

# Disclosures under the European Sustainable Finance Disclosure Regulation

(EU 2019/2088) (“SFDR”)

## Sustainability Risks

Within its investment process and due diligence, capital300 GmbH (“3VC”) considers ESG-related matters, including sustainability risks (i.e. environmental, social, or governance events or conditions, the occurrence of which could have an actual or potential material adverse effect on the value of the investment), internally and with target companies using a questionnaire and a framework setting out environmental, social and governance KPIs and targets as well as possible activities for progress. The results of such assessment are addressed in 3VC’s investment memorandum and taken into account in its investment decision. 3VC remains free in its decision to refrain from investing or to invest despite sustainability risks in which case 3VC can also apply measures to reduce or mitigate any sustainability risks. At all times, 3VC will apply the principle of proportionality taking due account of the strategic relevance of an investment as well as its transactional context.

## Principal adverse sustainability impacts statement

### Summary

3VC considers the principal adverse impacts of its investment decisions on sustainability factors before and after investments. Sustainability factors mean environmental, social, and employee concerns, respect for human rights, and the fight against corruption and bribery. 3VC aims to achieve carbon neutrality (scope 1, scope 2, and scope 3 emissions). 3VC collects information regarding principal adverse impacts from portfolio companies using a questionnaire prior to the investment as well as on an ongoing basis. 3VC re-assesses its policies and conducts training and workshops regarding ESG on an annual basis. This principal adverse impacts statement dates as of March 10, 2021.

## **Description of principal adverse sustainability impacts**

3VC applies its approach to consider adverse sustainability impacts within the meaning of the SFDR from March 10th, 2021 onwards and will report as required and appropriate.

## **Description of policies to identify and prioritise principal adverse sustainability impacts**

3VC considers ESG matters in its investment process and due diligence, as described under Sustainability Risks above. This also includes considering the principal adverse impacts of its investment decisions on sustainability factors (environmental, social, and employee concerns, respect for human rights, and the fight against corruption and bribery) before and after investments. In addition to the pre-investment screening (see above under Sustainability Risks), 3VC assesses ESG matters on an ongoing basis using a questionnaire. This questionnaire includes (i.a.) questions relating to the management's commitment to improving ESG practices and processes, diversity and inclusion, and assessing and implementing practices to reduce the target company's environmental impact. In addition, 3VC applies best efforts following the closing of investment of the Fund, to have the management of the respective portfolio company commit to (1) adopting a climate policy and implementing measures to improve the CO2 footprint of such portfolio company, (2) evaluating and establishing best practices of its business activities in regards to the environment, society and governance (ESG), provided that any such effort shall always respect the principle of proportionality in particular with respect to the investment's strategic relevance, the expected materiality of such adverse impacts in light of the target company's business model and trajectory as well as the transactional context of that investment.

## **Engagement policies**

3VC decides at its sole discretion whether or not to make an investment in light of principal adverse impacts on sustainability factors, and 3VC may apply risk mitigation measures where appropriate. 3VC organizes, annual training and workshops for portfolio companies to support them in dealing with such issues appropriately.

## **References to international standards**

3VC is not a member of any international bodies, organizations or required by any national or international convention or standard to comply with any further requirements.

## Sustainability-related disclosures

### Summary

capital300 EuVECA GmbH & Co. KG (the "Fund") incorporates ESG principles within its investment processes and within its monitoring processes.

### No sustainable investment objective

Sustainable investment is not an objective of the Fund.

### Environmental or social characteristics of the financial product

The Fund does not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies, including portfolio companies, or other entities whose business activity consists of:

The Fund shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to any portfolio company:

- which 3VC is aware is involved in illegal activities;
- which is engaged in the manufacturing, distribution, or sale of arms or ammunition (other than for game hunting purposes);
- which is engaged in the manufacturing, processing, distribution, or sale of tobacco products or hard spirits (other than the distribution in an ancillary capacity through retailers such as supermarkets or restaurants);
- which is engaged in human cloning or genetically modified organisms; or
- which is directly linked to gambling.

3VC subjects the Fund to its [ESG Policy](#) in which 3VC commits to actively evaluate and measure the impact of its work and of the companies 3VC partners with in order to ensure responsible investments in particular with regard to the environment, but also involving social and governance safeguards.

### Investment Strategy

The Fund invests in companies with innovation capacity and growth potential that are active in software technology across industries, e.g., AI, Dev-Tools, Deep-Tech, Security, AR/VR, Data/Analytics, Digital Health, and App/Mobile. The Fund intends to invest in Series A investment rounds with a ticket size for the Fund of EUR 1,000,000 or more. The Fund intends to invest in portfolio companies domiciled, targeting, or active in Europe, with a focus on Germany, Switzerland, and Austria (GSA) and Central and East Europe.

## **Proportion of investments**

The Fund does not invest a fixed percentage in portfolio companies aligned with environmental and/or social characteristics. The Fund will invest fully in line with its investment strategy. No portion of the Fund's capital will be allocated to other asset classes.

## **Monitoring of environmental or social characteristics:**

3VC monitors for the Fund ESG compliance on an ongoing basis. Annually, 3VC uses its ESG framework that includes questions and KPIs to assess ESG matters including potential or existing adverse sustainability impacts. 3VC carefully reviews such completed questionnaires upon receipt. Furthermore, 3VC applies best efforts following the closing of investment of the Fund, to have the management of the respective portfolio company commit to (1) adopting a climate policy and implementing measures to improve the CO2 footprint of such portfolio company, (2) evaluating and establishing best practices of its business activities in regards to the environment, society and governance (ESG), provided that any such effort shall always respect the principle of proportionality in particular with respect to the investment's strategic relevance, the expected materiality of such adverse impacts in light of the target company's business model and trajectory as well as the transactional context of that investment.

## **Methodologies**

Currently, the methodologies applied comprise of collecting information via a questionnaire from the portfolio companies prior to the investment, i.e., within the due diligence process, and on an ongoing basis following the investment. 3VC uses a framework of both questions and KPIs to assess environmental, social, and governance matters (please see [3VC ESG Policy II. Implementation](#)).

## **Data sources and processing**

The qualitative and quantitative questions provided via the framework are completed by the portfolio company.

## **Limitations to methodologies and data**

The information collected via the questionnaire as part of 3VC's due diligence on behalf of the Fund is externally verified only if and to the extent misrepresentations are suspected. Thus, it cannot be ruled out completely that false information may remain undetected in certain cases. As the Fund's investment is made for several years, 3VC considers it a priority to establish and maintain trust within a good working relationship with the portfolio company as a safeguard in light of the limitations described in this section.

## **Due diligence**

Initially, the assessment of how the Fund's investment in the portfolio company relates to the environmental or social characteristics mentioned above is carried out as part of the due diligence process using a questionnaire. Via the questionnaire, qualitative statements of an environmental or social nature or relating to corporate governance are requested from the portfolio companies and then taken into account in the investment decision-making process. The findings relating to the environment or social or governance aspects are non-binding and being considered in light of all circumstances including the size of the investment, its strategic importance, its envisaged trajectory as well as the transactional context.

## **Engagement policies**

Should 3VC on behalf of the Fund determine any potential issues relating the environmental or social characteristics, it will engage the portfolio company's manager in discussions with a view to resolving, reducing, or mitigating such effects, provided that such efforts will always remain within a scope considered by 3VC in its absolute discretion to be proportionate in light of the size and strategic importance of the respective investment in the portfolio companies and shall take into account the respective bargaining positions and transactional context. 3VC organizes, annual training and workshops for portfolio companies to support them in dealing with such issues appropriately.