

BETA – INNOVATION FUNDO DE CAPITAL DE RISCO FECHADO | PAI STATEMENT AS OF 31.12.2022**STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS (PAI) OF BETA INNOVATION FUNDO DE CAPITAL DE RISCO FECHADO NIPC 720016789, LEI CODE 845000BBD60BDB14150****SUMMARY**

This document specifically addresses the main negative impacts of investment decisions of the Beta Innovation Fundo de Capital de Risco Fechado, NIPC 720016789, code LEI 845000BBD60BDB14150. This statement covers the period from 01.01.2022 to 31.12.2022, according to the format in Annex I of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022.

Beta Innovation Fundo de Capital de Risco Fechado considers the principal adverse impacts of its investment decisions on sustainability factors in a way appropriate to its dimension, the nature and scale of its activities and the types of financial products it offers and contributes to a more sustainable economy.

Beta Innovation Fundo de Capital de Risco Fechado uses the definition of principal adverse sustainability impacts as described in recital 20 of the SFDR: “Principal adverse impacts should be understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors”, relating to environmental, social and labour issues, respect for human rights, anti-corruption and anti-bribery issues. In addition to the mandatory indicators listed in Table 1, Beta Innovation Fundo de Capital de Risco Fechado will select at least one additional indicator related to the principal adverse impacts on the climate and environment (Table 2 of Annex I), indicator “4. Investments in companies without carbon emission reduction initiatives”. As well as one additional indicator related to the principal adverse impacts on social sustainability, employees, human rights, anti-corruption or anti-bribery (Table 3 of Annex I), indicator “4. Lack of a supplier code of conduct”.

Taking into account the type of the investments made and to be made by the Fund, as well as the stage and size of the companies in which it invests, the absolute values of the indicators reported, namely the environmental ones (for comparison, see: <https://data.worldbank.org/indicator/EN.ATM.CO2E.KT>) are not materially relevant, so as long as this materiality situation persists, the Beta Capital will aim at the following indicators:

- 1- Improve the quality of the portfolio from year to year compared to the previous year.
- 2- Progressively increase the number of non-mandatory indicators that are considered.

The information referred to in Article 5 of the SFDR is available on the company's website.

DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS (SFDR TABLE 1):

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES				
Adverse sustainability indicator	Metric	Impact [2022]	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 GHG emissions	No materiality	Non-substantive values for 2022
		Scope 2 GHG emissions	No materiality	
		Scope 3 GHG emissions	25% de 301,8 kg CO2	
		Total GHG emissions	75,45 kg CO2	
	2. Carbon footprint	Carbon footprint	754,5 kg CO2/M€ Invest.	
	3.GHG intensity of investee companies	GHG intensity of investee companies	1242 kg CO2/M€ receita	
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	Beta Capital's exclusion policy	
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	Could not be measured	Non-renewable energy sources are those that non-fossil renewable energy sources, i.e. wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;	Beta Capital has no control over this number, which derives exclusively from the electricity supplier.

	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	N.A.	Only companies belonging to sections A-H and L of NACE Rev. 2 (reg CE 1893/2006) (sectors of high climate impact).	
Biodiversity	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%		There are no material biodiversity issues.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Non material		There are no material aquatic emission issues.
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	Hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council; and Radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom.	There are no material hazardous waste issues.
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 Organization 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%	Beta Capital's exclusion policy.	
	11. Lack of processes and compliance	Share of investments in investee companies	0%	Beta Capital's exclusion policy.	

	mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	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			
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	25%	The difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees	Objective: Promote measures to reduce the gender pay gap in its investee companies.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	50%	Outlier, a value measured when there was only one company invested in by the Fund. The indicator cannot be improved in the short term.	
	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%	Beta Capital's exclusion policy.	
ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS (SFDR TABLE 2)					
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	100%		Objective: Promote measures to increase initiatives to reduce carbon emissions in its investee companies.
ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS (SFDR TABLE 3)					

Social and employee matters	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	100%		Objective: Encourage the development of a supplier code of conduct in its investee companies.
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DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

As investment activities have adverse impacts on sustainability factors, Beta Capital, as a management entity, aims to minimize these impacts by integrating them into its ESG procedures.

In the first phase, an initial screening process is carried out to exclude projects involved in activities listed in Beta Capital's exclusion policy; then a detailed due diligence process is carried out by the investment team, which analyzes the information provided by the company in the ESG questionnaire and any other available information, using external consultants if necessary.

The indicators assessed include all mandatory indicators established by SFDR, as well as at least one additional climate indicator and at least one indicator related to social and labour issues, human rights, anti-corruption and anti-bribery. The selection of indicators will be based on an assessment of their materiality, taking into account investee companies, considering the possible occurrence and severity of adverse impacts, including their potentially irremediable character, taking into account the dimension, nature and scale of the activities of the investee companies. The results of this due diligence will be reflected in the investment and shareholder agreements; it should be noted, however, that Beta Capital may consider an investment that does not meet all ESG criteria in the initial assessment, provided the team presents a clear and workable plan to meet the required standards within a reasonable period after the investment.

During the investment period, the development of the indicators will be assessed on a regular basis. At the same time, the invested projects will be supported in their ESG processes, including the collection of information on SFDR indicators, the establishment of appropriate KPIs and the consideration of ESG issues in the decisions to be taken.

In the event of an exit, we will also seek to capitalize on the results associated with the implementation of ESG practices.

Risk management namely sustainability risks, is the responsibility of the Board of Directors.



ENGAGEMENT POLICIES

No applicable in accordance with Article 3g of Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies. However, as a result of its hands-on policy, Beta Capital will seek to influence and improve the ESG practices of its investees during the investment period. The member of Beta Capital's investment team responsible for monitoring the project will also meet regularly with the promoters on ESG issues, namely strategy, performance analysis and planning of actions to be implemented.

REFERENCES TO INTERNATIONAL STANDARDS

Beta Capital, as a management entity, considers in its activities and processes of analysis and risk management in terms of sustainability, the code of business conduct and international standards. Regarding Table 1, Beta Innovation Fundo de Capital de Risco Fechado considers indicators Nos. 10, 11, 12, 13 to reflect the alignment with responsible business conduct.

Beta Capital's Sustainability Policy considers the international commitments that have been signed, namely the EU Green Deal, the UN Sustainable Development Goals, UN Principles of Responsible Investment and the Paris Agreement.

HISTORICAL COMPARISON

Not applicable, as the adverse impacts on the sustainability factors were not determined for a period prior to the period for which this statement applies.

Approved on 14.03.2023.