

ESG Policy

1 Object

Since the origin of **Big Sur Ventures**, we have been driven by an interest and concern for the future – a better and more responsible future – and to support, after a lifetime of entrepreneurship, new entrepreneurs in this endeavour. We recognize our responsibility as investors to apply our transformative power to generate positive impact and deliver transformative benefits for all. We are people investing in people with a deep conviction behind great ideas.

This ESG Policy sets out the principles on which our responsible investment approach is based and defines how we integrate sustainability and ESG (*Environment, Social, Governance*) aspects throughout our operations and activities, describing how these issues are integrated into the investment decision-making processes in the development of our activity as a management company.

2 Scope

The scope of application of this ESG Policy includes the management company **Big Sur Ventures** and all our activities, including all our managed vehicles and investment portfolios. The principles and fundamentals on ESG matters set out in this policy will also apply to the entire team that makes up **Big Sur Ventures**.

3 Sustainability approach

We support innovative projects that manage to solve important problems in unique and disruptive ways, thus achieving value creation and contribution to the environment that surrounds us, including its stakeholders: workers, customers, shareholders, suppliers, the environment, and society as a whole.

We adopt a sustainability approach that integrates the consideration of both sustainability opportunities and **sustainability risks** in the investment process, considering the nature of the investment opportunities activity (size, sector, activity, etc.), and considering **ESG factors**.

Sustainability risk is defined as: "an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment". Big Sur Ventures incorporates such risk into its Risk Management Policy.

ESG factors are the issues related to each of the 3 ESG areas: Environment, Social, Governance. In particular, **Big Sur Ventures** considers the following sustainability factors in its investment process, with the aim of mitigating the associated negative impacts and promoting practices that contribute to the creation of value and generation of positive impact:

- **Environment (E):**
 - Minimization of greenhouse gas emissions (carbon footprint).
 - Efficient use and consumption of natural resources (energy, water, materials).
 - Development of technologies, products, and services with reduced environmental impact.
- **Social (S):**
 - Good labour practices that safeguard the health and safety of workers, as well as the retention and development of talent.
 - Promotion of diversity, equality, and inclusion.
 - Guarantee of the satisfaction, safety and well-being of the client and other interested parties.
 - Traction in the value chain for the adoption of ethical and responsible behaviours.
- **Governance (G):**
 - Good governance practices that promote transparency, accountability, consideration of stakeholders and ethical and responsible decision-making.
 - Mechanisms and procedures to ensure control, supervision, transparency, ethics, freedom from conflicts of interest, regulatory compliance, and proper risk management.
 - Robust, effective, and reliable systems for the protection and security of information, data, technology, and intellectual property.

The list of ESG factors identified above is not exhaustive, **Big Sur Ventures** may review and modify the list accordingly.

4 Commitments

We assume the following commitments in relation to sustainability integrated into our activity:

- **Integrating ESG aspects into our investment process:** We are committed to incorporating environmental, social and governance considerations throughout the phases that make up our investment cycle.
- **Promoting the improvement of the ESG aspects of our portfolio:** We are committed to accompanying the projects in which we believe to explore and enhance the opportunities offered by sustainability, as well as to minimize their potential negative impacts and mitigate potential sustainability risks.
- **Ensuring the integration of sustainability in Big Sur Ventures, beyond the investment process:** We are committed to adopting sustainability principles in our management and in all our activities, establishing a solid culture of responsibility in Big Sur Ventures.

5 Frame of reference

We are aligned with the United Nations Principles for Responsible Investment (UNPRI), as the guiding principles that guide our responsible investment practices. The 6 UNPRI principles are as follows:

- **Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** We will ensure that the entities in which we invest adequately report on ESG issues.
- **Principle 4:** We will promote the acceptance and application of the principles in the investment sector.
- **Principle 5:** We will work together to improve our effectiveness in the application of the principles.
- **Principle 6:** Each of us shall report on our activities and progress in the implementation of the principles.

6 Investment Process

The mechanisms and procedures for integrating ESG aspects into each of the phases of the investment process are described below:

6.1 Selection and Analysis

6.1.1 Screening:

The Investment Department will verify that the investment opportunity does not belong to any sector or activity related to what is contemplated in the exclusion list of **Big Sur Ventures**, which takes as its main reference the list of restricted sectors of the European Investment Fund, as it considers them contrary to its ESG investment principles and imply a high reputational risk:

- i. **Unlawful economic activities:** production, marketing, or any other activity that is illegal under the laws or regulations of the home district for such production, trade, or activity, including human cloning for reproductive purposes.
- ii. **Tobacco and distilled alcoholic beverages:** the production and marketing of tobacco and distilled alcoholic beverages, as well as related products.

