

NIF Investment Manager B.V.

Statement on principal adverse impacts of investment decisions on sustainability factors For the year ending 31 December 2025

Financial market participant

This statement on principal adverse impacts of investment decisions on sustainability factors (**Statement**) applies to NIF Investment Manager B.V. (**NIF**), registered with CCI number 90637224 . It is made in respect of the NATO Innovation Fund SCSp SICAV-SIF (the “**Fund**”).

Summary

NIF considers the principal adverse impacts of its investment decisions on sustainability factors. This Statement is the consolidated statement on principal adverse impacts on sustainability factors of NIF.

This Statement covers the reference period from 1 January 2025 to 31 December 2025 (the “**Reference Period**”), which is the first reference period for which NIF formally considers principal adverse impacts. Accordingly, this is NIF’s first such Statement and a formal prior-period comparison is not available. Indicative 2024 figures are shown for context only and are not directly comparable (see Historical comparison and Methodology and limitations).

As this is the first reference period under a revised, PAI-based indicator framework, NIF reports on a best-efforts basis. Quantitative data is available for some subsets of the indicators; for the remainder, the indicator is identified together with the reason data is not yet available and the action being taken. The indicators presented in this Statement primarily reflect direct investments and only partially reflect indirect investments due to limited look-through data availability. Due to data limitations in this first reporting period, indicators are presented on an unweighted basis. The Regulatory Technical Standards (RTS) prescribe a value-weighted methodology, which NIF intends to implement in future reporting periods as data quality and availability improve (see Methodology and limitations). Exposure to the fossil-fuel sector and to controversial weapons is addressed through the Fund’s binding exclusion criteria and the Responsible Use framework.

Description of the principal adverse impacts on sustainability factors

Table 1: 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						
Greenhouse gas emissions	1. GHG emissions	Scope 1, 2, 3 and total GHG emissions (t CO2e)	Partial. Scope 1 ≈ 10.0 (1 investee); Scope 2 ≈ 34.0 (2); Scope 3 ≈ 3,496.5 (2); total ≈ 3,540 tCO2e	Not available	Emissions were requested from all investees; only a limited number provided figures (Scope 1: 1/18; Scope 2: 2/18; Scope 3: 2/18). Most portfolio companies are early-stage and do not yet measure emissions, resulting in limited coverage. The reported figures are therefore not representative of the portfolio.	NIF requests investees to measure and report Scope 1, 2 and 3 emissions. Recognising that early-stage companies often lack data (in particular Scope 3), NIF will, after investment, encourage and support portfolio companies to measure emissions and develop reduction plans. GHG emissions are also considered through the integration of physical and transition climate risks in NIF's decision-making.
	2. Carbon footprint	Carbon footprint	Not available	Not available	Dependent on the emissions data above and therefore, a meaningful and representative metric cannot be calculated.	Carbon footprint is considered through the integration of physical and transition climate risks. NIF will engage investees to measure their carbon footprint and assess energy-saving and renewable-energy measures and intends to develop reduction plans for portfolio entities over time.
	3. GHG intensity of investee companies	GHG intensity of investee companies	Not available	Not available	Not collected; dependent on emissions and revenue data which as is typical is not available for early-stage investees.	To be built into data collection as the portfolio matures (see indicators 1 and 2).
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	NIF has not invested in companies active in the fossil fuel sector.	NIF will continue ensuring that no investments are made in the fossil fuel sector.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and production of investee companies, as a percentage of total energy sources	Not available	Not available	Not available for the Reference Period.	As Investment Manager, NIF seeks investments that leverage environmentally and energy-sustainable solutions and that address climate-security challenges through adaptation or mitigation. NIF will encourage investees to conduct energy audits and, where relevant, monitor energy usage, renewable-energy integration and energy-intensity targets.

Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Biodiversity	6. Energy consumption intensity per high-impact climate sector	Energy consumption in GWh per million EUR of revenue, per high-impact climate sector	Not available	Not available	Not available for the Reference Period.	To be collected for any high-impact-sector holdings and investees to be encouraged and supported in measuring these.
	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near biodiversity-sensitive areas where activities negatively affect those areas	Not available	11% (1 investee) [indicative]	Not available for the Reference Period.	NIF is building out procedures to gather the relevant data and encourage investees to track this. NIF does not invest, directly or indirectly, in fracking, tar sands, thermal-coal mining, oil sands or arctic drilling, and integrates physical and transition climate risks across its investment process.
Water	8. Emissions to water	Tonnes of emissions to water per million EUR invested (weighted average)	Not available	Not tracked by investees	Not available for the Reference Period as it is not tracked by early-stage investees.	NIF to encourage and support investees to track such information.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous and radioactive waste per million EUR invested (weighted average)	Not available	1 investee tracking [indicative]	Not available on a portfolio basis.	NIF to support investees to track this and will prioritise this for any nuclear-energy holdings (see indicator 10).

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 OECD Guidelines for Multinational Enterprises	Share of investments in investee companies involved in violations of the UNGC principles or OECD Guidelines	0% (none identified)	0% (none identified)	Assessed through due diligence and the binding exclusions rather than a per-investee quantitative metric. No violations were identified during the period.	NIF acts in accordance with the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. NIF invests in companies guided by NATO's Principles of Responsible Use and excludes weapons prohibited by international law.
	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines, or grievance/complaints-handling mechanisms to address violations	Not available	~22% lacked processes [indicative]	Not available on a portfolio basis for the Reference Period.	NIF to support investees to track this.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	5.5% (average; 5 of 18 reporting)	~13% [indicative]	For 2025, returns provided an executive-level pay-gap figure for five investees; the	Throughout the holding period NIF assesses good-governance practices (transparent decision-making, board oversight, legal and

Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period	
		[indicative, executive-level proxy]		average is indicative only and reflects low coverage. The metric will be standardised to the unadjusted (whole-company) basis. This figure may not fully correspond to the definition of unadjusted gender pay gap set out in the RTS.	regulatory compliance, responsible financial management and stakeholder engagement). NIF is committed to supporting diverse and equitable teams and to improving governance across the portfolio. The pay-gap definition will be standardised and template guidance provided to investees.	
13. Board gender diversity	Average ratio of female to male board members, expressed as a percentage of all board members	10.9% female (average; 17 of 18 reporting) [indicative]	~16% female [indicative]	Computed from standardised 2025 returns; indicative given the early-stage portfolio and that the metric is being standardised for consistency.	See indicator 12. NIF will standardise the metric and provide template guidance to investees to ensure consistent, aggregable responses.	
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	NIF does not invest in investee companies involved in the manufacture or selling of controversial weapons.	NIF invests in companies guided by NATO's Principles of Responsible Use and excludes weapons prohibited by international law (cluster munitions, anti-personnel mines, biological, chemical and nuclear weapons). NIF operates in accordance with the CFE Treaty, the Convention on Cluster Munitions, the NPT, the Chemical Weapons Convention and the Biological Weapons Convention.	
INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS						
Environmental	15. GHG intensity	GHG intensity of investee countries	N/A	N/A	The Fund had no sovereign or supranational exposures during the reference period.	Not applicable.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations	N/A	N/A	No sovereign or supranational exposures during the reference period.	Not applicable.
INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS						
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of real-estate assets involved in extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	The Fund held no real estate assets during the reference period.	Not applicable.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	The Fund held no real estate assets during the reference period.	Not applicable.

The Impact 2025 column reflects the Fund's direct investments (portfolio companies). Indirect investments (funds) are addressed in the sub-section below the tables.

Table 2 – Additional climate and other environment-related indicators

Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Emissions	4. 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	~64% without (36% with) [indicative]	~67% without (33% with)	Derived from the emissions/environmental-policy question; indicative, partial coverage, unweighted.	Please see indicators 1, 2 and 3. NIF will engage portfolio companies on adopting carbon-reduction initiatives.
Water, waste and material emissions	7. Investments in companies without water-management policies	Share of investments in investee companies without water-management policies	Not available	~100% without	Not available in the Reference Period.	Please see indicators 7, 8 and 9. NIF to support investees to track and manage this.

