

B&I Capital AG

Principal Adverse Impact Statement

30 June 2026

Financial market participant B&I Capital AG
(254900WZR89AHD74EQ73)

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1. Summary

B&I Capital AG, (254900WZR89AHD74EQ73), considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of B&I Capital AG and its subsidiaries, namely B&I Capital Pte Ltd and B&I Capital US Inc.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2025 to 31 December 2025. Due to the fact that there are changes in the holdings of the portfolios during the year, we consider four specific dates (end of the quarter) to average the result.

Principal adverse impacts are defined by the SFDR regulation of the European Union and are the most negative impacts of investment decision on sustainability factors. These factors refer to environmental and social thematics like human rights, anti-bribery and anti-corruption issues.

Availability of data is not complete yet, this limitation is due to several companies still not reporting all factors.

We consider the mandatory principal adverse impacts and two voluntary indicators during the investment process. For this purpose we use our own developed monitoring tool which scores the principal adverse impacts if data is available.

2. Summary of the principal adverse impacts on sustainability factors

Mandatory indicators

- Greenhouse gas (“GHG”) emissions
- Carbon footprint
- GHG intensity of investee companies
- Exposure to companies active in the 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 and radioactive 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 (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Additional indicators

- Investments in companies without carbon emission reduction initiatives
- Number of identified cases of severe human rights issues and incidents

3. Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Green-house gas emissions	1. GHG emissions	Scope 1 GHG emissions (tCO2e)	275	181	Direct emissions from sources that are owned or controlled by the company. Direct combustion of fuel as in a furnace or vehicle.	We consider these metrics with our own internally developed tool. We score all available metrics and the scores are incorporated in our investment decision process.
		Scope 2 GHG emissions (tCO2e)	1'915	1'462	Emissions that are caused by the generation of electricity purchased by the company.	
		Scope 3 GHG emissions (tCO2e)	7'962	6'652	These are indirect emissions stemming from activities such as business travel, distribution of products by third parties, and downstream use of a company's products (i.e. by customers).	

		Total GHG emissions (tCO2e)	10'152	8'294	Aggregated emissions (Scope 1+2+3).	
	2. Carbon footprint	Carbon footprint (tCO2e/m€ invested)	41	39	Total GHG emissions from investee companies divided by the size of our portfolio.	We consider this metric with our own internally developed tool. We score all available metrics and the scores are incorporated in our investment decision process.
	3. GHG intensity of investee companies	GHG intensity of investee companies (tCO2e/million of revenue)	361	345	Total GHG Emissions Intensity per EUR million Sales	We consider this metric with our own internally developed tool. We score all available metrics and the scores are incorporated in our investment decision process.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector (%)	0%	0%	This value is zero. Based on B&I Capital's Exclusion Policy, the company does not invest in companies active in fossil fuel sector.	We exclude investments in companies which are active in the fossil fuel sector.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable	79%	82%	The company's energy consumption and/or production from non-renewable sources as a percentage of total energy use and/or generation.	We consider this metric with our own internally developed tool. We score all available metrics and the scores are incorporated in our investment decision process.

		energy sources, expressed as a percentage of total energy sources (%)				
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh per million EUR revenue)	46%	50%	The company's energy consumption (in GWh) per million EUR revenue.	We consider this metric with our own internally developed tool. We score all available metrics and the scores are incorporated in our investment decision process.
Bio-diversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas (%)	0	0	Share in the portfolio of investee companies with activities in or near biodiversity-sensitive areas where those activities have a negative impact.	This data not yet available, since companies which we invest in are still not reporting this metric.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR	0	0	Emissions to water (in tonnes) per million of investments caused by investee companies,	We consider this metric with our own internally developed tool. We score all available metrics and the scores are incorporated in

		invested, expressed as a weighted average (tons)			expressed as a weighted average. Significantly small data coverage for this metric.	our investment decision process.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average (tons)	0.10	5.44	The company's total hazardous waste (in metric tons) generated from its operations.	We consider this metric with our own internally developed tool. We score all available metrics and the scores are incorporated in our investment decision process.

