



# Biovance Capital

## **Sustainable Finance Disclosure Regulation**

Pre-contractual Disclosures for financial products referred to in Article 8 paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

## Pre-contractual Disclosures – Article 8

Date: 25/03/2025 (v.1)

Product name: Biovance Capital Fund I - Fundo de Capital de Risco Fechado

Legal Entity Identifier: 89450030JQGH355ZSM30

### Section 1: Environmental and Social Characteristics

#### 1. Does this financial product have a sustainable investment objective?

Yes

No

The financial product:

will make sustainable investments with an environmental objective: \_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.

will make a minimum of sustainable investments with a social objective: \_\_%

The financial product:

a) promotes Environmental/Social (E/S) characteristics.

While it does not have as its objective a sustainable investment, it will have a proportion of Click to enter number % of sustainable investments, with:

an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.

a social objective.

b) promotes Environmental/Social (E/S) characteristics but will not make any sustainable investments.

## 2. What environmental and/or social characteristics are promoted by this financial product?

The financial product invests in start-ups that are active in the life-science sector. The management team is aware of its responsibility and aligns their investment decisions according to a defined set of environmental, social, and governance (ESG) criteria.

For each investment, the management team of the financial product assesses its contribution to the United Nations' Sustainable Development Goals (hereinafter "SDGs"), by including and identifying the relevant SDGs in investment documents made available to the Investment Committee and ensuring that SDG considerations are part of investment decision by the Board.

The financial product will invest in companies whose business development promotes the following sustainable characteristics:



**Enhancing Health & Well-being.** Targeting life-science start-ups that develop products or services contributing to healthier lives and well-being for all ages, aligned with **SDG 3**. Ensure healthy lives and promote well-being for all ages.



**Fostering Sustainable Economic Growth & Decent Work.** Investing in businesses that drive inclusive and sustainable economic growth, alongside creating and maintaining decent work environments, aligned with **SDG 8**. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



**Promoting Sustainable Industrialization & Innovation.** Backing ventures that enhance infrastructure resilience, champion responsible industrialization, and encourage technological and scientific innovation, aligned with **SDG 9**. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

In addition, the financial product requires investee companies to maintain robust governance structures, to comply with regulatory obligations, and to demonstrate a commitment to integrating environmental and social responsibilities into their day-to-day activities.

As per the financial product's regulation, it adopts an ESG screening process for its investments and shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to any companies or other entities:

- (i) performing research and innovation activities considered as illegal according to the legislation applicable in the country of the company or entity;
- (ii) performing any of the following excluded activities referred to in Article 19 of the Regulation (EU) 1291/2013 of the European Parliament and of the Council: research activity aiming at human cloning for reproductive purposes, research activity intended to modify the genetic heritage of human beings which could make such changes heritable (excluding research relating to cancer treatment of the gonads), research activities intended to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer; or
- (iii) whose business activity consists of an illegal economic activity (i.e. any production, trade or other activity, which is illegal under the laws or regulations applicable to the Fund or the relevant company or entity, including without limitation, human cloning for reproduction purposes); or
- (iv) which substantially focuses on:
  - 1. the production of and trade in tobacco and distilled alcoholic beverages and related products;
  - 2. the financing of the production of and trade in weapons and ammunition of any kind, it being understood that this restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies;
  - 3. casinos and equivalent enterprises;
  - 4. the research, development or technical applications relating to electronic data programs or solutions, which (a) aim specifically at supporting any activity referred to above, internet gambling, online casinos, or

pornography; or which (b) are intended to enable to illegally enter into electronic data networks or download electronic data;

5. Fossil fuel-based energy production and related activities, as follows:

- a. Coal mining, processing, transport and storage;
- b. Oil exploration & production, refining, transport, distribution and storage;
- c. Natural gas exploration & production, liquefaction, regasification, transport, distribution and storage;
- d. Electric power generation exceeding the Emissions Performance Standard (i.e. 250 grams of CO<sub>2</sub>e per kWh of electricity), applicable to fossil fuel-fired power and cogeneration plants, geothermal and hydropower plants with large reservoirs;

