EUROPEAN
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ANNEX 1

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to the

Commission Delegated Regulation (EU) .../...

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports

ANNEX I

Template principal adverse sustainability impacts statement

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: **Product name:** Willow Corporate Credit DAC	**Legal entity identifier:** 635400X6Z3K6J8GIFD55

Summary

Willow Corporate Credit DAC (635400X6Z3K6J8GIFD55) has voluntarily considered the principal adverse impacts of its investment decisions on sustainability factors. This statement constitutes its consolidated, voluntary principal adverse impact statement.[1]

This statement on principal adverse impacts on sustainability factors covers the reference period from *1st January 2025 to 31st December 2025.*

Willow Corporate Credit DAC, which focuses on private credit investments, applies DunPort Capital Management's Responsible Investment Policy. This policy defines the approach to responsible investment by setting out how sustainability risks are integrated into investment decision-making and, where applicable, how principal adverse impacts are considered.

To mitigate potential adverse sustainability impacts, Willow Corporate Credit DAC applies a range of ESG tools and processes. This includes the application of exclusion criteria to prohibit investments in certain sectors and activities associated with significant adverse environmental and social impacts. In addition, Willow Corporate Credit DAC undertakes ongoing monitoring through annual ESG metrics reporting and verification, supporting the identification and assessment of sustainability risks and impacts, as well as tracking progress in mitigating adverse impacts and promoting improved ESG outcomes.

[1] For the reporting period, principal adverse impacts were not required to be reported in a formal manner at Fund level Reflecting the Fund's below-threshold status under SFDR.

Description of the principal adverse impacts on sustainability factors

Adverse sustainability indicator		Metric	Impact Year 2025	Explanation	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	112.37	100% data coverage All borrowers have calculated Scope 1 GHG emissions.	Willow Corporate Credit DAC continues to monitor GHG emissions of its investee companies annually. A key focus will be to support the management teams in improving the GHG emissions data quality and accuracy.
		Scope 2 GHG emissions	23.23	100% data coverage Emico, Kerr's Auto and Cruinn Diagnostics have calculated Scope 2 using both location and market-based approaches with ABEC and ImpactBuying calculating Scope 2 location-based only.	
		Scope 3 GHG emissions	823.32	40% data coverage ABEC and EMICO have calculated Scope 3 emissions for this reporting period.	
		Total GHG emissions	958.92	The carbon footprint and GHG intensity ratios have been calculated for all borrowers. ABEC and EMICO have included Scope 3 in the carbon footprint for this reporting period.	
	2. Carbon footprint	Carbon footprint	4.58		
	3. GHG intensity of investee companies	GHG intensity of investee companies	6.42		

	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.00	100% data coverage	N/A
	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 of total energy sources	0.6	100% data coverage ABEC is the only borrower reporting 100% renewable energy consumption. Cruinn Diagnostics, Emico, Impact Buying and Kerr's Auto reported a mix of renewable and non-renewable energy consumption.	Efforts to reduce non-renewable energy consumption is on-going with continued focus to transition to renewable energy contracts where possible. Willow Corporate Credit DAC will continue to review and assess the consumption and production of non-renewable energy within Willow Corporate Credit DAC.
	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	0.03	ABEC is classified in the high impact climate sector F. Cruinn Diagnostics is classified in the high impact climate sector G. The remaining borrowers are not classified within high impact climate sectors.	N/A
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive	0.00	100% data coverage All borrowers confirm they have no sites or operations in or near biodiversity-sensitive areas	Willow Corporate Credit DAC will continue to monitor any negative impact on biodiversity caused by

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		areas where activities of those investee companies negatively affect those areas		where their activities cause negative impacts.	activities of the investees of the fund on an annual basis.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00	100% data coverage All borrowers confirm they do not emit any pollutants into water sources.	Willow Corporate Credit DAC will continue to monitor any negative impact on emissions to water caused by activities of the investees of the fund on an annual basis.
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	0.00	100% data coverage All borrowers confirm they do not generate any hazardous or radioactive waste.	Willow Corporate Credit DAC will continue to monitor the production of any hazardous and radio active waste in its annual review of sustainability metrics.
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	0.00	100% data coverage None of the investee companies have been involved in violations against the UNGC principles or OECD Guidelines for Multinational Enterprises.	Willow Corporate Credit DAC does not invest in companies which cause, contribute or are linked to violations of international norms and standards in a material manner, focusing in particular on UN's Global Compact Principles, International Labor Organization's (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN

	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	100.00	100% data coverage None of the investee companies have reported having 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.	Guiding Principles on Business and Human Rights. Annual monitoring of violations, grievances and complaints to the UNGC principles or OECD Guidelines for Multinational Enterprises. Flagged incidents will be reviewed with management for remedial actions, and processes correctly implemented.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	10.52	80% data coverage ABEC, Cruinn Diagnostics, Impact Buying and Kerr's Auto have reported the Unadjusted Pay Gap percentage. Emico did not provide this figure.	Willow Corporate Credit DAC will continue its annual monitoring of the unadjusted pay gap percentage with plans to working with management to plan a strategy to reduce the gap for the next reference period.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	13.76	100% data coverage All investee companies reported on the number of female board members and the number of male board members.	Willow Corporate Credit DAC will continue its annual monitoring to ensure that diversity, equity and inclusion policies are in place that cover all levels of the

					organisation and all operating sites.
	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	0.00	100% data coverage No investee companies' are involved in the controversial weapons sector.	Willow Corporate Credit DAC does not invest in companies involved in the manufacture or selling of controversial weapons.
Additional adverse sustainability indicator		**Metric**	**Impact Year 2025**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Environmental	15. Investments in companies without carbon emission reduction initiatives	Investments in companies without carbon emission reduction initiatives	53.5	100% data coverage ABEC has implemented a carbon emissions reduction plan during period. The other investee companies have not implemented a carbon reduction plan.	Willow Corporate Credit DAC will continue its annual review of emissions generated and support its management team to ensure a company-wide implementation of a carbon emission reduction initiative for the next reference period.
Social	16. Lack of a human rights policy	Share of investments in entities without a human rights policy	73.8	100% data coverage ABEC and Cruinn Diagnostics have a Human Rights Policy in place. Emico, Impact Buying and	Willow Corporate Credit DAC will continue its annual review of progress and ensure the Human Rights policy covers all operating sites.

				Kerr's Auto do not have a Human Rights Policy in place.	