Sustainability-related disclosures pursuant to Article 10(1) of the Disclosure Regulation | HSBC NAV Financing Partnership Fund RAIF SICAV-S.A. (the "Fund")

Legal entity identifier: 635400INIKPJTHCL6L83

The Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "Disclosure Regulation") (as supplemented by Articles 25 to 36 of Commission Delegated Regulation (EU) 2022/1288 with regard to regulatory technical standards and as amended and supplemented from time to time) aims to provide greater transparency to investors on sustainability risk integration, on the consideration of adverse sustainability impacts in the investment processes and on the promotion of environmental or social characteristics. In particular, it requires fund managers and advisers to disclose specific ESG-related information to investors on their websites. Terms not otherwise defined herein have the meaning given to them in the offering memorandum of the Fund dated October 2026, as amended from time to time (the "OM").

1 Summary

No sustainable investment objective	The Fund promotes environmental and social characteristics but does not have sustainable investment as its investment objective.
Environmental or social characteristics of the financial product	The Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation by seeking to invest in businesses that meet the requirements of the relevant ESG framework of the Portfolio Manager. In particular, the Fund promotes environmental and social characteristics by not making any investments with a “Weak” ESG Rating, as determined by the Portfolio Manager’s approach to assessing ESG Ratings for prospective borrowers. In addition, the Fund does not make investments (other than Follow-on Investments) with a “Satisfactory” ESG Rating unless the Investment Team believes that an improvement in the ESG Rating to a “Good” or “Strong” ESG Rating is achievable.
Investment strategy	The Fund invests (directly or indirectly through a funded or risk participation) in Eligible Investments which are originated by HoldCo and/or any other Holding Company in which the Fund holds (directly or indirectly) equity interests and/or other equity-like instruments. In addition, the Fund promotes environmental and social characteristics by not making any investments which, at the time the relevant investment is made, have a “Weak” ESG Rating (as defined below) as determined by the Portfolio Manager. In addition, the Fund does not make investments (other than Follow-on Investments) with a “Satisfactory” ESG Rating unless the Investment Team believes that an improvement in the ESG Rating to a “Good” or “Strong” ESG Rating is achievable.
Proportion of investments	At least 80% of the Fund's assets are held in Investments that attain the Environmental and Social characteristics promoted by the Fund.
Monitoring of environmental or social characteristics	The investment papers presented to the Investment Committee (the "IC") contain a dedicated ESG section, covering an assessment of the ESG positives, ESG concerns and mitigants, and the ESG Rating and ESG Scorecard score. This forms part of the IC’s decision-making. ESG factors are monitored on an ongoing basis by the Investment Team using information collected from management meetings, borrower reporting, industry and regulatory developments, and RepRisk monitoring. ESG Ratings are updated at least annually. ESG Scorecards are reviewed at least annually and updated if there are any changes. The Investment Team is supported by the Senior Responsible Investment ("RI") Specialist on matters related to ESG integration. The Senior RI Specialist reviews the ESG Scorecards and the ESG sections of the various investment papers.

Methodologies	The Investment Team has implemented an ESG scorecard (the "ESG Scorecard"), which is used to assess a borrower's exposure to both ESG risks and opportunities for positive ESG contributions, based on a number of environmental, social and governance factors. Each factor is scored based on the parameters set out in the ESG Scorecard and assigned a specific weight based on its relevance. The ESG Scorecard has been designed in collaboration with, and is reviewed annually by the HSBC Alternatives Responsible Investment team and the Investment Team. The outcome of the ESG Scorecard is a score between 1 and 5 that maps to an ESG Rating on a four-outcome scale, from "Weak" through to "Strong".
Data sources and processing	Inputs to the ESG Scorecard are determined by the Investment Team with reference to materials provided by the potential borrower, responses to questions raised during investment due diligence, due diligence reports, third-party data providers such as RepRisk, and benchmarking against other private equity sponsors. The resulting output is a weighted average of the relevant ESG factor scores, which determines the borrower's ESG rating (the "ESG Rating").
Limitations to methodologies and data	The level of information available to complete the ESG Scorecards may vary between borrowers and, therefore, the Investment Team uses whatever information is available in the public domain, disclosed by the borrower during due diligence (including via the Fund's questionnaire), sourced from independent reports, or available from HSBC or third-party ESG data providers to complete its analysis.
Due diligence	During the due diligence phase of the transaction, the Portfolio Manager reviews more detailed information on the borrower, which may include the business plan and financial model, sponsor presentations and externally prepared due diligence reports. Through the screening and due diligence process, the Portfolio Manager seeks to make a qualitative assessment of the impact of ESG-related factors on the credit risk profile of the borrower.
Engagement policies	In addition to HSBC Asset Management's RI policies on voting and engagement, the Investment Team drives engagement by raising sustainability topics at sponsor meetings and encourages sponsors to report on their ESG-related activities and to share outputs where they do not already provide detailed ESG reporting. Engagement takes place during management meetings, and the Investment Team looks to schedule further meetings if additional information is required. Engagement is carried out in person or via video-conferencing tools with the relevant sponsor's management team. The outcome of engagement with sponsors contributes towards any updates to the ESG Rating.

