

**Disclosure pursuant to Regulation (EU) 2019/2088 of the European Parliament
relating to the information on the sustainability in the financial services sector
("SFDR")**

Article 10

Fund: VC PARTNERS FUND I

The present document sets out the information required by EU Regulation 2088/2019 ("**SFDR**") pursuant to Article 10, related to the transparency of the promotion of environmental or social characteristics and of sustainable investments on websites for VC Partners Fund I fund (hereinafter the "**Fund**"). The Fund is managed by VC Partners SGR S.p.A. – Gestore EuVECA (hereinafter also "**VC Partners**" or "**Asset Manager**") and is classified as an Article 8-aligned financial product under the same regulation. Specifically, an Article 8 Fund under SFDR is defined by the European Regulation as "a financial product that promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices".

The following paragraphs present information on the responsible investment activity pursued by the Fund, specifically:

- Description of the environmental and social (E/S) characteristics identified.
- Information on how the E/S characteristics are achieved, including the methodologies used to assess, measure, and monitor their achievement.
- Investment strategy pursued by the Fund.

Product name: VC Partners Fund I

Legal entity identifier: VC Partners SGR S.p.A.
– Gestore EuVECA

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="checkbox"/> Yes	<input type="radio"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

a) Summary

The Fund is classified under Article 8 of the EU Sustainable Finance Disclosure Regulation 2088/2019 ("SFDR") as a "financial product that promotes environmental or social characteristics, or a combination of those characteristics," without pursuing a sustainable investment objective". In line with its classification, the Fund has identified environmental and social (E/S) characteristics to be promoted through investments activity. Specifically, the Fund has adopted specific processes and tools aimed at identifying, monitoring, and promoting E/S characteristics at all stages of the investment process, from the initial stage of evaluating investment opportunities, to the final stage of divestment, in accordance with the requirements of the SFDR Regulations and international best practices.

b) No sustainable investment objective

The Fund promotes environmental and social characteristics (E/S), but it does not pursue a sustainable investment objective.

c) Environmental or social characteristics of the financial product

In line with its alignment with article 8 of the Regulation 2019/2088 (SFDR), the Fund has identified the environmental and social characteristics it intends to promote through its investment activity. The table below reports the E/S characteristics promoted and quantitative indicators that are monitored on a periodic basis in order to measure the contribution of the invested companies to the promotion of the above-mentioned characteristics.

Table 1. Environmental and social characteristics promoted by the Fund

CODE	FUND'S SOCIAL AND ENVIRONMENTAL CHARACTERISTIC	MAIN INDICATOR
Environmental		
E1	Reduction of GHG (Green House Gases) emissions	a) Number of GHG emission reduction initiatives; a.1) Percentage/quantity of direct and indirect emission reduction; a.2) Reduction in GHG emission intensity.
E2	Use and/or diffusion of the use of energy from renewable sources	a) Number and type of initiatives aimed at energy supply from renewable sources; a.1) % of energy from renewable sources.
E3	Environmentally sustainable production sites and buildings	a) Number of initiatives (and type) to increase the sustainability of production sites and buildings (LEED or BREEAM certification).
E4	Promotion of circular economy through research, use and management of natural resources (water), materials/components, production waste and final products with reduced environmental impact	a) Number of initiatives (and type) for: - Water efficiency within the production phase; - Use of recycled materials and components; - Reduction and/or reuse (internal or external) of waste; - Products made with 100% recycled materials; a.1) Percentage of: - Reduction in water consumption; - Use of recycled materials and components to make products/service delivery; - Waste reduction; - Reused waste (internally or externally);

