

SUSTAINABILITY-RELATED DISCLOSURES

GALDANA VENTURES III, SCA SICAV RAIF– Galdana Ventures III (the Fund)

LEGAL ENTITY IDENTIFIER: 222100YOBV8Y1WXTYS17

Summary

In accordance with Article 5 of the Final report on draft Regulatory Technical Standards of Regulation (EU) 2019/2088 the Sustainability-related disclosures the following summary has been translated into Spanish, English and German, the remaining languages being available upon request (see below summaries in the different languages).

(EN)

Sustainability factors¹, also known as ESG (environmental, social and governance) have gained a significant importance in the scope of private investments in the recent years. Due to their active shareholder position in the generation of value in the company, fund managers are generally in a position to identify sustainability opportunities and risks² at an early stage and to manage them proactively.

Altamar Private Equity, S.G.I.I.C., S.A.U. (henceforth, "AltamarCAM"), as Management Company (AIFM), integrates sustainability factors and risks in its investment decisions. In order to reinforce transparency and inform investors, the details on how these sustainability factors and risks are integrated are included in the ESG Policy. For more information, please refer to the [ESG](#) section of AltamarCAM website.

As described in detail throughout this Information Statement, prepared for the purpose of meeting the disclosure requirements pursuant to Article 10(1) of SFDR, the financial product characteristics are summarized as follows:

- This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment, meaning that ESG aspects are considered and promoted (within the meaning of Art. 8, SFDR).
- This financial product promotes the holistic integration of environmental, social and governance aspects through risk control and the alignment of the different investments with top-level ethical and sustainability standards. Sustainability factors promoted include: a) encouraging contribution to a selection of Sustainable Development Goals (the "SDGs"), b) improving the commitment of Underlying Funds or Co-investments and their underlying investments, as applicable, to sustainability factors through rigorous due diligence, monitoring and engagement processes, and c) encouraging the participation of the managers of the underlying funds and co-investments (henceforth, "GP") in the United Nations Principles for Responsible Investment (the "PRI") or other applicable standards, industry associations, guidelines, reporting frameworks or initiatives.
- The financial product will make investments in newly created investees ("Primary Market") or acquire shares from third parties ("Secondary Market"). In addition, the financial product may invest in companies that constitute the typical target of investment by venture capital entities ("VCE") through co-investments with other investment funds, underlying funds or third parties ("Co-Investments"). The financial product will have a global geographical focus. The financial product will therefore invest in underlying funds that hold shares mainly in Western Europe, the United States of America, Asia and in Co-Investments in these areas and markets. The financial product will invest mainly in underlying funds primarily devoted to temporary investment in companies that are newly created or in the initial stages of development and have a high growth potential (venture capital operations).
- All of the investments planned for this financial product can fall under category #1B of the Annex II of the Delegated Regulation 2022/1288 (other E/S characteristics) except assets that may not be aligned with the promotion of social and environmental characteristics, as well as cash equivalents, short-term liquid instruments and other tradeable securities or debt instruments (including syndicated bank loans) for liquidity management purposes.
- AltamarCAM collects information on how the GPs promote environmental and social characteristics through a detailed ESG Due Diligence Questionnaire and through other sources. All the data used is real, no estimations are made.
- The sustainability indicators used to measure the achievement of the environmental and social characteristics promoted by this financial product are the exclusion criteria used and the ESG indicators used, both in the due diligence process and during the life

¹ Mean environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matter.

² Means 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.

of the investment.

- The nature of the financial product implies that AltamarCAM relies, to a large extent, on the GP in which it invests, to access the necessary information on the promotion of environmental and social characteristics. In practice, this limitation does not affect the achievement of the environmental and social characteristics thanks to the engagement work that AltamarCAM carries out with the GP, the result of which is to have access to almost all the information.
- AltamarCAM has not designated a specific index as a benchmark to determine whether the financial product is aligned with the environmental and/or social characteristics that it promotes.

