KIBO VENTURES

Entity Level SFDR Disclosure

March 2023

At Kibo Ventures Partners, SGEIC, S.A. we comply with the Sustainable Finance Disclosure Regulation (EU) 2019/2088, of 27 November ("**SFDR**"), which obligates financial market participants to provide transparency on sustainability-related issues. This document covers three key areas.

1. Our Sustainability Risk Policies (Article 3 of SFDR)
2. Transparency of Principal Adverse Impact (Article 4 of SFDR)
3. Remuneration Policy (Article 5 of SFDR)

## OUR SUSTAINABILITY RISKS POLICIES

[*Disclosure in line with article 3, EU Sustainable Finance Disclosure Regulation: "Transparency of sustainability risk policies"*]

Kibo Ventures defines a sustainability risk as an environmental, social, or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment, in line with the definition listed in Article 2(22) of the SFDR.

Kibo Ventures recognizes the importance of incorporating social, environmental and governance factors in our investment and divestment processes as well as in the management of our portfolio companies as a lever to create value. Mitigating sustainability risks protects our investments and enhances our reputation as an investor in the market.

To adequately identify and incorporate sustainability risks in investment decisions, several processes are implemented throughout the investment lifecycle:

- **Screening**: The screening process involves identifying and eliminating potential investments that are deemed to be inconsistent with ESG values and principles and Kibo Ventures sustainability risk policy.
- **Due Diligence ESG**: After verifying the targeted company's compliance with Kibo Ventures sustainability risk policy, an ESG assessment is conducted. The company will complete an internal questionnaire to self-assess ESG risks and opportunities. If significant ESG risks are identified that could impact the investment, Kibo Ventures would commission an independent expert to conduct a detailed analysis. The Investment Memorandum will present the analysis conclusions for review by the Investment Committee, including a minimum of material risks and recommendations to mitigate them.
- **Approval for Investment Committee**: ESG aspects will be included in the discussion of the Investment Memorandum presented to the Investment Committee for the investment approval. The meeting minutes will document these ESG aspects and the Committee's decisions.
- **Value creation:** Kibo Ventures is committed to utilizing its best efforts to influence the management and board of portfolio companies in integrating ESG aspects into their value creation plans. Kibo Ventures will aim to secure co-investor alignment in ESG matters, and to

obtain the necessary capacity to influence portfolio company's management. The purpose of these agreements is to encourage management of material ESG risks by the portfolio company and leverage ESG value creation opportunities throughout the phases of the investment process.

- **Follow-on**: During the "follow-on" phase, which involves the investment of new capital, Kibo Ventures will reassess the ESG progress made and propose adjustments to the value creation plan as needed. The evaluation will be conducted by updating the ESG questionnaires used in the due diligence phase.
- **Divestment**: At the time of exit, a primary goal will be to demonstrate and quantify how ESG considerations were leveraged to create value in the portfolio holdings. Demonstrating and quantifying the ESG value created will bolster Kibo Ventures' capacity to attract more investors during future funding rounds. To this end, Kibo Ventures will conduct an ESG exit evaluation based on the ESG questionnaire, in order to evaluate the ESG progress achieved throughout the investment period.

## TRANSPARENCY OF PRINCIPAL ADVERSE IMPACTS

*[Disclosure in line with article 4, EU Sustainable Finance Disclosure Regulation, "Transparency of adverse sustainability impacts at entity level"*

Kibo Ventures does not consider the adverse impacts of investment decisions on sustainability factors.

Kibo Ventures is a Spain-based investment manager that currently only markets one of its products under article 8 of SFDR. Given the limited exposure of the entity and its other products to SFDR reporting requirements, as well as incomplete or insufficient data in respect of adverse impacts of investment decisions on sustainability factors, Kibo Ventures will not report on adverse impacts on sustainability factors at this time.

Kibo Ventures will keep this position under review and may consider adverse impacts of investment decisions on sustainability factors when, for example, multiple products fall in-scope of the SFDR, data required for reporting is more readily available, or the investment manager is subject to investor request or specific legal requirements.

## REMUNERATION POLICY

[*Disclosure in line with article 5, EU Sustainable Finance Disclosure Regulation, "Transparency of remuneration policies in relation to the integration of sustainability risks"*]

Kibo Ventures does not yet align its remuneration policy with the integration of sustainability risks but may consider doing so in the future.