		<p>b) Number of initiatives (and type) to reduce the product life cycle environmental impact;</p> <p>b.1) Percentage of products that are fully recyclable.</p>
E5	Knowledge and awareness about the problems caused by ongoing climate change	<p>a) Number of dissemination, outreach and training initiatives related to climate change and sustainable development;</p> <p>a.1) Level of knowledge/competence reached by participants.</p>
Social		
S1	Employee-friendly workplace and work environment that promotes social inclusion, equal opportunities, mental and health safety and/or the growth and well-being of workers and households	<p>a) Number of initiatives (and type) to increase the comfort and well-being of production sites and buildings;</p> <p>b) Number (and type) of employee training and development initiatives;</p> <p>c) Number of corporate welfare initiatives for employees and households and work-life balance initiatives;</p> <p>d) Number of initiatives (and type) in the workplace or within the community, for the promotion of inclusive behaviour, inclusive working environment and the respect of diversity in the workplace, and the disclosure and prevention of discrimination incidents;</p> <p>d.1) Incidence of the "less represented" gender;</p> <p>d.2) Number of disable/disadvantaged/very disadvantaged person included in job positions;</p> <p>e) Number (and type) of physical health, safety safeguard and mental health initiatives and principles in the workplace;</p> <p>e.1) Rate of deaths resulting from work-related injuries compared with the previous year;</p> <p>e.2) Rate of work-related injuries and occupational diseases with serious consequences (excluding deaths) compared with the previous year.</p>
S2	Fair and equitable remuneration	<p>a) Number of initiatives aimed at limiting the pay gaps across workforce hierarchies.</p>
S3	Digitisation and digital products and services to address social needs and foster the inclusion and proximity to stakeholder	<p>a) Number of digital solutions and products developed and made available to the people of the territory or other stakeholders.</p>
S4	Digitisation of business and their processes	<p>a) Number of initiatives and solutions to foster the digitisation of businesses and their processes.</p>
S5	Entrepreneurial development and socio-economic development of the territory	<p>a) Number of new hires and turnover rate;</p> <p>b) Percentage of local/regional/national suppliers.</p>

S6	Quality, equitable and inclusive education and learning opportunity	a) Number of educational initiatives to foster the educational and professional development of people; a.1) Number of disadvantage people trained.
Environmental and Social		
E&S1	Promoting responsible and innovative business models	a) Number and type of responsible and innovative enterprises sustained (<i>benefit corporation, innovative start-up with a social purpose...</i>); b) Number and type of initiatives aimed at incorporating sustainability profiles in the company's mission and governance; c) Number and type of initiatives aimed at involving stakeholders in the company's activities.
E&S2	Promoting responsible and sustainable value chain	a) Number and type of initiatives/resources aimed at ensuring human and environmental rights through the value chain (e.g. policies, contractual clauses, complaints mechanisms); b) Number of suppliers aligned with ESG criteria; c) Number of clients (b2b) aligned with ESG criteria.
E&S3	Measurement, evaluation and transparency of sustainability performance and/or social and/or environmental impact	a) Presence of ESG or Impact measurement/evaluation/reporting mechanisms.

d) Investment strategy

The Fund has defined a responsible investment strategy that integrates ESG criteria within the investment activity and allows for the promotion of the above-mentioned characteristics through all stages of the investment process. In more detail, the strategy is structured as follows:

- **Screening phase:** during the screening phase, the Fund ensures compliance with the exclusion criteria defined in the Fund Regulations, reporting a list of sectors where it prevents itself from investing. Please refer paragraph 4.9.9 of Fund' "Management Rules" for more information on the Exclusion list. In addition, in the scouting and pre-screening phase, a sector exclusion analysis is carried out with the aim to precluding investments in sectors that are particularly critical for ESG sustainability aspects or in any case not in line with ethical standards (including, inter alia, a strong sector exclusion for targets operating in the business of anti-personnel mines, in compliance with Italian Law no. 220/2021).
- **Pre-investment phase:** during the screening and due diligence phases, analyses are carried out through the collection of primary, secondary and/or public data, as well as through the filling by all target companies of a specific ESG questionnaire, aimed at identifying potential risks and opportunities related to ESG criteria attributable to investment opportunities, and verifying compliance with good governance practices. The ESG questionnaire starts with broad questions about the company's activities and industry, the current presidium of ESG issues within the company (e.g., specific roles and functions), and the presence of any penalties that have occurred regarding ESG issues. The results are then shared with the Investment Team of the Fund and the ESG Officer appointed by VC Partners and account for an element of evaluation and screening of individual investment opportunities
- **Ownership and monitoring phase:** ESG criteria are also integrated into the process of monitoring and evaluating the performance of portfolio companies. VC Partners ensures that all portfolio companies monitor and evaluate their respective sustainability

performance, defining specific monitoring indicators relating to the relevant ESG criteria. The Investment Team of the Fund also undertakes to support portfolio companies in identifying priority areas in the ESG field and in defining improvement, mitigation and/or prevention plans for potential sustainability risks, while encouraging the adoption of governance structures that allow for adequate management of ESG aspects. Finally, portfolio companies are encouraged to provide VCP with adequate ESG reporting.