(ES)

Los factores de sostenibilidad³, también llamados criterios ASG (medioambientales, sociales y de buen gobierno corporativo) o su equivalente en inglés ESG, han adquirido una importancia significativa en el ámbito de las inversiones alternativas en los últimos años. Debido a su posición activa como accionista en la generación de valor en la compañía, los gestores están normalmente en condiciones de identificar las oportunidades y riesgos de sostenibilidad⁴ en una etapa temprana y administrarlos de manera proactiva.

Altamar Private Equity, S.G.I.I.C., S.A.U. (en adelante "AltamarCAM"), como Sociedad Gestora (AIFM), integra los factores y riesgos de sostenibilidad en sus decisiones de inversión. Con el fin de reforzar la transparencia e informar a los inversores, el detalle sobre la política de integración de estos riesgos y factores de sostenibilidad se recoge en la [Política ESG](#).

Como se describe detalladamente a lo largo de esta Declaración Informativa, preparada con el propósito de cumplir con los requisitos de divulgación de conformidad con el artículo 10 (1) de la SFDR, las características del producto financiero se resumen a continuación:

- Este producto financiero promueve características medioambientales o sociales, pero no tiene como objetivo una inversión sostenible, lo que significa que se consideran y promueven aspectos ESG en el sentido del Art. 8, SFDR.
- Este producto financiero promueve la integración holística de los aspectos medioambientales, sociales y de gobernanza a través del control de riesgos y la alineación de las diferentes inversiones con estándares éticos y de sostenibilidad de primer nivel. Los factores de sostenibilidad promovidos incluyen: a) fomentar la contribución de las inversiones a una selección de Objetivos de Desarrollo Sostenible (los "ODS"), b) mejorar el compromiso de los Fondos Subyacentes o las Coinversiones y sus inversiones subyacentes, según proceda, con los factores de sostenibilidad a través de rigurosos procesos de diligencia debida, monitorización y participación y c) fomentar la participación de los gestores de los Fondos Subyacentes y las Coinversiones (en adelante, "GP") en los Principios de Inversión Responsable de las Naciones Unidas ("PRI") u otras normas, asociaciones sectoriales, directrices, marcos de información o iniciativas aplicables.
- El producto financiero realizará inversiones en empresas participadas de nueva creación ("Mercado Primario") o adquirirá acciones a terceros ("Mercado Secundario"). Además, el producto financiero podrá invertir en empresas que constituyan el objetivo típico de inversión de las entidades de capital riesgo ("ECR") a través de coinversiones con otros fondos de inversión, fondos subyacentes o terceros ("Coinversiones"). El producto financiero tendrá un enfoque geográfico global. Por lo tanto, el producto financiero invertirá en fondos subyacentes que posean acciones principalmente en Europa Occidental, los Estados Unidos de América, Asia y en Coinversiones en estas zonas y mercados. El producto financiero invertirá principalmente en fondos subyacentes dedicados fundamentalmente a la inversión temporal en empresas de reciente creación o en las fases iniciales de desarrollo y con un elevado potencial de crecimiento (operaciones de capital riesgo).
- Todas las inversiones previstas para este producto financiero pueden incluirse en el epígrafe #1B del Anexo II del Reglamento Delegado 2022/1288 (otras características E/S), excepto activos que puedan no estar alineados con la promoción de características sociales y medioambientales, así como equivalentes de efectivo, instrumentos líquidos a corto plazo y otros valores negociables o instrumentos de deuda (incluidos préstamos bancarios sindicados) con fines de gestión de la liquidez.
- AltamarCAM recopila información sobre cómo los GPs promueven las características medioambientales y sociales a través de un detallado Cuestionario de Diligencia Debida ESG y de otras fuentes. Todos los datos utilizados son reales, no se realizan estimaciones.
- Los indicadores de sostenibilidad utilizados para medir la consecución de las características ambientales y sociales promovidas por este producto financiero son los criterios de exclusión utilizados y los indicadores ESG utilizados, tanto en el proceso de diligencia debida como durante la vida de la inversión.
- La naturaleza del producto financiero (fondo de fondos) implica que AltamarCAM depende, en gran medida, del GP en el que invierte para acceder a la información necesaria sobre la promoción de las características ambientales y sociales. En la práctica, esta limitación no afecta a la consecución de las características ambientales y sociales gracias a la labor de compromiso que AltamarCAM lleva a cabo con los GP, cuyo resultado es el acceso a la práctica totalidad de la información.