- iii. Production and trade in arms and ammunition: finance the production and trade of arms and ammunition of any kind.
- iv. Casinos: financing of casinos and equivalent businesses.
- v. Restrictions in the IT sector: research, development or technical application related to electronic data or solutions intended to enable: (i) online gambling, (ii) online casinos, (iii) pornography, (iv) illegal access to electronic data networks, (v) illegal downloading of electronic data, (vi) abusive credit and borrowing loans.
- vi. Life sciences sector: whenever support or funding is provided for research, development or technical application related to: (i) Human cloning for research or therapeutic purposes, (ii) Genetically modified organisms or (iii) biotechnologies incompatible with bioethical criteria.
- vii. Development and/or execution of projects whose result limits the individual rights and freedoms of individuals or violates human rights.
- viii. Development and/or execution of projects that harm the environment or are socially harmful.
- ix. Any other ethically or morally controversial project.

6.1.2 Due Diligence

The Investment Department, as part of its study of the investment opportunity, will identify and analyse relevant ESG risks and opportunities. The ESG factors referred to in point three shall be considered . Sustainability approach, and special focus will be placed on material ESG aspects relevant to the sector or activity of the opportunity analysed.

Depending on the characteristics of the opportunity, the analysis may involve conducting specific interviews with the founders, reviewing relevant documentation within the framework of the business Due Diligence process, or conducting a specific ESG Due Diligence process.

6.2 Investment

The conclusions of the analysis conducted by the Investment Department will be included in the Final Investment Memorandum to be reviewed by the Investment Committee to ensure informed investment decision-making regarding sustainability risks and opportunities.

6.3 Tracking

During the investment period, the Investment Department will accompany companies in improving ESG aspects, focusing on the material issues identified in the Due Diligence process. As an active investor, sustainability issues will be addressed from a continuous approach through regular monitoring and monitoring of ESG factors, using quantitative KPIs or qualitative information.

Big Sur Ventures adopts an active portfolio management approach by implementing a systematic governance structure that ensures that sustainability issues are addressed on a recurring basis in decision-making bodies, through active participation in the companies' boards of directors, as established in its Shareholder Involvement Policy.

Likewise, the development of initiatives, such as the adoption of policies and good practices in the areas of ESG, that contribute to the improvement of sustainability performance will be promoted. In any case, the efforts will be aimed at creating value and positive impact, considering the particular characteristics of each company.

7 ESG Policy Governance

The Board of Directors is the body responsible for reviewing and approving this ESG Policy.

The Finance and Risk Management Department will be responsible for supervising the implementation of this policy and compliance with the ESG commitments adopted therein: the integration of ESG into the investment process, the promotion of ESG improvement in the portfolio and the integration of sustainability into the manager's activity. It will also adopt the following functions:

- To prepare and update this ESG policy.
- Plan and implement the effective integration of ESG aspects into the investment process, allocating the necessary resources.
- Monitor the integration of ESG aspects into the investment process and communicate to the relevant bodies.
- Ensure compliance with the management company's commitments adopted in this ESG policy.

8 SFDR Disclosure Requirements

We are committed to complying with the disclosure requirements set out in the Sustainable Finance Disclosure Regulation (SFDR) 2019/2088, providing clear and transparent information on how we integrate sustainability risks into our investment decision-making process and remuneration policy; and how we consider the main impacts adverse factors on sustainability factors.

8.1 Integrating sustainability risks into the investment decision-making process

We will actively consider sustainability risks, including those related to the environment, social and governance aspects, in our investment process, as outlined throughout this ESG Policy.

8.2 Failure to consider adverse impacts of investment decisions on sustainability factors

Currently, the Main Adverse Impacts (PIAs) that may be generated by investment decisions on sustainability factors are not considered at the entity level by Big Sur Ventures. However, this does not limit the possible consideration of the main adverse impacts at the level of the financial product that Big Sur Ventures may conduct. In such a case, the appropriate disclosures will be provided in accordance with applicable regulations.

8.3 Consistency of the Remuneration Policy with the integration of sustainability risks

This ESG policy is in line with the remuneration system established in the management company, as it establishes the criteria for establishing variable remuneration, linked to the risk profiles of the vehicles managed, risks that, among others, may include sustainability risks.

9 ESG Policy Update

This ESG Policy will be reviewed periodically to ensure its relevance and effectiveness in fulfilling the sustainability commitments adopted.

We are committed to keeping the Policy updated as additional regulatory requirements arise, new needs from stakeholders affected by this Policy or other relevant issues that may affect the contents of this Policy.