

**EUROPEAN SUSTAINABLE FINANCE DISCLOSURE REGULATION (EU 2019/2088)****A. Sustainability Risks**

If and to the extent relevant, 468 Management GmbH (“468”) considers sustainability risks as part of its investment decision-making process. Sustainability risks are 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. 468 considers and assesses sustainability risks as part of the due diligence process prior to any investment. 468 remains free in its decision to refrain from investing or to invest despite sustainability risks in which case 468 can also apply measures to reduce or mitigate any sustainability risks. 468 will apply the principle of proportionality in dealing with sustainability risks taking due account of the strategic relevance of an investment as well as its transactional context.

**B. Principal Adverse Impacts****No consideration of adverse impacts on sustainability factors**

468 does not consider adverse impacts of investment decisions on sustainability factors. Sustainability factors are environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery. No sustainability indicators are currently used. The administrative burden associated with considering adverse impacts on sustainability factors (particularly the use of sustainability indicators) is disproportionate in light of the very limited relevance such impacts could have in the context of 468’s investment strategy. 468 pursues a venture capital strategy investing primarily in early stage (angel, seed, series A and occasionally series B) investments in emerging technology companies but also dynamic and innovative companies from the “old economy” may be suitable targets. The application of the provisions of the European Disclosure Regulation (EU 2019/2088) (Sustainable Finance Disclosure Regulation, “**SFDR**”) and the Regulatory Technical Standards (“**RTS**”) would currently be subject to various legal uncertainties. So far, many of these regulations and their application to the strategies pursued by 468 are unclear. If and to the extent that these regulations evolve or a practicable market practice and administrative practice is established in this regard, 468 will consider following them in due course.

**C. Product Disclosures, Sustainability-related disclosures****Summary**

468 Capital GmbH & Co. KG (the “Fund”) incorporates ESG principles within its investment processes for the Fund by excluding certain sectors from the Fund’s investment scope. 468 assesses those exclusions pre-investment and post-investment through a largely informal approach which is proportionate and appropriate in light of organizational structures of 468 as well as its investment strategy.

**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:

- Tobacco
- Alcohol
- Weapons and ammunition
- Gaming
- Pornography

### **Investment Strategy**

The Fund invests in early stage, i.e., angel, seed, series A and occasionally series B rounds, portfolio companies from all sectors with innovation capacity and growth potential with a focus on investments in emerging technologies but also dynamic and innovative companies from the “old economy” may be suitable targets.

### **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**

468 monitors for the Fund prior to the investment as well as following the investment whether the portfolio company pursues any prohibited activities as described above. With respect to its post-investment monitoring, 468 engages in close and informal exchange and communication with the portfolio companies of the Fund, but 468 does not initiate regular formal assessments.

### **Methodologies**

Currently, the methodologies applied comprise of collecting information from the portfolio companies either prior to the investment, i.e., within the due diligence process, or following the investment, i.e., within regular communication between 468 and the Fund’s portfolio companies. There is currently no quantitative measurement with regard to environmental or social characteristics and no sustainability indicators are currently used.

### **Data sources and processing**

Besides the regular communication between 468 and the Fund’s portfolio companies, further research and investigation by 468 are not being conducted regularly.

### **Limitations to methodologies and data**

The information collected via 468’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, 468 considers it a priority to establish and maintain a 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 (i.e. the prohibited activities described above) is carried out as part of the due diligence process. Beyond that no further ESG aspects are assessed within the due diligence unless 468 deems it appropriate on an ad hoc basis in specific cases. Any findings are 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 468 on behalf of the Fund determine any potential issues relating the environmental or social characteristics (i.e. the prohibited activities described above), it will engage the portfolio company’s manager in discussions with a view to resolving such issues, provided that such efforts will always re-main within a scope considered by 468 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.