³ Toda información relacionada con cuestiones medioambientales y sociales, así como relativas al personal, y con el respeto de los derechos humanos y la lucha contra la corrupción y el soborno.

⁴ Todo acontecimiento o estado medioambiental, social o de gobernanza que, de ocurrir, pudiera surtir un efecto material negativo real o posible sobre el valor de la inversión.

- AltamarCAM no ha designado un índice específico como referencia para determinar si el producto financiero está alineado con las características ambientales y/o sociales que promueve.

(DE)

Nachhaltigkeitsfaktoren⁵, auch ESG (*Environmental, Social and Governance*) genannt, haben in den letzten Jahren im Bereich der privaten Kapitalanlagen stark an Bedeutung gewonnen. Aufgrund ihrer aktiven Gesellschafterstellung bei der Wertschöpfung im Unternehmen sind Fondsmanager in der Regel in der Lage, Nachhaltigkeitschancen und -risiken⁶ frühzeitig zu erkennen und proaktiv zu steuern.

AltamarCAM Private Equity, S.G.I.I.C., S.A.U. (nachfolgend "AltamarCAM"), als Verwaltungsgesellschaft (AIFM), integriert die Nachhaltigkeitsfaktoren und -risiken in die Investitionsentscheidungen. Um die Transparenz zu erhöhen und die Anleger zu informieren, sind die Einzelheiten darüber, wie diese Nachhaltigkeitsfaktoren und -risiken integriert werden, in der ESG-Policy enthalten. Weitere Informationen finden Sie im ESG-Bereich der AltamarCAM-Website.

Dieses Informationsblatt wurde zum Zweck der Erfüllung der Offenlegungsanforderungen gemäß Artikel 10(1) der SFDR erstellt und beschreibt ausführlich die Merkmale des Finanzproduktes, was wie folgt zusammengefasst werden kann:

- Dieses Finanzprodukt fördert ökologische oder soziale Merkmale, hat aber keine nachhaltigen Investitionen zum Ziel, was bedeutet, dass ESG-Aspekte im Investmentprozess im Sinne von Art. 8, SFDR, berücksichtigt und gefördert werden.
- Dieses Finanzprodukt fördert die ganzheitliche Integration von Umwelt-, Sozial- und Governance-Aspekten durch Risikomanagement und die Ausrichtung der verschiedenen Investitionen an hohen ethischen und Nachhaltigkeitsstandards. Zusätzliche ESG-Aspekte werden auch auf Basis der von PRI (*Principles for Responsible Investment*) vorgeschlagenen ESG-Parametern berücksichtigt, die AltamarCAM unterzeichnet hat.
- Das Finanzprodukt wird in neu gegründete Unternehmen investieren ("Primärmarkt") oder Anteile von Dritten am Sekundärmarkt erwerben. Darüber hinaus kann das Finanzprodukt in Unternehmen investieren, die das typische Ziel von Investitionen durch Risikokapitalgesellschaften ("VCE") darstellen. Dies kann u.a. über Co-Investments mit anderen Investmentfonds, über Zielfonds oder über dritte Parteien ("Co-Investments") erfolgen. Das Finanzprodukt wird einen globalen geografischen Schwerpunkt haben. Das Finanzprodukt wird daher in Zielfonds investieren, die ihre Anteile hauptsächlich in Westeuropa, den Vereinigten Staaten von Amerika und Asien halten, sowie in Co-Investments in diesen Regionen und Märkten investieren. Das Finanzprodukt wird hauptsächlich in Zielfonds investieren, die in erster Linie vorübergehend in Unternehmen investieren, die neu gegründet wurden oder sich in der Anfangsphase ihrer Entwicklung befinden und ein hohes Wachstumspotenzial aufweisen (Risikokapitaloperationen).
- Alle für dieses Finanzprodukt geplanten Anlagen können unter die Kategorie "#1B" des Anhangs II der Delegierten Verordnung 2022/1288 (andere E/S-Merkmale) fallen, mit Ausnahme von einzelnen Vermögenswerten, die eventuell nicht auf die Förderung sozialer und ökologischer Merkmale ausgerichtet sein könnten, sowie von Zahlungsmitteläquivalenten, kurzfristigen liquiden Instrumenten und anderen handelbaren Wertpapieren oder Schuldtiteln (einschließlich syndizierter Bankkredite) für Zwecke des Liquiditätsmanagements. AltamarCAM sammelt mit Hilfe eines detaillierten ESG-Due-Diligence-Fragebogens und anderer Quellen Informationen darüber, wie die Manager der zugrundeliegenden Fonds und Co-Investments (im Folgenden "GP") ökologische und soziale Merkmale fördern. Alle verwendeten Daten sind real, es werden keine Schätzungen vorgenommen.
- Die verwendeten Nachhaltigkeitsindikatoren, um die Erreichung der ökologischen und sozialen Eigenschaften zu messen, die diese Finanzprodukte fördern, sind die verwendeten Ausschlusskriterien und die ESG-Parameter, die im Due-Diligence-Prozess und während der Laufzeit der Investition verwendet werden.
- Die Art des Finanzproduktes bringt es mit sich, dass AltamarCAM in hohem Maße auf die Unterstützung der GPs, angewiesen ist, um Zugang zu den notwendigen Informationen über die Förderung der ökologischen und sozialen Merkmale zu erhalten. In der Praxis hat diese Einschränkung keinen Einfluss auf die Erreichung der ökologischen und sozialen Merkmale, da AltamarCAM durch ein proaktives Engagement mit den GPs, einen guten Zugang zu fast allen benötigten Informationen besitzt.
- AltamarCAM hat keinen spezifischen Index als Maßstab festgelegt, um festzustellen, ob das Finanzprodukt mit den ökologischen und/oder sozialen Merkmalen, die es fördert, übereinstimmt.

