

Fund I | No consideration of sustainability risk

A sustainability risk means *"an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment"*.

Currently, *NewPort Capital's Fund I* ('the Fund') does partially consider sustainability risks throughout its investment decision-making process.

NewPort Capital ('the Fund Manager', 'the Firm') makes use of its Exclusion List and ESG Due Diligence questionnaire to assess the sustainability risks of Fund I's portfolio companies. However, it does not classify the Fund as an Article 8 or Article 9 product within the meaning of the Sustainable Finance Disclosure Regulation ('the SFDR').

NewPort Capital has come to this conclusion taking into consideration the proportionality aspect of such an exercise.

Fund I | No consideration of sustainability adverse impacts

In accordance with article 4 sub 1 (b) of the SFDR, NewPort states that it does not consider adverse impacts of investment decisions on sustainability factors as set forth in article 4 sub 1 (a) of the Disclosure Regulation and therefore does not make the disclosures as described in article 4 sub 1 (a) of the SFDR. Given the small size of the organisation of NewPort, such disclosure and the administrative burden in connection therewith would not be proportional.

The Firm will review this decision on an annually basis. In the meantime, NewPort has requested a few of Fund I's portfolio companies to begin monitoring their impacts with the PAI framework, as a way of getting ready to monitor the latter on fund-level in the future.

The Fund Manager therefore intends to undergo necessary preparations to align the internal procedures of its portfolio companies and ensure coherent data-gathering, with the view of ideally begin disclosing its first PAI statement in the following years.

[1] Regulation (EU) 2019/2088