Designated reference benchmark	No reference benchmark has been designated for the purpose of attaining the above environmental and social characteristics promoted by the Fund.

2 No sustainable investment objective

The Fund promotes environmental and social characteristics but does not have sustainable investment as its investment objective.

3 Environmental or social characteristics of the financial product

The environmental and social characteristics that each borrower is assessed against via the ESG Scorecard include, depending on the borrower's sector:

Environmental:

- GHG Emissions & Climate Risk
- Environmental Risk Management
- Biodiversity & Ecological Impacts
- Resource Use & Waste Management
- Materials Sourcing and Supply Chain Management
- Environmental Opportunities

Social:

- Product/Service Safety & Liability
- Privacy & Data Security
- Labour Management
- Workplace Health and Safety
- Community Relations & Human Rights
- Social Opportunities

4 Investment strategy

The Fund invests (directly or indirectly through a funded or risk participation) in Eligible Investments which are originated by HoldCo and/or any other Holding Company in which the Fund holds (directly or indirectly) equity interests and/or other equity-like instruments.

In addition, the Fund promotes environmental and social characteristics by not making any investments which, at the time the relevant investment is made, have a "Weak" ESG Rating (as defined below) as determined by the Portfolio Manager.

In addition, the Fund does not make investments (other than Follow-on Investments) with a "Satisfactory" ESG Rating unless the Investment Team believes that an improvement in the ESG Rating to a "Good" or "Strong" ESG Rating is achievable.

Further information on the ESG Scorecard and other methodologies that the Fund adopts to meet the environmental and social characteristics promoted by the Fund can be found in section 7 (Methodologies).

The Fund looks to ensure that borrowers uphold the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

5 Proportion of investments

At least 80% of the Fund's assets are held in Investments that attain the environmental and social characteristics promoted by the Fund. The remaining portion of the Fund's investments may be held in Investments which fall below the required ESG Rating post-investment and/or in Cash Management Investments. Environmental and social safeguards do not apply to such Cash Management Investments.

6 Monitoring of environmental or social characteristics

The final investment papers presented to the IC contain a dedicated ESG section covering an assessment of the ESG positives, ESG concerns and mitigants, and the ESG Rating and ESG Scorecard score. This forms part of the IC's decision-making.

ESG factors are monitored on an ongoing basis by the Investment Team using information collected from management meetings, borrower reporting, industry and regulatory developments, and RepRisk monitoring. ESG Ratings are updated at least annually.

ESG Scorecards are reviewed at least annually and updated if there are any changes. The Investment Team is supported by the Senior Responsible Investment ("RI") Specialist on matters related to ESG integration. The Senior RI Specialist reviews the ESG Scorecards and the ESG sections of the various investment papers.

7 Methodologies

ESG Scorecard

The Investment Team has implemented an ESG scorecard (the "ESG Scorecard"), used to assess a borrower's exposure to both ESG risks and opportunities for positive ESG contributions, based on a number of environmental, social and governance factors. Each factor is scored based on the parameters set out in the ESG Scorecard and assigned a specific weight based on its relevance. The ESG Scorecard has been designed in collaboration with, and is reviewed annually by, the HSBC Alternatives Responsible Investment team and the Investment Team. It is also informed by external resources such as the Sustainability Accounting Standards Board ("SASB") and the MSCI ESG Ratings Methodologies.

Across the environmental and social pillars, only a subset of key environmental and social issues, based on sector-specific considerations, is assessed for a given borrower. All borrowers are evaluated on all six issues within the governance pillar. The criteria considered for each ESG issue relate to policies and targets, processes and procedures, management systems, governance structures and controversies or incidents. The weighting allocated to

each of the material ESG issues has been determined with reference to the MSCI ESG Industry Materiality Map and feedback from the Investment Team.

Each borrower is allocated a score of between 1 and 4 or 5 per material ESG issue, with 1 being the highest ESG risk, 2 being medium risk, 3 being low risk, 4 being neutral and 5 being a positive impact. The highest score for some issues, such as Workplace Health and Safety or Environmental Risk Management, is limited to 4, given that the best outcome is the avoidance of negative impacts. However, for other issues, the highest score is 5 where the best outcome could theoretically be a positive impact. In the case of GHG Emissions and Climate Risk, a score of 5 could result from activities that more than offset emissions and/or increase climate resilience. In the case of Community Relations and Human Rights, a score of 5 could result from the borrower going beyond mitigating risks to local communities to delivering positive impacts through employment generation or comprehensive corporate social responsibility programmes.

Inputs to the ESG Scorecard are determined by the Investment Team with reference to materials provided by the borrower and sponsor, responses to questions raised, due diligence reports and third-party data providers such as RepRisk. The level of information available to complete the ESG Scorecards may vary between borrowers and, therefore, the Investment Team uses whatever information is available in the public domain, disclosed by the borrower during due diligence, sourced from independent reports, or available from HSBC or third-party ESG data providers to complete its analysis.