⁵ Umwelt-, Sozial- und Arbeitnehmerbelange, die Achtung der Menschenrechte und die Bekämpfung von Korruption und Bestechung.

⁶ Ein Ereignis oder eine Bedingung in den Bereichen Umwelt, Soziales oder Unternehmensführung, dessen beziehungsweise deren Eintreten tatsächlich oder potenziell wesentliche negative Auswirkungen auf den Wert der Investition haben könnte.

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have sustainable investments as its objective a.

Environmental or social characteristics of the financial product

The Fund promotes the following social and environmental characteristics:

1. Encouraging contribution to the following Sustainable Investment Goals endorsed by the United Nations (the "SDGs"): decent work and economic growth (SDG 8); industry, innovation and infrastructure (SDG 9); and partnerships for the Goals (SDG 17);
2. improving the commitment of Underlying Funds or Co-investments and their underlying investments, as applicable, to sustainability factors through rigorous due diligence, monitoring and engagement processes (as set out in further detail in the description of the Fund's investment strategy below);
3. encouraging participation by the managers of such underlying funds or co-investments (the "GPs") in the United Nations Principles for Responsible Investment (the "PRI") or other applicable environmental, social and governance related standards, industry associations, guidelines, reporting frameworks or initiatives.

Investment strategy

AltamarCAM seeks to promote environmental and social characteristics, both through an active analysis of sustainability aspects as a key part of investment due diligence, and by giving great importance to dialogue (engagement) with the GP in which it invests, and trying to reinforce its commitment to sustainability, with the understanding that requesting information about their sustainability policies and periodic reporting favors their awareness in this matter.

The financial product will make investments in newly created investees ("Primary Market") or acquire shares from third parties ("Secondary Market"). In addition, the financial product may invest in companies that constitute the typical target of investment by venture capital entities ("VCE") through co-investments with other investment funds, underlying funds or third parties ("Co-Investments"). The financial product will have a global geographical focus. The financial product will therefore invest in underlying funds that hold shares mainly in Western Europe, the United States of America, Asia and in Co-Investments in these areas and markets. The financial product will invest mainly in underlying funds primarily devoted to temporary investment in companies that are newly created or in the initial stages of development and have a high growth potential (venture capital operations). As part of the investment process, AltamarCAM uses the UN PRI framework, considering various ESG factors and excluding certain activities or investment areas. Information on the ESG activities of the target investments is obtained and processed at different times and at different levels.