6. Energy-intensive and/or high CO<sub>2</sub>-emitting industries, as follows:

- a. Manufacture of other inorganic basic chemicals (NACE 20.13);
- b. Manufacture of other organic basic chemicals (NACE 20.14);
- c. Manufacture of fertilisers and nitrogen compounds (NACE 20.15);
- d. Manufacture of plastics in primary forms (NACE 20.16)
- e. Manufacture of cement (NACE 23.51);
- f. Manufacture of basic iron and steel and of ferro-alloys (NACE 24.10);
- g. Manufacture of tubes, pipes, hollow profiles and related fittings, of steel (NACE 24.20);
- h. Manufacture of other products of first processing of steel (NACE 24.30, incl. 24.31-24.34);
- i. Aluminium production (NACE 24.42);
- j. Manufacture of conventionally-fuelled aircraft and related machinery (sub activity of NACE 30.30);
- k. Conventionally-fuelled air transport and airports and service activities incidental to conventionally fuelled air transportation (sub activities of NACE 51.10, 51.21 and 52.23).

Notwithstanding the former, investments in sectors mentioned in item 6, sub-items a) to k) included, shall be allowed if the Management Company confirms that the specific final recipient transaction either (i) qualifies as environmentally sustainable investments as defined in the “EU taxonomy for sustainable activities” (Regulation (EU) 2020/852, as amended from time to time) as supplemented by the technical criteria established under the “EU Taxonomy Delegated Acts” (Commission delegated Regulations (EU) supplementing Regulation (EU) 2020/852 or upcoming Taxonomy Delegated Acts, as amended from time to time, respectively), or (ii) is eligible under EIF’s Climate Action & Environmental Sustainability (CA&ES) objectives in accordance with the latest criteria as published on the EIF’s website as of the date hereof or any further version published after such date.

In addition, when providing support to the financing of the research, development or technical applications relating to (i) human cloning for research or therapeutic purposes or (ii) genetically modified organisms (“GMOs”), the financial product shall ensure the appropriate control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.

The financial product will report on its responsible investment practices and ESG incorporation to the Unitholders and other stakeholders on an annual basis.

### 3. What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The measurement of sustainability indicators that assert the attainment of social and environmental characteristics promoted by the financial product is two-fold, as follows:

#### I. SDG Contribution

On the contribution of invested companies in business activities that contribute to SDGs, the management team will define, post-investment decision, measurable sustainability goals and targets to be approved by the Board of Directors. These will vary according to the business plan and specific activity of the invested companies.



For companies whose business activity contributes towards **SDG 3 - Ensure healthy lives and promote well-being for all ages**, their activities should be oriented by the following targets:

**Target 3.1:** By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births.

**Target 3.2:** By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births.

**Target 3.3:** By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.

**Target 3.4:** By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

**Target 3.8:** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

**Target 3.B:** Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all.

The main metric measured by the financial product will be the **number of patients gaining early access to transformative therapies through the participation in clinical trials** conducted by the invested companies.



For companies whose business activity contributes towards **SDG 8 - Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all**, their activities should be oriented by the following targets:

**Target 8.2:** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

**Target 8.3:** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

**Target 8.5:** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

**Target 8.8:** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

The main metrics will be the **number of new differentiated jobs in Life Sciences** in companies that prioritise ethical labour practices, workforce development and equitable opportunities, the **implementation of a workplace accident prevention**



**policy, internal and supplier codes of conduct**, independent **audits to financial statements**, and **anti-corruption and anti-bribery policies**.



For companies whose business activity contributes towards **SDG 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster**, their activities should be oriented by the following targets:

**Target 9.5:** Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

The main metric will be the **number of patents submitted and granted for biotech-based therapeutics promoted by the invested companies for people in need**.

## II. ESG Contribution

On the promotion of regulatory compliance, robust governance practices, and integrating environmental and social responsibilities into business operations, the financial product will collect, annually, data on a selection of the following reporting standards:

- Invest Europe ESG Reporting template
- KNOWLEDGE ESG Life Sciences Project (hereinafter “KNOWLEDGE”)
- Principal Adverse Impacts (hereinafter “PAIs”) as listed on Tables 1, 2 and 3 of the Commission Delegated Regulation (EU) 2022/1288

In addition, the financial product will incorporate specific clauses on ESG compliance in all Shareholders' Agreements signed with the invested companies, and analyse sustainability risks and ESG materiality to identify relevant ESG topics such as diversity and inclusion, protection of human rights, product safety, resource use and efficiency to the sectors of Biotech and Life Sciences, which are critical to the financial product's investment strategy. These will be included in ESG due diligence and reporting process.