The weighted ESG issue scores are summed and then rebased to produce an ESG Score from 1 to 5, which is used to assign each borrower an ESG Rating. An ESG Score from 1 to below 2 results in a “Weak” ESG Rating, an ESG Score from 2 to below 3 results in a “Satisfactory” ESG Rating, an ESG Score from 3 to below 4 results in a “Good” ESG Rating and an ESG Score from 4 to 5 results in a “Strong” ESG Rating.

ESG Rating	**ESG Scorecard score**
Strong	4.00 – 5.00
Good	3.00 – 3.99
Satisfactory	2.00 – 2.99
Weak	1.00 – 1.99

This design takes the initial investment screening into consideration, as many of the highest-risk potential borrowers have already been filtered out. As a result, it is important for the scoring system to reflect the different stages of ESG implementation among lower-risk potential borrowers.

The ESG Rating is reviewed and updated at least annually in accordance with the assessment criteria set out above.

The environmental and social characteristics that each borrower is assessed against via the ESG Scorecard are:

Environmental:

- GHG Emissions & Climate Risk
- Environmental Risk Management
- Biodiversity & Ecological Impacts

- Resource Use & Waste Management
- Materials Sourcing and Supply Chain Management
- Environmental Opportunities

Social:

- Product/Service Safety & Liability
- Privacy & Data Security
- Labour Management
- Workplace Health and Safety
- Community Relations & Human Rights
- Social Opportunities

All borrowers are also assessed against the following governance issues via the ESG Scorecard:

- RI Policy & ESG Integration in the Investment Process
- ESG Monitoring Capability & Portfolio Influence
- ESG Reporting Production & Quality
- Sustainability Governance & DEI
- Business Ethics & Compliance
- Fund Governance, Transparency & Alignment

8 Data sources and processing

As described in section 7, inputs to the ESG Scorecard are determined by the Investment Team with reference to materials provided by the potential borrower, responses to questions raised during investment due diligence, due diligence reports, third-party data providers such as RepRisk, and benchmarking against other private equity sponsors. The resulting ESG Score is a weighted average of the relevant ESG issue scores and determines the borrower's ESG Rating.

9 Limitations to methodologies and data

The level of information available to complete the ESG Scorecard may vary between borrowers and sponsors. Whilst all reasonable efforts are made to retrieve such data, the Fund may not be able to obtain all the data it requires from the borrower or sponsor.

Accordingly, to ensure that such limitations do not materially affect how the environmental and social characteristics promoted by the Fund are met, the Investment Team uses whatever information is available in the public domain, disclosed by the borrower or sponsor during due diligence, sourced from independent reports, or available from HSBC or third-party ESG data providers to complete its analysis. Where the use of such information results in the use of estimates, robust estimation methodologies are used to replace such missing data.

10 Due diligence

During the due diligence phase of the transaction, the Portfolio Manager reviews more detailed information on the borrower, which may include the business plan and financial model, sponsor presentations and externally prepared due diligence reports covering, inter alia, financial, tax, market and legal issues. Assessment of ESG risks is a key component of the initial transaction screening phase. Through the screening and due diligence process, the Portfolio Manager seeks to make a qualitative assessment of the impact of ESG-related factors on the credit risk profile of the borrower.

11 Engagement policies

The HSBC Alternatives Responsible Investment Policy (see https://www.assetmanagement.hsbc.co.uk/en/institutional-investor/about-us/responsible-investing/policies) sets out that, where HSBC Alternatives invests directly, it aims to engage with the management of the underlying assets to ensure that they deliver high levels of corporate responsibility, including appropriate disclosures.

For the Fund, this means that the Investment Team drives engagement by raising sustainability topics at management meetings and encourages borrowers to report on their ESG-related activities and to share outputs with the Fund where they do not already provide detailed ESG reporting.

The Investment Team aims to receive an update from, or engage with, borrowers at least annually to understand and assess their sustainability commitments and progress on ESG targets, where relevant. Engagement takes place during management meetings, and the Investment Team looks to schedule further meetings if additional information is required. Engagement is carried out in person or via video-conferencing tools with management teams. Details of ESG-related engagements are tracked and reflected in the updated ESG Scorecard assessment.

The outcome of engagement with borrowers contributes towards updates to the ESG Rating using the ESG Scorecard, which may result in positive or negative changes to the assigned ESG Rating. ESG Ratings are updated at least annually.

Engagement with existing borrowers is included on the agenda of the NAV Financing Partnership Strategy IC, as part of the periodic portfolio review. For each borrower where there has been engagement with management in the last quarter, the relevant member of the Investment Team covers any changes in ESG Ratings, key topics discussed and any updates to relevant targets.

The Investment Team implements enhanced engagement in the event that a borrower's allocated ESG Rating is downgraded to "Weak" by the Investment Team, or where the Investment Team becomes aware of an ESG incident.

Enhanced engagement means engagement with the borrower on a quarterly basis. This continues until sufficient evidence of improvement is gathered to support an upgrade of the borrower's ESG Rating to "Satisfactory" or better, subject to IC approval of this assessment.

12 Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the above environmental and social characteristics promoted by the Fund.