



ALTERNATIVE Securitisation Fund

1. SUMMARY

ALTERNATIVE Securitisation Fund is honored to publish the Principal Adverse Sustainability Impact Statement, which aims to provide information about our approach to the principal adverse sustainability impacts identified by the Sustainable Finance Disclosure Regulation (SFDR). The Statement applies to ALTERNATIVE and its Portfolio Companies, which include the following entities: Mikro Kapital Company SRL (Moldova), Mikro Kapital IFN SA (Romania), Mikro Kapital S.p.A (Italy), IMON International LLC MDO (Tajikistan), Micro-credit Company Bailyk Finance CJSC (Kyrgyzstan), Mikro Kapital Armenia UCO CJSC (Armenia), Mikro Leasing LLC (Uzbekistan), Mikro Leasing LLC (Kyrgyzstan), D-Mobilty Worldwide a.s. (Czech Republic), D-Mobilty Kazakhstan (Kazakhstan).

This principal adverse impacts statement covers the reference period from 1 January to 31 December 2024.

2. DEFINITIONS

ALTERNATIVE (SPV)	Special Purpose Vehicle, an entity created to fulfil narrow, specific, or temporary objectives ALTERNATIVE is an unregulated securitization fund without legal personality established in the Grand Duchy of Luxembourg for an unlimited duration in accordance with the Luxembourg law of 22 March 2004.
Portfolio Companies	Companies that are invested by ALTERNATIVE
Target Companies	Companies that ALTERNATIVE considers investing into

3. DESCRIPTION OF PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS

Adopting SFDR on a voluntary basis, ALTERNATIVE considers fourteen applicable mandatory indicators on greenhouse gas emissions, biodiversity, water, waste, and social matters. Moreover, ALTERNATIVE defines two additional indicators related to environment and social and employee matters, on which reporting and integration is encouraged. For information regarding the “Indicators for Principal Adverse Impact” please refer to the Section 7. Appendix.

4. DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PASI (Principal Adverse Sustainability Impacts)

ALTERNATIVE has a well-established sustainability governance model that enables company to oversee, implement, and manage sustainability matters. For the detailed information about ALTERNATIVE’s ESG management structure and framework regarding impact management in alignment with the nine principles of Operating Principles for Impact Management (OPIM) please refer to the Responsible Investment Policy approved by the Mikro Kapital’s Management Board on 21 December 2021 and updated in 2024.

The Sustainability Risk Policy specifies how ALTERNATIVE integrates sustainability risk management in its investment decision making processes. For the detailed information regarding Mikro Kapital’s approach to management of material ESG risks please refer to the Sustainability Risk Policy approved by the ALTERNATIVE’s Management Board on 21 December 2021 and updated in 2024.

ALTERNATIVE understands the value of engaging with various groups of stakeholders and strives to incorporate stakeholder feedback into the decision-making to reduce risks and build a more sustainable business by considering diverse viewpoints and expectations. The Engagement Policy represents a broad commitment to consistent and effective engagement. Please refer to section 4 for more information about our engagement approach.

Additional indicators related to principal adverse impacts on sustainability factors were defined by ALTERNATIVE in line with its focus to create a positive social impact while avoiding negative impact for all the stakeholders.

ALTERNATIVE identifies and assesses principal adverse sustainability impacts for each Portfolio Company on a regular basis using the information on severity and probability of these adverse impacts that are assessed using Portfolio Companies’ expert judgement critically reviewed and approved by ALTERNATIVE. The data for principal adverse impacts identification and assessment comes directly from Portfolio Companies and relevant public sources. The margin of error associated within the described approach cannot be provided for the reference period. For the detailed information on ALTERNATIVE’s approach to principal adverse impacts identification and assessment please refer to the Sustainability Risk Policy.

5. ENGAGEMENT POLICIES

ALTERNATIVE actively engages with target companies and Portfolio Companies to promote the implementation of better practices related to environmental, client and social issues. This engagement is done through technical assistance, trainings, active bilateral or multilateral discussions, proposals for improving ESG practices, adoption of relevant tools and systems, and on-site visits to monitor and mitigate potential ESG issues and sustainability risks and encourage them meeting ALTERNATIVEs minimum requirements as well as monitoring and define some impositions (if needed) to ensure the implementation of the Sustainability Risk Policy and Responsible Investment Policy in place. Our Engagement with stakeholders is described in our annual ESG Report.