**4. What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

N/A, as the financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment (SFDR Article 8).

**5. How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

N/A, as the financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment (SFDR Article 8).

## Section 2: Principal Adverse Impact

### 1. Does this financial product consider principal adverse impacts on sustainability factors?

 Yes

 No

The financial product intends to collect and report data on a selection of PAIs as listed on Tables 1, 2 and 3 of the Commission Delegated Regulation (EU) 2022/1288, as well as other metrics listed under the Invest Europe ESG Reporting Template and the KNOWLEDGE ESG Life Sciences Project. The selection of these metrics considers both company size and the relevant data required by the financial product to support its promotion of environmental and social characteristics, regulatory compliance, robust governance practices, and integration of E/S responsibilities into the business operations of invested companies. The metrics that the financial product will collect annually, on a best effort basis, are:

Theme	KPIs	Questions	Metric	Framework Alignment		
				SFDR	Invest Europe	KNOWLEDGE
<b>General</b>						
	Name of the company	What is the name of your company?	Open		X	X
	Total revenue in reporting period	What was your total revenue over the reporting period?	EUR		X	X
	Sector of the company	Which of these sectors does your company belong to?	Biopharma, Medical Devices, Diagnostics, Industrial Biotechnology, Life Science Tools, Digital Health, Other		X	X
<b>1. Employment</b>						
<b>SOCIAL</b>	FTEs	What is the total number of Full Time Equivalents (FTEs) in your organisation at year-end?	#		X	X
	Number of Employees	What is the total number of Employees in your organisation at year-end?	#			X

Theme	KPIs	Questions	Metric	Framework Alignment		
				SFDR	Invest Europe	KNOWLEDGE
<b>1. Employment (cont.)</b>						
<b>SOCIAL</b>	Annual Employee Turnover	What is the annual employee turnover over the reporting period?	%		X	X
	Organic new hires	What was the total number of new hires (FTEs) over the reporting period?	#		X	X
	HR policy	Do you have an HR policy or HR matters incorporated in other policies or guidelines? If so, do they cover the following topics?	Yes/No		X	X
		Anti-discrimination and equal opportunities	Yes/No		X	X
		Diversity, equity & inclusion	Yes/No		X	X
		Employee wellbeing	Yes/No		X	X
	Employee survey	Workplace health & safety	Yes/No		X	X
		Do you conduct an annual employee survey?	Yes/No		X	X
		If yes: What was the response rate on the survey?	%			X
	Employee training plans	Are training plans for employees annually developed and reviewed?	Yes/No		X	X
Performance review processes	Do you conduct manager-led annual performance reviews for all employees?	Yes/No			X	
<b>2. Diversity, Equity &amp; Inclusion (DE&amp;I)</b>						
<b>SOCIAL</b>	DE&I of employees	How many of your (total) employees identify as female?	#		X	X
		How many of your (total) employees identify as male?	#		X	X
		How many of your (total) employees identify as other?	#		X	X
	DE&I of management positions	How many of your (total) employees in management positions identify as female?	#		X	X
		How many of your (total) employees in management positions identify as male?	#		X	X