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)	0%	0%	Number of Severe and Very Severe controversy cases in the last three years related to: Human rights violations issues.	We comply with the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises. We require that companies which we invest in adhere to UN Global Compact principles or OECD Guidelines for Multinational Enterprises. If during our screening process a company is identified not to comply, we exclude the company from our
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						investment universe.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)	8%	6%	The investee has at least one policy covering some of the UNGC principles or OECD Guidelines for Multinational Enterprises (e.g. human rights, labor due diligence, or anti-bribery policy) and either a monitoring system evaluating compliance with such policy or a grievance / complaints handling mechanism.	We comply with the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises. We require that companies which we invest in adhere to UN Global Compact principles or OECD Guidelines for Multinational Enterprises. If during our screening process a company is identified not to comply, we exclude the company from our investment universe. We consider this metric with our own internally developed tool. We score all available metrics and the scores are incorporated in our investment decision process.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	20	18	The difference between the average gross hourly earnings of the company's male and	We consider this metric with our own internally developed tool. We score all available metrics and the scores are

					female employees as a percentage of male gross earnings.	incorporated in our investment decision process.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members (%)	31%	29%	The company's female-to-male board members ratio.	We consider this metric with our own internally developed tool. We score all available metrics and the scores are incorporated in our investment decision process.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons (%)	0%	0%	This value is zero. Based on B&I Capital's Exclusion Policy, the company does not invest in companies involved in controversial weapons.	We exclude investments in companies which are involved in the manufacture or selling of controversial weapons.
Additional climate and other environment-related indicators						
	15. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (%)	19%	24%	Investees that do not have carbon emission reduction target.	We consider this metric with our own internally developed tool. We score all available metrics and the scores are incorporated in our investment decision process.

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
	16. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0	0	This value is zero. Based on B&I Capital's Exclusion Policy, the company does not invest in companies involved in severe human rights issues and incidents.	We exclude investments in companies which have any number of identified cases of severe human rights issues and incidents.

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

We consider all mandatory principal adverse impacts and two additional ones during our investment decision process and on a monthly basis, if data is available. Companies tied to the fossil fuel sector or controversial weapons sector are excluded from our investment universe. If companies have any case of severe or very severe human rights concerns they are also excluded, as well if they have any low environmental, social or governance controversy scores or overall red flags. For that purpose we use data from MSCI ESG Manager and score the principal adverse impacts. For the final number report in this disclosure the size of the company's AUM is taken into account and the weight of each portfolio. Finally we get an overall principal adverse score. If this score is low, companies are subject to deeper analysis and may be excluded from investment universe.

5. Engagement policies

B&I Capital has had responsible Environmental, Social, and Governance (ESG) practices at the core of company philosophy since the firm's launch in 2007. We view ESG as means to continually improve our firm as well as our investment process for the benefit of all stakeholders, while recognizing the risks of not doing so.

The investment team is responsible for engagement, i.e., PM and/or senior analyst covering the relevant company. We conduct hundreds of meetings with company managements every year. These meetings include face to face, calls, conferences, property visits, etc. We are very active in discussing and suggesting industry best practice as well as how, through ESG policies, they can increase value to shareholders. The aim is to improve companies' ESG policies and companies' reporting of all relevant metrics. We engage with companies when we feel it is necessary and in the best interests of our investors. Due to our relatively small company size, we aim being an active rather than an activist investor.

It is our policy to exercise, where permitted, voting rights for any investment. In each vote we consider the sustainability recommendation of ISS. Finally, we vote based on our own internal opinion and our decision can sometimes differ from that of proxy advisors like ISS.

6. References to international standards

Each position in our portfolios must not be directly or indirectly involved in any of the following controversial business activities: Coal production, Oil production, Natural gas production, Controversial weapons. Furthermore, each position must not have any case of severe and very severe human rights concerns controversies or other red flags in the E, S and G controversy scores.

We do respect the following sanctions lists:

- Swiss List of Sanctioned Individuals, Entities or Organizations (issued by SECO)
- Consolidated United Nations Security Council Sanctions List
- European Union Consolidated List (EU)
- Lists issued by the US Office of Foreign Assets Control (OFAC)
- Lists issued by the UK Office of Financial Sanction Implementation (OFSI)

7. Historical comparison

In our analysis of this year's data compared to last year's, we find that there are no substantial differences in the measured values. All relevant metrics appear to be closely aligned. This outcome was expected, given that our portfolios have not undergone significant changes. The portfolio characteristics remain consistent, contributing to the stability of our monitoring. Additionally, data coverage remained almost the same. Our ability to capture relevant data points has not significantly changed, reinforcing the reliability of our findings.

In summary:

No Large Differences: The variations between this year's and last year's metrics are minimal.

Alignment: The metrics are in close agreement.

Stable Portfolio Characteristics: Since the portfolios have remained unchanged, this consistency is reflected in our data.

This consistency provides confidence in our processes and reinforces the reliability of our monitoring.