. Where possible, the objectives are set to reduce the impact in the following years.

Final Conclusion:

*The **Vallis Sustainable Investments II Fund** fully considered **Principal Adverse Impacts on sustainability factors** by:*

- *Systematically integrating PAIs into the investment decision-making and monitoring process.*
- *Conducting annual PAI assessments and ESG compliance reviews.*
- *Developing tailored action plans to mitigate potential adverse impacts.*
- *Actively working to improve data availability and quality across all portfolio companies.*

*The Fund demonstrated a **consistent, transparent, and structured approach** to addressing PAIs in line with SFDR expectations.*

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Insparya	*Hair transplant*	*26%*	*Portugal* *Spain*
Logifrio	*Temperature controlled logistics*	*14%*	*Portugal and Spain*
ARKA	*Disposable medical device*	*28%*	*Portugal*
Europalco	*Event production and hire of audiovisual equipment*	*8%*	*Portugal*
Docout	*Document management and BPO services*	*24%*	*Spain*

% is calculated as fair value of the investment divided by the invested asset of the Fund as at 31/12/2024

What was the proportion of sustainability-related investments?

The Fund's sustainability assessment concluded that ***more than 50% of the portfolio qualifies as sustainable investments*** *under* ***SFDR Article 2(17)****, meaning:*

- *These investments contribute to environmental and/or social objectives.*
- *They do not cause significant harm to other objectives.*
- *They comply with good governance practices.*

Specifically:

- ***ARKA, LOGIFRIO, EUROPALCO, and DOCOUT*** *were fully classified as sustainable investments.*

- ***INSPARYA*** *was classified as "undergoing," meaning that while it contributes to sustainability objectives, some governance and DNSH formalities were still in progress.*

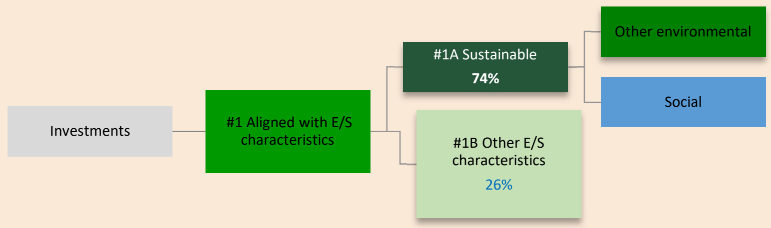
Proportion Aligned with ESMA Requirements

*Under **ESMA guidelines**:*

- *The Fund meets the requirement of **at least 80% of investments** aligned with environmental or social characteristics.*
- *The Fund meets the requirement that **at least 50% of assets** should qualify as sustainable investments under SFDR Article 2(17).*

What was the asset allocation?

Investee Company	***% of Total Investment***	***Classification***
LOGIFRIO	*14%*	*#1A Sustainable*
ARKA	*28%*	*#1A Sustainable*
EUROPALCO	*8%*	*#1A Sustainable*
DOCOUT	*24%*	*#1A Sustainable*
INSPARYA	*26%*	*#1B Other E/S Characteristics*



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Medical hair transplant

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

Temperature-controlled logistics

Production and commercialization of medical disposable devices

Event production and hire of audiovisual equipment

Document management and BPO services

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund´s investments were not aligned with the EU Taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

Not applicable

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of investments made in transitional and enabling activities?

0%

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

74% (investments counted as sustainable have both environmental and social objectives)

*The **Vallis Sustainable Investments II Fund (VSI II)** made sustainable investments that contribute to **both environmental and social objectives.***

- ***All five investee companies contributed to at least one environmental and one social objective.***
  *The total sustainable investment proportion (aligned with SFDR Article 2(17)) with at least one environmental objective is **approximately 74% of the total invested assets***

What was the share of socially sustainable investments?

74% (investments counted as sustainable have both environmental and social objectives)

*The **Vallis Sustainable Investments II Fund (VSI II)** made sustainable investments that contribute to **both environmental and social objectives.***

- ***All five investee companies contributed to at least one environmental and one social objective.***
- *The total sustainable investment proportion (aligned with SFDR Article 2(17)) with at least one social objective is **approximately 74% of the total assets.***

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The fund applied minimum environmental and social safeguards across all assets, including those not yet fully classified as sustainable investments.