6. REFERENCES TO INTERNATIONAL STANDARDS

ALTERNATIVE adheres to the following responsible business conduct codes, internationally recognized standards, and recommendations of business associations and organisations:

- United Nations Global Compact (UNGC) principles
- United Nations Universal Declaration of Human Rights
- International Labor Organization’s (ILO) labor standards
- United Nations Principles for Responsible Investment (UN PRI)
- Global Impact Investing Network (GIIN)
- IRIS+ by the Global Impact Investing Network
- Global Reporting Initiative (GRI) Standards
- Sustainability Accounting Standards Board (SASB)
- Impact Management Project (IMP)

7. APPENDIX

INDICATORS FOR PRINCIPAL ADVERSE IMPACT						
Adverse sustainability impact	Metric	Units	Impact 2024		Explanation	Actions taken
			Value	Coverage		
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions						
1. GHG emissions	Scope 1 GHG emissions	Tonnes CO ₂ e	3,439	100%	Emission from our car sharing fleet in 2024.	To mitigate risks related to Scope 1 emission we have introduced electric and hybrid cars to our car sharing fleet. Additionally, we take care that our fleet consists mostly of new cars that generally produce less CO ₂ e.
	Scope 2 GHG emissions	Tonnes CO ₂ e	205.9	66%	The data excludes Kazakhstan and	Portfolio companies are implementing green

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This document provides disclosure requirements according to Article 4 of Regulation (EU) 2019/2088.

					Uzbekistan as energy and heat consumption is included in rental price and can not be extracted.	office practices to control its Scope 2 emissions.
	Scope 3 GHG emissions	Tonnes CO ₂ e	129,387.3	65%	We currently calculate Scope 3 emissions based on financed emission in microfinance.	Our car sharing business helps lower Scope 3 emissions by reducing the need for individual car ownership, promoting more efficient use of vehicles, offering low-emission vehicle options, and integrating with public transportation systems. We as well pay attention to our value chain by having implemented a Supplier Code of Conduct.
	Total GHG emissions	Tonnes	133,032.2	100%	Calculated as a sum of Scope 1, Scope 2 and Scope 3 emissions	
2. Carbon footprint	Carbon footprint	Tonnes / M €	305.5	100%	Calculated on the base of total AUM of ALTERNATIVE	
3. GHG intensity of investee companies	GHG intensity of investee companies	Tonnes / M €	415.1	100%	Calculated on the base of AUM of investee companies	
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	%	0	100%		
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 energy sources, expressed as a percentage	%	0	100%		
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 / M €	0.009	35%	Only our car sharing entities belong to the high impact climate sector.	
Biodiversity						
7. Activities negatively affecting	Share of investments in investee companies with sites/operations	%	0	100%	We have no portfolio companies that are located in	

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biodiversity-sensitive areas	located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas				or near to biodiversity-sensitive areas	
Water						
8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	M tonnes / M €	0	100%	Our investees do not produce any emissions to water.	
Waste						
9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	M tonnes / M €	0	100%	Our investees do not produce any hazardous waste.	
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	100%		
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	%	0	100%		

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	Multinational Enterprises					
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	%	6%	100%	Based on internal HR data from investees.	Any differences in earnings are attributed to individual achievements and contributions, not gender-based bias.
13. Board gender diversity	Average ratio of female to male board members in investee companies	%	38%	100%	The information is disclosed based on the composition of the Management Boards of Portfolio companies.	
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%	100%		

ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Adverse sustainability impact	Metric	Units	Impact 2024		Explanation	Actions taken
			Value	Coverage		
Energy Performance						
15. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source	%	Gasoline - 98% Diesel - 1% Compressed Natural Gas - 1%	100%		

ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE MATTERS					
Adverse sustainability impact	Metric	Impact 2024		Explanation	Actions taken
		Value	Coverage		
Social and employee matters					

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16. Incidents of discrimination	Number of incidents of discrimination reported in investee companies expressed as a weighted average	0	100%		
	Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average	0	100%		