Theme	KPIs	Questions	Metric	Framework Alignment			
				SFDR	Invest Europe	KNOWLEDGE	
<b>2. Diversity, Equity &amp; Inclusion (DE&amp;I) (cont.)</b>							
<b>SOCIAL</b>	DE&I of management positions	How many of your (total) employees in management positions identify as other?	#		X	X	
	Board DE&I	How many board members identify as female?	#	X	X	X	
		How many board members identify as male?	#		X	X	
		How many board members identify as other?	#		X	X	
		How many board members come from other underrepresented groups?	#	X	X	X	
	Unadjusted gender pay gap	What is the average gross hourly earnings by women?	EUR		X	X	X
		What is the average gross hourly earnings by men?	EUR		X	X	X
	DE&I targets	Have you formulated targets on DE&I?	Yes/No				X
		If yes, please specify	Open				X
	DE&I training and policies	Do you have any trainings available for employees and management, relating to DE&I, unconscious bias or anti-harassment?	Yes/No				X
		If yes, please specify	Open				X
		Do you have any policies available for employees and management, relating to DE&I, unconscious bias or anti-harassment?	Yes/No				X
		If yes, please specify	Open				X
	<b>3. Healthy and safe workplace</b>						
<b>SOCIAL</b>	Health & safety accidents	What is the number of recorded work-related accidents over the reporting period?	#		X	X	
		What actions are being taken to mitigate future accidents?	Open			X	
	Sick leave days	What was the total number of sick leave days of your employees over the reporting period?	#				X

Theme	KPIs	Questions	Metric	Framework Alignment		
				SFDR	Invest Europe	KNOWLEDGE
<b>3. Healthy and safe workplace (cont.)</b>						
SOCIAL	Workplace Safety Training	Do you organize an annual training on health and safety (including sexual harassment, discrimination, and workplace bullying) for all employees?	Yes/No			X
<b>4. Bioethics and animal welfare</b>						
SOCIAL	Bioethics policy incl. clinical trials	Do you have a Bioethics Policy in place?	Yes/No			X
		If yes to 4.1: does your bioethics policy include guidelines on sufficient diversity in the research population (both in clinical and pre-clinical phase studies)?	Yes/No			X
		If yes to 4.1: does your bioethics policy cover clinical trials?	Yes/No			X
	Animal welfare industry standard	Do you, or the third-party CRO, follow an industry standard to ensure adequate treatment of animals?	Yes/No			X
<b>5. Data privacy &amp; security</b>						
GOVERNANCE	Data Privacy & Security Policy	Do you have a Data Privacy & Cybersecurity Policy in place?	Yes/No		X	X
	(GDPR) Compliance	Are you General Data Protection Regulation (GDPR) or equivalent compliant?	Yes/No			X
	Training of employees	What percentage of your employees is trained annually on cybersecurity?	%			X
	Data breaches	How many GDPR breaches or cybersecurity incidents did you have in the reporting period?	Open		X	X
If yes: What measures did you put in place to prevent future breaches?		Open			X	
<b>6. Business ethics</b>						
GOVERNANCE	Human rights policy	Do you have a human rights policy?	Yes/No		X	X
	Code of Conduct	Do you have an employee handbook or Code of Conduct?	Yes/No		X	X
	Whistleblower and grievance mechanisms	Do you have a whistleblower and/or grievance procedure in place?	Yes/No		X	X

Theme	KPIs	Questions	Metric	Framework Alignment		
				SFDR	Invest Europe	KNOWLEDGE
<b>6. Business ethics (cont.)</b>						
<b>GOVERNANCE</b>	Business ethics policies	Do you have a business ethics policy or business ethics matters incorporated in other policies or guidelines? If so, do they cover the following topics?	Yes/No			X
		Anti-fraud	Yes/No			X
		Anti-bribery	Yes/No		X	X
		Anti-money laundering	Yes/No			X
		Anti-corruption	Yes/No		X	X
	OECD Guidelines compliance	Do you have the processes and mechanisms in place to comply with UN Global Compact principles and OECD Guidelines for Multinational enterprises?	Yes/No	X	X	X
OECD Guidelines violations	What is the number of violations of UN Global Compact Principles and OECD Guidelines?	#	X	X	X	
<b>7. Board-related matters</b>						
<b>GOVERNANCE</b>	Independent board members	What is the number of independent board members?	#			X
	Board members	What is the total number of board members?	#			X
	Good corporate governance	Does your organisation follow any of the following 'good governance Practices'?	Yes/No			X
		CEO and chair separation of power	Yes/No			X
		Tax compliance	Yes/No			X
		Fair remuneration of staff	Yes/No			X
		Management structure	Yes/No			X
		Employee relations	Yes/No			X
Main Board operating rules and internal rules clearly defined	Yes/No			X		