- **Exit phase:** during the exit phase, VC Partners undertakes to make relevant ESG information, and ESG results achieved by the portfolio companies, available to potential buyers. Furthermore, where possible, mission-lock clauses are defined to guarantee the protection of ESG characteristics and objectives even after the divestment of the invested company.

e) Proportion of investments

The Fund responsible investment strategy is applied to 100% of the Fund investments, with the aim of aligning them to the environmental and social characteristics promoted, adopting a materiality approach.

f) Monitoring of environmental or social characteristics

With the aim of monitoring the performance of each investee company with reference to the contribution to the environmental and social characteristics promoted by the Fund, a periodic collection of specific quantitative environmental and social indicators will be prepared and implemented by the Fund through the compilation by the investee companies of the proprietary ESG Data collection and monitoring tool. The indicators identified by the Fund to measure the promotion of the environmental and social characteristics are listed in Table 1 “Environmental and social characteristics promoted by the Fund”.

g) Methodologies

The Fund promotes the establishment of an appropriate monitoring system, based on the use of a Tool that enables the collection of ESG data for all indicators related to E/S characteristics applicable to investee companies. The tool makes it possible to monitor, on an annual basis, the contribution in promoting the environmental and social characteristics identified by the Fund.

h) Data sources and processing

ESG data and information are provided by the portfolio companies during the ownership and monitoring phase. The Fund, with the support of external consultants, processes and aggregates the ESG data provided by the investee companies in order to assess overall ESG performance of the portfolio. Qualitative and quantitative information on its performance concerning the promotion of environmental and social characteristics is disclosed within the Fund's annual report.

i) Limitations to methodologies and data

At present, no limitations to methodologies and data have been identified. Should any limitation arise, this will be promptly notified.

j) Due Diligence

During the pre-investment phase, the Fund performs an ESG Due Diligence to gain insight into the ESG risks and opportunities related to the potential investments. During the conduction of the ESG Due Diligence, a dedicated analysis is performed to assess potential Target companies' alignment to the Fund' investment strategy and their level of contribution to the environmental and social characteristics promoted considering its alignment with art. 8 of the European

Regulation 2019/2088 (SFDR), adopting a materiality approach. The ESG Due-Diligence outcomes provide an insight into the ESG performance of the target company, allowing for the mapping of ESG risks and opportunities related to the investment, on which to base the preliminary identification of ESG improvement actions that will converge into the drafting of a detailed ESG Action Plan during the ownership phase.

k) Engagement policies

The Fund promotes active engagement with the investees with the aim of supporting them in improving their ESG performance, by encouraging the integration of ESG factors into their strategies and providing support in the process of enhancing their ability to contribute to the promotion of the environmental and social characteristics defined by the Fund.

Throughout the ownership period, ESG performance of portfolio companies is monitored by promoting their active involvement in the performance monitoring process, through the use of the tool ("ESG Data Collection and Monitoring Tool"). The tool enables the Fund to monitor the ESG performance of the individual investee company and its contribution to the environmental and social characteristics promoted by the Fund is also monitored.

To this end, the Fund also appointed an ESG advisor, to further support VC Partners in the implementation of the ESG Policy, assessment of portfolio companies' adherence to ESG KPIs and of overall ESG practices.

Furthermore, the board of directors of VC Partners has also adopted a Code of Ethics, further acknowledging the importance of ESG concerns in its investment practices and stating its commitment to contributing to the development of a more sustainable financial system, considering this to be a distinctive element of its growth strategy.

l) Designated reference benchmark

No reference benchmark has been identified to compare investments' performance with respect to their contribution to the environmental and social characteristics. Activities to monitor and evaluate the performance of investee companies with regard to the promotion of environmental and social characteristics are carried out through the periodic collection of quantitative ESG indicators, which make it possible to analyze the performance of the individual investee and compare the performance of previous years.