Table 3 – Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Social and employee matters	4. Lack of a supplier code of conduct	Share of investments in investee companies without a supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	~67% without (33% with) [indicative, proxy]	~89% without (11% with)	The 2025 figure is proxied by a policy requiring environmental/social standards of suppliers — related but not identical and may therefore under- or overstate the actual indicator defined under the RTS to a supplier code of conduct. Indicative.	The question will be aligned to a supplier code of conduct covering labour, child- and forced-labour standards.
	5. Lack of grievance/complaints-handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints-handling mechanism related to employee matters	Not available	~67% without [indicative]	Not available for the Reference Period.	NIF to support investees to implement processes where required. NIF also tracks this through due diligence processes on investment.
	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers	Not available	~44% without (56% with) [indicative]	Based on data available from NIF due diligence processes.	NIF to support investees to implement policies where required. NIF also tracks this through due diligence processes on investment.
Human rights	20. Lack of sustainability due diligence	Share of investments in entities without a due-diligence process to identify, prevent, mitigate and address adverse human-rights impacts, anti-corruption and anti-bribery matters	Not available	~67% without (33% with) [indicative]	Based on data available from NIF due diligence processes.	NIF to support investees to implement due diligence processes where required. NIF also tracks this through due diligence processes on investment.

Principal adverse impacts – indirect investments (funds)

The Fund’s indirect investments are made through venture capital funds, and the principal adverse impacts of those investments arise at the level of the underlying portfolio companies. These impacts are considered on a look-through basis where data permits.

For the reference period, look-through data sufficient to partially populate certain indicators was available for one underlying fund (V Squared Ventures), which reported on the Invest Europe template. For the remaining underlying funds availability of full portfolio look-through data is limited.

As a result, the indicator figures presented in the tables above primarily reflect direct investments and do not fully capture indirect investments. NIF is actively engaging with underlying fund managers to improve look-through data availability and intends to integrate indirect investments into the indicator calculations in future reporting periods.

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

NIF’s investments are primarily focused on technology that has a “dual-use”. Through its investments, NIF aims to promote sustainability and responsible business conduct, encouraging investees to contribute toward a more resilient society and furthering the overarching objectives of improved defence and strategic resilience in the context of a changing climate and associated risks.

Principal adverse impacts are identified and prioritised as follows:

- At due diligence, the Head of Sustainability, together with the investment team, identifies the relevant sustainability factors for each investment, drawing on investee questionnaires, screening, independent research and (where applicable) board or board-observer information.
- The Fund applies binding exclusion criteria (including fossil-fuel activities, controversial weapons and the sin sectors) and invests in accordance with NATO’s Principles of Responsible Use.
- Prioritisation follows the mandatory PAI indicators (Annex I, Table 1) together with the additional indicators selected by NIF and set out in the pre-contractual disclosure (Tables 2 and 3).
- Investments in nuclear-energy activities are subject to enhanced scrutiny and more stringent due diligence, including assessment of radioactive-waste management.
- Where doubt arises, the Head of Sustainability consults the Investment Committee, the General Counsel and the Head of Compliance; unresolved concerns are escalated to the Audit Committee and the Risk Committee.

Given the early-stage nature of many investees, data availability is a known limitation; NIF applies a best-efforts approach and is expanding its data collection (see Actions and targets).

Engagement policies

NIF's investment strategy is focused on investments in start-ups developing emerging and disruptive technologies (EDTs) with commercial, defence and security applications, rather than shares in listed companies. Consequently, NIF does not have an engagement policy of the kind referred to in Article 3g of Directive 2007/36/EC.

