



## BETA – INNOVATION FUNDO DE CAPITAL DE RISCO FECHADO | PAI STATEMENT AS OF 31.12.2023

### 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 01.01.2023 to 31.12.2023, 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”.

And additional indicators related to the principal adverse impacts on social sustainability, employees, human rights, anti-corruption or anti-bribery (Table 3 of Annex I), “1. Investments in companies without workplace accident prevention policies”; “4. Lack of a supplier code of conduct”; “5. Lack of grievance/complaints handling mechanism related to employee matters”; “7. Incidents of discrimination”; “8 Excessive CEO pay ratio”; “14. Number of identified cases of severe human rights issues and incident”; “16. Cases of insufficient action taken to address breaches of standards of anti-corruption and antibribery” and “17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws”.

According to the latest data from the World Bank, in 2020 CO2 emissions (per capita) will be 4300 kg and the value of world GDP (per capita) will be approximately 10032€. Converting these figures into a ratio, for every euro of goods and services produced, 0.43 kg of CO2 will be emitted.

Therefore, taking into account the type of investments made and to be made directly by Beta Innovation Fundo de Capital de Risco Fechado, 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, are not materially relevant, so as long as this materiality situation persists, Beta Innovation Fundo de Capital de Risco Fechado 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]	Impact [2023]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>						
<b>Greenhouse gas emissions</b>	1.GHG emissions	Scope 1 GHG emissions	No materiality	17549,20 kg CO2	The increase in GHG indicators reflects the increase in the number of companies benefiting from the investment. Since the 2023 annual report is not available, an annual estimate of revenue was used for some companies, taking into account the value of the interim financial statements and using the value of the recipient company available in the 2022 annual report.	Values of kg CO2/€ less than or equal to 0.43 kg CO2/€ (calculated using world GDP per capita and world CO2 emissions per capita) are not considered materially relevant.
		Scope 2 GHG emissions	No materiality	567,9 kg CO2		
		Scope 3 GHG emissions	25% de 301,8 kg CO2	5994,94 kg CO2		
		Total GHG emissions	75,45 kg CO2	8311,67 kg de CO2		
	2. Carbon footprint	Carbon footprint	No materiality	7333,48 kg CO2/ M€ Invest.		
3.GHG intensity of investee companies	GHG intensity of investee companies	1242 kg CO2/M€ revenue	226794,60 kg CO2/M€ revenue			

	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	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	69,40%	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.	N.A.	Only companies belonging to sections A-H and L of NACE Rev. 2 (reg CE 1893/2006) (sectors of high climate impact)	
<b>Biodiversity</b>	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%	0%		There are no material biodiversity issues.
<b>Water</b>	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as weighted average	Non material	Non material		There are no material aquatic emission issues.
<b>Waste</b>	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste	0	0	Hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European	There are no material hazardous waste issues.

		generated by investee companies per million EUR invested, expressed as a weighted average			Parliament and of the Council; and Radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom.	
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>						
<b>Social and employee matters</b>	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%	0%	Beta Capital's exclusion policy.	
	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	0%	0%	Beta Capital's exclusion policy.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	25%	13,52%	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%	16,26%	The declining gender diversity on boards is a consequence of the significant increase in the number of companies benefiting from the investment.	Objective: Investee companies commit to hiring more women.  Promote initiatives in investee companies to increase the

						number of women on boards of directors.
	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%	0%	Beta Capital's exclusion policy.	
<b>ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS (SFDR TABLE 2)</b>						
<b>Emissions</b>	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%	84,70%		Objective: Promote measures to increase initiatives to reduce carbon emissions in its investee companies.
<b>ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS (SFDR TABLE 3)</b>						
<b>Social and employee matters</b>	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	N.A.	13,23%		Objective: Promote measures to develop policies for the prevention of occupational accidents in our subsidiaries.  In 2022, the indicator was not considered.
	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%	100%		Objective: Encourage the development of a supplier code of conduct in its investee companies.
	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	N.A.	39,70%		Objective: Promote measures to develop a grievance mechanism in subsidiaries.  In 2022, the indicator was not considered.
	7. Incidents of discrimination	1. Number of incidents of discrimination reported in investee companies expressed as a weighted average	N.A.	1.0 2.0		There are no recorded cases of discrimination.

		2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average				In 2022, the indicator was not considered.
	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	N.A.	171,47%		Objective: Promote measures to increase initiatives to reduce the pay gap between CEOs and other employees.  In 2022, the indicator was not considered.
<b>Human Rights</b>	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	N.A.	0		There are no recorded cases of human rights violations.  In 2022, the indicator was not considered.
<b>Anti-corruption and anti-bribery</b>	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and antibribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery	N.A.	0%		No evidence of inadequate anti-bribery and corruption measures.  In 2022, the indicator was not considered.
	17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies	N.A.	0		No record of violations of anti-corruption and bribery laws.  In 2022, the indicator was not considered.

**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. Regarding the materiality of environmental indicators, Beta Capital uses as a reference the most recent data from the World Bank, where in 2020 CO2 emissions (per capita) will be 4300 kg and the value of world GDP (per capita) will be approximately €10032. If we convert these figures into a ratio, for every euro of goods and services produced, 0.42 kg of CO2 will be emitted. Therefore, Beta Capital does not consider the figures reported by its subsidiaries to be material in terms of greenhouse gas emissions.

The results of 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.

These policies are subject to review by the Board of Directors on 21.06.2024.

## **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

The 2023 indicators take into account the five companies in which the Fund invested, whereas in 2022 the Fund invested in only one company.

Thus, the increase in the values of the indicators related to greenhouse gas emissions reflects this increase in the number of companies benefiting from the investment. However, as in 2022, it maintains materially non-relevant values with respect to policies to identify and prioritise principal adverse impacts on sustainability factors. As a result of the increase in the number of companies, the indicator " Board gender diversity " also showed a negative trend. In 2022, this indicator reflected only one company with a woman on a board of directors with two members.

Compared to 2022, the gender pay gap has narrowed. And more companies have carbon reduction initiatives in their policies.

As defined in the objectives, the number of non-mandatory indicators taken into account has increased. Beta Innovation Fundo de Capital de Risco Fechado evaluates the adverse impact on sustainability factors of seven additional indicators related to social and labor issues, allowing Beta Capital to strengthen the commitments made in its ESG procedures.

As in the previous financial year, the absolute values of the other indicators reported are not significant, given the nature of the Fund's investments, the stage of the companies in which it invests and their size.

Approved on 21.06.2024.