Safeguards Included:

- *Sector Exclusions:*
  - *No investments in companies involved in weapons, tobacco, coal, or unconventional oil and gas production (aligned with ESMA's requirements and Article 12(1)(a) to (g) of CDR (EU) 2020/1818).*
- *Good Governance Requirements:*
  - *All investee companies were required to meet governance standards, including:*
    - *Anti-bribery and anti-corruption policies.*
    - *Human rights and labour protections.*
    - *Health and safety policies.*

        ▪ *Diversity and inclusion practices.*

- *ESG Due Diligence:*
    - *All companies underwent ESG screening and due diligence pre-investment.*
- *Principal Adverse Impact (PAI) Monitoring:*
    - *All companies were required to report annually on relevant PAIs, even if some companies were still improving the completeness of their reporting.*

Final Conclusion:

✔ *100% of the portfolio was aligned with environmental or social characteristics.* ✔ *Minimum environmental and social safeguards were applied across the entire portfolio.*

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reference period ***(1 January 2024 to 31 December 2024)****,* ***Vallis Sustainable Investments II Fund (VSI II)*** *actively implemented several actions at both the* ***fund level and the portfolio company level*** *to ensure alignment with the environmental and social characteristics promoted by the fund.*

Environmental Actions Taken in 2024

☑ ***Greenhouse Gas Emissions (GHG)***

- *Companies* ***continued to reduce fuel consumption*** *by rationalizing travel and promoting sustainable mobility.*
- ***Electricity procurement from renewable sources*** *was expanded.*
- *Investments were made in* ***on-site renewable energy production*** *(installation of solar panels on rooftops and parking areas).*
- *Operational practices were optimized:*
    - ***Efficient logistics:*** *Route optimization, vehicle occupancy improvement, efficient driving training, and restructuring of cold systems in the logistics business.*
    - ***Waste reduction in healthcare:*** *Lower consumption of medical consumables and related waste.*

Note: Although some GHG data was not fully reported in 2024 actions to improve reporting coverage were ongoing.

☑ *Energy Consumption and Renewable Energy*

- *The fund reduced* ***non-renewable energy consumption from 80% in 2023 to 72% in 2024*** *across the portfolio.*
- ***Energy efficiency measures*** *were implemented, especially in the logistics and glove manufacturing businesses.*

☑ *Water Management*

- *Portfolio companies* ***implemented projects to reduce water consumption and increase water reutilization.***
- *Continuous awareness programs about water use were promoted.*

☑ *Hazardous Waste Reduction*

- *Hazardous waste intensity decreased from 0.06 to 0.04 tonnes per million EUR invested.*
- *All companies handling hazardous waste used* ***licensed waste management providers.***

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2. Social Actions Taken in 2024

☑ *Health & Safety*

- *The* ***accident rate increased from 87 to 109 incidents in 2024****, which triggered company-level commitments to reduce this rate in 2025.*
- ***Days lost due to accidents increased slightly,*** *but all companies reinforced safety monitoring and improvement targets for 2025.*

☑ *Gender Diversity*

- ***Board gender diversity improved from 12% to 16%.***
- *Companies continued to commit to improving gender balance.*

☑ *Anti-Corruption and Anti-Bribery*

- *By the end of 2024,* ***100% of investee companies had formal anti-corruption and anti-bribery policies in place.***
- *One company that did not have such policies in 2023 formalized them during 2024.*

Respect for Human Rights

- *There were **no violations** of the UN Global Compact principles or OECD Guidelines for Multinational Enterprises across the portfolio.*
- *Regularization and improvement of these processes are planned for 2025.*

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3. Key Fund-Level Engagement Actions

- ***Annual ESG monitoring and reporting** on PAI indicators across all companies.*
- ***ESG action plans were updated** to include the new companies and to improve reporting gaps.*
- ***Quarterly ESG KPI tracking and Board-level reviews** were conducted.*
- ***Immediate incident reporting procedures** remained active and monitored.*

More information can be find in the periodic SFDR data disclosure and in the Annual Sustainable Report available on our website (https://vallis.pt/esg/).

How did this financial product perform compared to the reference benchmark?

Not applicable. This financial product does not designate a reference benchmark for sustainability performance.

- ***How does the reference benchmark differ from a broad market index?***
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***
- ***How did this financial product perform compared with the reference benchmark?***
- ***How did this financial product perform compared with the broad market index?***