NIF has implemented a clear policy outlining the sustainability considerations and risks integrated into its investment decision-making process. Principal adverse impacts are integrated into the investment analysis and decision-making process alongside traditional financial metrics, and each investment decision is documented with a sustainability section in the investment memo, serving both as a record for internal accountability and as evidence of the integration of principal adverse impacts.

After an investment is made, ongoing monitoring is conducted by the investment team in consultation with the Head of Sustainability to track both financial returns and principal adverse impacts, with regular reporting on these outcomes, including any change in the sustainability profile of the investment.

NIF's investment policy and process are subject to regular review to assess their effectiveness in integrating principal adverse impacts, adapting the strategy, analysis, documentation and reporting in response to evolving standards and investor expectations.

References to international standards

NIF invests in companies guided by NATO's Principles of Responsible Use and does not invest, directly or indirectly, in companies involved in the primary activity of the production or trade of weapons prohibited by international law, including cluster munitions, anti-personnel mines, biological weapons, chemical weapons and nuclear weapons. NIF operates in accordance with the Conventional Armed Forces in Europe (CFE) Treaty, the Convention on Cluster Munitions, the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the Chemical Weapons Convention and the Biological Weapons Convention.

NIF further aligns with the guiding principles of the High Contracting Parties to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects (CCW). These principles affirm that international humanitarian law continues to apply fully to all weapons systems, including the potential development and use of Lethal Autonomous Weapon Systems (LAWS), and that the CCW offers an appropriate framework for addressing emerging technologies in the area of LAWS.

NIF further acts in accordance with the following international standards:

- The UN Global Compact Principles;
- The OECD Guidelines for Multinational Enterprises;
- The UN Guiding Principles on Business and Human Rights.

Historical comparison

This Statement is the first statement made in accordance with the requirements of Regulation (EU) 2019/2088 (SFDR) and Commission Delegated Regulation (EU) 2022/1288. A historical comparison is therefore not available for periods prior to the reference period. Indicative figures from the 2024 data collection are shown in the tables for context only; they are not directly comparable and should not be interpreted as indicative of trends over time to the reference-period figures because the promoted characteristics and indicator set were revised with effect from 2025.

Methodology and limitations

- Sources: the indicator figures reflect the Fund’s direct investments (18 portfolio companies that returned data), supplemented by NIF’s binding-exclusion screening for the fossil-fuel and controversial-weapons indicators. Returns from the nine underlying funds are reflected qualitatively in the indirect-investments sub-section. Indicative 2024 figures are taken from data collected using an earlier set of indicators.
- Use of proxies: where direct measurement aligned with RTS definitions was not available (e.g. gender pay gap, supplier code of conduct), proxy indicators were used on a best-efforts basis. These proxies may not fully correspond to the definitions set out in the RTS.
- First formal reference period: data coverage is partial and weighted towards governance over environmental indicators.
- Portfolio figures are presented on an unweighted basis due to current data limitations. The RTS prescribe a value-weighted methodology; NIF intends to implement value-weighting in line with RTS requirements as data coverage and quality improve.
- No estimation: no values have been inferred or estimated. Unpopulated placeholders, blanks and inconsistently formatted responses are treated as “not available”; where a figure is shown for the gender pay gap and board-diversity indicators it is an average over the investees that reported a usable value, and coverage is stated alongside.
- Scope notes: one fund (V Squared) reported on the Invest Europe template with full look-through data held separately.
- Underlying data and the full datapoint set are retained in NIF’s master ESG workbook for audit reference.

Actions taken, and actions planned and targets for the next reference period

- Continue to enhance the annual investee data collection processes and frameworks and continue to support and encourage investees to enhance their data tracking processes, as well as data quality.
- Expand environmental-data coverage, prioritising GHG emissions (Scope 1 and 2) where reasonably obtainable.
- Standardise the gender pay gap and board-diversity metrics and provide template guidance to investees to ensure consistent, aggregable responses.
- Obtain missing data from investees where feasible and encourage data collection by investees on a look-through basis where obtainable.
- Implement value-weighted PAI indicator calculations in line with RTS methodology.