TOURO CAPITAL PARTNERS - SCR, S.A.
Sustainability Risk Integration Policy

Articles 3 and 5 of Regulation (EU) 2019/2088 (SFDR)

1. Purpose and scope

This policy sets out the principles and practices adopted by Touro Capital Partners - SCR, S.A. (the Management Entity) for integrating sustainability risks into the investment decision-making process, as well as the reflection of these risks in the remuneration policy, in accordance with the provisions of Articles 3 and 5 of Regulation (EU) 2019/2088 (SFDR). The policy applies to all alternative investment undertakings managed by the Management Entity, including the Touro II Fund.

2. Definition of sustainability risk

For the purposes of this policy, and in accordance with point 22 of Article 2 of the SFDR, a sustainability risk is considered to be any environmental, social or governance event or condition which, were it to occur, could cause an actual or a potential material negative impact on the value of the investment.

3. Categories of sustainability risks identified

The Management Entity identifies three main categories of risks that are materially relevant to the Fund's investment universe:

- Environmental risks. Physical risks (extreme weather events, resource scarcity, impacts on biodiversity) and transition risks (regulatory, technological and market changes arising from the transition to a low-carbon economy).
- Social risks. Risks related to labour practices, occupational health and safety, community relations, human rights in the value chain, and the quality of products and services.
- Governance risks. Risks related to corporate governance structures and practices, business ethics, anti-corruption, tax compliance, transparency and the quality of financial information.

4. Integration into the investment process

4.1 Pre-investment phase

Before each investment decision, the Management Entity carries out an assessment of the sustainability risks applicable to the target company, integrated into the due diligence process. This assessment comprises, at a minimum, (i) verification of compliance with the Fund's Exclusion Policy, (ii) assessment of the target company's exposure to physical and transition risks, (iii) assessment of social and governance risks, and (iv) identification of ESG improvement opportunities.

4.2 Investment decision

The results of the analysis are presented to the Board of Directors and incorporated into the reasoned opinion supporting the decision. Materially elevated risks may result in the rejection of the transaction, conditions precedent, or specific contractual undertakings.

Investment decisions and the powers provided for in this policy are exercised by the Board of Directors of the Management Entity, on which all partners sit, there being no separate investment committee.

4.3 Holding and monitoring phase

During the holding period, the Management Entity monitors the evolution of risks through an annual ESG questionnaire, analysis of ESG incidents, periodic meetings with the management of portfolio companies, and an annual review of the ESG value creation plan.

5. Integration of sustainability risks into the remuneration policy (Article 5 SFDR)

The Management Entity does not currently have a formal remuneration policy, as it qualifies as a small management company under the Asset Management Regime, and the specific remuneration rules are therefore not applicable to it. The Management Entity undertakes to adopt a remuneration policy by the First Closing of the Touro II Fund, which will reflect the integration of sustainability risks as follows:

5.1 Variable component conditional on ESG KPIs

Not less than 15% (fifteen per cent) of the variable remuneration component of employees involved in investment decisions, namely members of the Board of Directors, heads of the investment team and the person responsible for the risk management function, shall be conditional on meeting annual ESG KPIs. The effective percentage will be set annually by the Board of Directors within the range of 15% to 30% (fifteen to thirty per cent), on a proposal from the person responsible for the risk management function, based on the material risks identified during the year. The ESG KPIs are derived from the sustainability indicators set out in the Fund's pre-contractual disclosure (Annex II) and the Management Entity's PAI Statement, and include objectives relating to coverage of the annual ESG questionnaire, execution of engagement plans, and mitigation of reported material incidents.

5.2 Malus and clawback mechanisms

The variable component shall further be subject to reduction (malus) or recovery (clawback) mechanisms in the event of (i) a proven material and culpable breach of the Exclusion Policy, (ii) the occurrence of a material ESG incident at a portfolio company arising from a serious failure of the due diligence or monitoring process, or (iii) the verification of materially incorrect ESG information in regulatory disclosures or in the Fund's annual report.

5.3 Governance

The definition of the annual ESG KPIs, as well as the application of the malus and clawback mechanisms, will be approved by the Board of Directors, on a proposal from the person responsible for the Management Entity's risk management function. The Management Entity's remuneration policy, including its ESG component, will be reviewed annually.

6. Incorporation of sustainability risks into the valuation of investments

In accordance with point (b) of Article 6(2) of the SFDR, the Management Entity expressly assesses the likely impact of sustainability risks on the return of the financial product. This assessment is integrated into the valuation of portfolio companies as follows:

6.1 Pre-investment valuation

In the financial assessment of the target company, the Management Entity incorporates the material sustainability risks identified in the ESG due diligence in the form of (i) adjustments to the business plan, namely mitigation costs and costs of adapting to the climate transition, (ii) adjustments to the discount rate applied to cash flows, reflecting the risk premium associated with material ESG exposures, and (iii) sensitivity tests on adverse ESG scenarios, namely climate scenarios.

6.2 Periodic portfolio valuation

The semi-annual valuation of portfolio companies takes into account the evolution of the sustainability risks identified, namely (i) the materialisation of adverse ESG events, (ii) regulatory changes affecting the sectors in which the portfolio companies operate, and (iii) revisions to the climate and transition assumptions used in the initial valuation. Any material adjustments are documented in the portfolio company's valuation file and submitted to the Board of Directors for approval.

6.3 Climate scenarios

The Management Entity uses, as a reference for climate sensitivity testing, the scenarios published by the Network for Greening the Financial System (NGFS), namely the Net Zero 2050, Delayed Transition and Current Policies scenarios, adapted to the sectoral and geographic granularity of the portfolio.

7. Technical references

This policy takes into account, as supporting technical references:

- The principles and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), namely the four pillars of governance, strategy, risk management, and metrics and targets, in particular for the integration of physical and transition climate risks into investment decision-making.
- The European Sustainability Reporting Standards (ESRS) applicable to portfolio companies falling within the scope of the Corporate Sustainability Reporting Directive (CSRD), with particular attention to ESRS E1 (Climate change), ESRS S1 (Own workforce) and ESRS G1 (Business conduct).
- The Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), in assessing portfolio companies' exposure to risks related to biodiversity and natural capital, where material.
- The scenarios published by the NGFS, for climate sensitivity testing.

8. Internal governance

Ultimate responsibility for the application of this policy rests with the Board of Directors of the Management Entity. Its operationalisation is ensured by the investment team, with the support of the person responsible for the risk management function, who reports regularly to the Board of Directors on matters relating to sustainability risks. The compliance function ensures consistency between this policy, the Fund's SFDR framework, and the Management Entity's regulatory documentation.

9. Review and update

This policy is reviewed at least annually, and whenever regulatory, organisational or market changes justify it. Any material amendment is subject to approval by the Board of Directors and disclosure on the Management Entity's website.

Approval, entry into force and review

Version	1.0
Approved by the Board of Directors of Touro Capital Partners, SCR, S.A.	25 June 2026
Entry into force	Date of registration of the Touro II Fund with the CMVM
Next scheduled review	15 September 2027
Policy Owner	Board of Directors, on a proposal from the person responsible for the risk management function
Document	Sustainability Risk Integration Policy of Touro Capital Partners – SCR, S.A.