



This disclosure applies to Beta Future of Cities Venture Capital Fund – Fundo de Capital de Risco Fechado, NIPC 720019710, code LEI 98450074F2F395969854, and is made pursuant to article 10 of Regulation 2019/2088 on Sustainability-Related Disclosure in the Financial Services Sector (SFDR).

A) SUMMARY

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The financial product promotes environmental or social characteristics to the extent that it integrates environmental, social and good governance criteria jointly with traditional financial criteria. The incorporation of ESG criteria in investment decisions is done firstly by excluding (negative screening) sectors referred to in the Beta Capital's ESG Procedures and secondly after the initial screening of investment opportunities, conducting an ESG detailed due diligence.

Investment strategy

The objective of this financial product is to carry out venture capital investment activity, namely through the acquisition of equity stakes in companies with high growth and development potential which qualify as SMEs, assuming a multi-sectoral investment spectrum, that includes environment, mobility, silver economy and digital, development of projects in the industrial sector, property management, and other sectors in full compliance with the investment policy, prioritising the improvement of live quality of cities and creation of jobs, with a high degree of incorporated innovation, focused in projects providing benefits to the population and the local communities.

Proportion of investments

The financial product invests in projects that promote environmental or social characteristics, or a combination of both.

Monitoring of environmental or social characteristics

The monitoring of the environmental or social characteristics promoted by the financial product is carried out through the analysis of periodic ESG reports submitted by the investee companies, which make it possible to assess the evolution of the risks and selected sustainability indicators.

Methodologies



The assessed indicators include all mandatory indicators listed in Table 1 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 of April 6, 2022 (RTS), as well as at least one additional climate indicator and other environment-related indicators (Table 2 of Annex I), indicator “4. Investments in companies without carbon emission reduction initiatives” and 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), “4. Lack of a supplier code of conduct”. Whenever the values of the indicators are materially relevant, action plans and targets are established.

Data sources and processing

Beta Capital takes into account publicly available information and information collected from invested companies.

Limitations to methodologies and data

The methodology for identifying principal adverse impacts depends on the quality of the information received from the investee companies. Beta Capital is aware of this situation and encourages its gradual improvement, working together with the management of investees.

Due Diligence

Due diligence on the underlying assets of the financial product is carried out periodically through the ESG questionnaire, filled by invested companies with the support of Beta Capital team.

Engagement policies

With its hands-on policy, Beta Capital seeks to influence and improve the ESG practices of its investees along the holding period of the investment.

Designated reference benchmark

None a reference benchmark has been designated.

B) NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

C) ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The financial product promotes environmental or social characteristics to the extent that in the investment decision-making process it will integrate environmental, social and good governance criteria jointly with traditional financial criteria. Before the investment, the integration of ESG criteria into investment decisions is carried out through the exclusion (negative screening) of controversial sectors identified Beta Capital's ESG procedures and through a ESG due diligence

aimed to analyze the information provided by the company in the ESG questionnaire and its materiality. In addition to the technological, legal and tax aspects of the business plan, sustainability risks and/or the difficulty of overcoming constraints that jeopardize sustainability are assessed. The decision may be not to proceed with the investment.

During the holding period of the investment, an hands-on policy will be followed with active engagement of investee managers, to identify access and manage sustainability risks of the investee companies in its portfolio, each investee company providing information on the main adverse impacts on sustainability factors on a yearly basis. A combination of material indicators on sustainability and principal adverse impacts is used to measure the attainment of the environmental or social characteristics promoted by this financial product.

Beta Capital is engaged in marking these indicators explicit and incorporating them into the due diligence process at the time of the exit.

D) INVESTMENT STRATEGY

The objective of this financial product is to carry out venture capital investment activity, namely through the acquisition of equity stakes in companies with high growth and development potential which qualify as SMEs; the product assumes a multi-sectoral investment spectrum, including environment, mobility, silver economy and digital, development of projects in the industrial sector, property management, as well as other sectors in full compliance with the investment policy, prioritising the improvement of live quality of cities and creation of jobs, with a high degree of incorporated innovation, focused in projects aiming to provide benefits to the population and the local communities.

Environmental, social and governance criteria are taken into account in the investment strategy to the extent that the values of the respective indicators are materially relevant, thus enabling the identification of sustainability risks and their impact on the value of the investment.

The Fund commits to invest in companies that do not fail to comply with minimum safeguards in accordance with Article 18 of Regulation EU 2020/852 (Taxonomy Regulation).

E) PROPORTION OF INVESTMENTS

The financial product invests in projects that promote environmental or social characteristics, or a combination of both.

F) MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS



The continued monitoring of environmental or social characteristics promoted by the financial product is based on Sustainability Policy of Beta Capital, the manager of the Beta Future of Cities Venture Capital Fund.

Its Sustainability Policy defines the guidelines for integrating sustainability risks into the investment process, summarized as follows: ESG risk assessment during the due diligence process, evaluation and improvement of the ESG performance of portfolio companies, and assessment of principal adverse impacts during the holding period.

Initially, the main negative indicators of sustainability factors are assessed during the due diligence process. Periodically, each investee company will prepare an annual environmental, social and governance (ESG) report assessing its performance on these topics, which will be disclosed in accordance with Regulation (EU) 2019/2088. In addition to Beta Capital's policy, this report will be used to formulate periodic ESG objectives and monitor the performance of investee companies on them.

Assessment of good governance practices of investee companies

In the assessment of Governance, the following factors are taken into account: good practices in terms of composition, parity, structure and functioning of the management body, including independence of the members, effectiveness of the supervisory body's performance, remuneration structure, and transparency of information.

G) METHODOLOGIES

The assessed indicators include all mandatory indicators listed in Table 1 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 of April 6, 2022 (RTS) that are relevant concerning the size, nature and scope of the company's activities, as well as at least one additional climate indicator and other environment-related indicators (Table 2 of Annex I), "4. Investments in companies without carbon emission reduction initiatives" being chosen and 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), "4. Lack of a supplier code of conduct" being chosen. The selection of indicators is based on the probability of occurrence and severity of adverse impacts, including their potentially irremediable character.

H) DATA SOURCES AND PROCESSING

Beta Capital takes into account publicly available information as well as information collected from affiliated companies through an ESG questionnaire.



It is important to note, on one hand, the materiality of the indicators given the dimension, the nature and scale of the activities of the companies invested in and, on other hand, that the European legislation on sustainability is a recent and is in accelerated evolution, so that in some cases, the measurement of the principal adverse impacts will be partially subjective and based on a qualitative assessment.

To ensure data quality and coherence across portfolio level, Beta Capital supports participating companies throughout the reporting process, seeking to ensure the accuracy of the reported indicators and conducting internal and/or external reviews as appropriate.

I) LIMITATIONS TO METHODOLOGIES AND DATA

The methodology for identifying principal adverse impacts relies mainly on the information received from the investee companies.

Beta Capital is unable to determine with precision the proportion of data that is estimated. This limitation does not affect how the environmental or social characteristics promoted by the Fund are met.

J) DUE DILIGENCE

The due diligence implemented to the underlying assets of the financial product is carried out through the ESG questionnaire, which is answered by companies with the support of the investment team.

This reporting takes into account the EU Delegated Regulation 2022/1288 (RTS).

K) ENGAGEMENT POLICIES

With its hands-on policy, Beta Capital will seek to influence and improve the ESG practices of its investee companies during the holding period of its investments.

L) DESIGNATED REFERENCE BENCHMARK

A reference benchmark has not been designated.

Approved on 20.09.2024