Theme	KPIs	Questions	Metric	Framework Alignment		
				SFDR	Invest Europe	KNOWLEDGE
<b>8. Supply chain management</b>						
<b>GOVERNANCE</b>	Supplier Code of Conduct	Do you have a Code of Conduct or Procurement Policy in place for your direct suppliers?	Yes/No		X	X
	Supplier screening on ESG matters	Do you conduct a screening on ESG issues for new (potential) suppliers?	Yes/No		X	X
<b>9. ESG management</b>						
<b>GOVERNANCE</b>	ESG/Sustainability Policy	Do you have an ESG/Sustainability Policy in place?	Yes/No			X
	Responsible ESG/sustainability person	Is there a dedicated internal person responsible for ESG/Sustainability?	Yes/No		X	X
	ESG/Sustainability responsibility at board level	Is there board-level oversight on ESG matters?	Yes/No		X	X
<b>10. Energy management</b>						
<b>ENVIRONMENTAL</b>	Total energy consumption	What is your total energy consumption (in kWh)?	kWh		X	X
	Share of renewable energy consumption (% of total)	What is your total energy consumption from renewable energy sources?	kWh		X	X
<b>11. Greenhouse Gas Emissions</b>						
<b>ENVIRONMENTAL</b>	Scope 1 emissions	What are your scope 1 emissions?	Ton CO2-e	X	X	X
	Scope 2 emissions	What are your scope 2 emissions?	Ton CO2-e	X	X	X
	Scope 3 emissions	What are your scope 3 emissions?	Ton CO2-e	X	X	X
	Emissions	How did you calculate your scope 1, 2 & 3 emissions? / What method and/or tool did you use?	Open			X
<b>12. Water waste and management</b>						
<b>ENVIRONMENTAL</b>	Total generation of waste	What is your total amount of waste produced?	Kg			X
		Are you taking initiatives to reduce this waste?	Yes/No			X
	Hazardous waste	What is the total amount of hazardous waste?	Kg	X	X	X
	Pollution of water	What is the total amount of pollution emitted into water?	Kg	X	X	X
<b>13. Environmental initiatives</b>						
<b>ENVIRONMENTAL</b>	Environmental policy	Do you have an environmental policy in place?	Yes/No		X	X
	Environmental initiatives	What initiatives have you implemented to lower the environmental footprint of activities related to your operations?	Open		X	X



Theme	KPIs	Questions	Metric	Framework Alignment		
				SFDR	Invest Europe	KNOWLEDGE
<b>14. Biodiversity</b>						
<b>ENVIRONMENTAL</b>	Activities affecting biodiversity sensitive areas	Do you have sites/operations located in or near to biodiversity-sensitive areas where activities might negatively affect those areas?	Yes/No	X	X	X
		The number and area (in hectares) of sites owned, managed or leased, that are located in or near biodiversity sensitive areas.	#	X		X

### **Section 3: Investment Strategy**

#### **1. What investments strategy does this financial product follow?**

The management team of the financial product becomes aware of projects through proactive contact with universities, research centers, acceleration programs, and startup networks, as well as through reactive responses to investment proposals communicated directly or via its website. The Investment Committees of the financial product is informed of these projects and analyses the investment proposals of those that fit within their investment thesis, after which they select projects for investment based on the financial product's investment strategy and due diligence conducted on the information received, including the business plan, project potential, intellectual property, competitive landscape, promoter quality, potential returns, among other factors. The Investment Committee decides on the interest and feasibility of the investment, aligned with the investment criteria outlined below:

- (i) Focus on the management company's area of expertise, particularly in the field of new therapeutic products (discovery and development of new drugs), through biotechnological or pharmaceutical solutions;
- (ii) Use of patentable or potentially protectable and monetizable technology;
- (iii) Difficult replication and competitive on a global scale;
- (iv) Clear and feasible exit strategy;
- (v) Competent, motivated, and committed team for the project; and
- (vi) Investment in a single company or group of companies limited to a maximum of 15% of the available investment value.

The divestment process will preferably take place over an indicative time horizon of 5 to 7 years and may involve trade sale, IPO, MBO, MBI, or other options, depending on the maturity of the business plan or in cases where its viability cannot be demonstrated, whether before or after restructuring, through a write-off. The goal of the financial product is to promote investments with sustainability characteristics that also achieve a financial return for investors, and therefore both the investment and divestment strategies will be designed with these objectives in mind.

## **2. What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The management team of the financial product analyses the contribution on prospect investments to SDGs, by including and identifying the relevant SDGs in investment documents made available to the Investment Committee and ensuring that SDG considerations are part of investment decision by the Board. The team will perform a pre-investment assessment of the current performance of the prospect to companies and the metrics listed on Section 2 and assess if poorer performances can be improved by actively contributing with feedback to that effect. Finally, the financial product will incorporate specific clauses on ESG compliance in all Shareholders' Agreements signed with the invested companies to ensure that the companies are legally bound to fulfil such requirements and comply with the exclusion list shared on Section 1.

## **3. What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no minimum rate, as the investment strategy is applied since the inception of the financial product and so all investments follow this strategy.

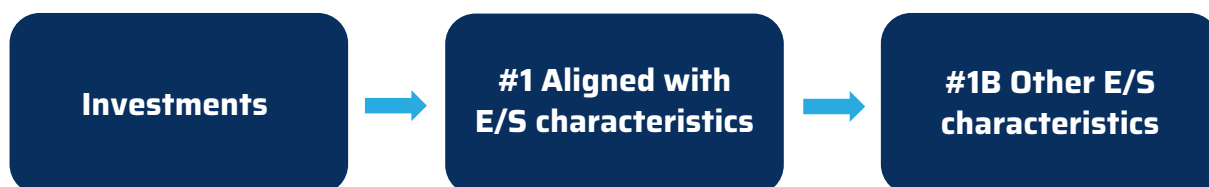
## **4. What is the policy to assess good governance practices of investee companies?**

The financial product will incorporate specific clauses on ESG compliance in all Shareholders' Agreements signed with the invested companies and analyse sustainability risks and ESG materiality to identify relevant ESG topics to the sectors of Biotech and Life Sciences, which are critical to the financial product's investment strategy, and will be included in ESG due diligence and reporting process. These clauses will be aligned with the sustainable characteristics promoted by the financial product, as listed in Section 1. In addition, the financial product will closely monitor these sustainable characteristics, alongside good governance practices of the investee companies, by collecting annual data on the metrics listed under section 2 of this disclaimer. The board of directors will approve an internal ESG policy within one year after the financial product's first closing date.

## Section 4: Asset Allocation

**1. What investments strategy does this financial product follow? What is the asset allocation (i.e., share of investments in specific asset classes) planned for this financial product?**

The management company intends to invest 100% of the financial product into companies whose business activities promote the social and environmental characteristics described in Section 1.



**2. How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

N/A, the financial product does not make use of derivatives as it only invests in companies which, at the time of first investment by the Fund, are SMEs.

**3. To what minimum extent are the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

N/A, the financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment (SFDR Article 8).

**4. Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

- Yes (specify below).  No
- Fossil gas
  - Nuclear energy

**5. What is the minimum share of sustainable investments in transitional and enabling activities?**

N/A, the financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment (SFDR Article 8).

**6. What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A, the financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment (SFDR Article 8).

**7. What is the minimum share of socially sustainable investments?**

N/A, the financial product promotes environmental or social characteristics but does not have as its objective a socially sustainable investment (SFDR Article 8).

**8. What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

N/A, the financial product will not invest in companies whose business qualifies as “#2 Other”, as the financial product will allocate 100% of its investable capital into companies that promote the environmental and social characteristics described in Section 1.

## **Section 5: Reference Benchmark**

**1. Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

N/A, no reference benchmark has been designated to determine whether the financial product is aligned with the environmental and/or social characteristics it promotes.

**2. How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial?**

N/A.

**3. How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A.

**4. How does the designated index differ from a relevant broad market index?**

N/A.

**5. Where can the methodology used for the calculation of the designated index be found?**

N/A.

## **Final Information**

**1. Where can I find more product specific information online?**

More product-specific information can be found on the following website:

<https://www.biovancecapital.com/index.html>