Primary Investments/Fund Selection

During the due diligence process of a potential primary investment, a number of ESG issues must be questioned and discussed in detail with the managers of the investments. AltamarCAM uses a comprehensive ESG DDQ based on PRI criteria.

The purpose of the ESG DDQ is to gather information on the managers of the investments' ESG principles and processes as well as their implementation at fund and portfolio company level.

AltamarCAM has developed its own ESG assessment model based on the information gathered in the ESG Due Diligence Questionnaire with the objective of measuring the sustainability commitment of the managers of the investments. The assessment of the ESG Due Diligence Questionnaire, the results of the ESG assessment model and other ESG-relevant information within the scope of the due diligence process are documented in the due diligence package (the "Due Diligence Package") that is shared and discussed during the investment committee meeting of AltamarCAM (the "Investment Committee") and thus support a balanced assessment of the risk/opportunity profile of the specific investment opportunity.

AltamarCAM will proactively engage with the managers of the investments to address any potential sustainability shortcomings or risks identified during their due diligence processes or monitoring meetings. If such shortcomings or risks are identified, AltamarCAM will make the managers of the investments directly aware of the ESG requirements established by the ESG policy of AltamarCAM. Side letter negotiation is also used to further limit sustainability risks. AltamarCAM encourages the managers of the investments to establish an adequate mechanism to report and manage ESG incidents swiftly and appropriately.

Secondary Investments

As part of the due diligence process for secondary investments, AltamarCAM will evaluate if the portfolio of the underlying fund conforms to the Fund's ESG requirements, including (i) to identify any non-compliant underlying portfolio company as defined by the "Restricted Investment List" and (ii) to document those potential violations in the Due Diligence Package that is shared and discussed in the Investment Committee.

AltamarCAM follows essentially the same process when evaluating sustainability issues for secondary investments as with primary investments and will also attempt to complete the ESG Due Diligence Questionnaire and assign the managers of the investments a category based on AltamarCAM's internal scoring model.

In the event of substantial breaches by the underlying portfolio companies against the areas as defined by the "Restricted Investment List", AltamarCAM will generally reject the secondary transaction or will attempt to structure the transaction in such a way that the relevant portfolio companies are excluded.

Co-investments/direct investments

To evaluate the attractiveness and value creation potential of co-investment, as well as direct investment opportunities, a comprehensive investment analysis is carried out. As part of this due diligence process, AltamarCAM makes a comprehensive analysis of the sustainability risks and opportunities of the investment.

AltamarCAM follows essentially the same process when evaluating sustainability issues of the co-Investments/direct investments as with primary investments, assigning the managers of the co-investment a category based on the internal scoring model or evaluating the direct investment in relation to its policies, procedures, sector- and country characteristics.

In the event of any breaches against the areas as defined by the "Restricted Investment List", by potential co-investments/direct investments the investment opportunity will be rejected.

Additionally, good governance practices are assessed through specific governance questions as part of the due diligence process (addressing aspects such as regulatory compliance, ethics, board of directors, tax compliance, etc.) and are incorporated into AltamarCAM's ESG assessment model, evaluating as part of the due diligence conducted governance topics at the Investment level. With this information, AltamarCAM obtains an understanding of the governance practices applied by the manager. AltamarCAM focuses on the analysis of the ESG commitment and the ability of the underlying fund's GPs to implement good governance practices in their invested portfolio companies.

Proportion of investments

All of the investments planned for this financial product can fall under the category #1B Other E/S characteristics. The remaining proportion of invested assets may not be aligned with the environmental or social characteristics promoted. In addition, the Fund will invest in cash equivalents, short-term liquid instruments and other tradeable securities or debt instruments (including syndicated bank loans) for liquidity management purposes. Minimum environmental and/or social safeguards are not expected to apply to such liquidity management assets.

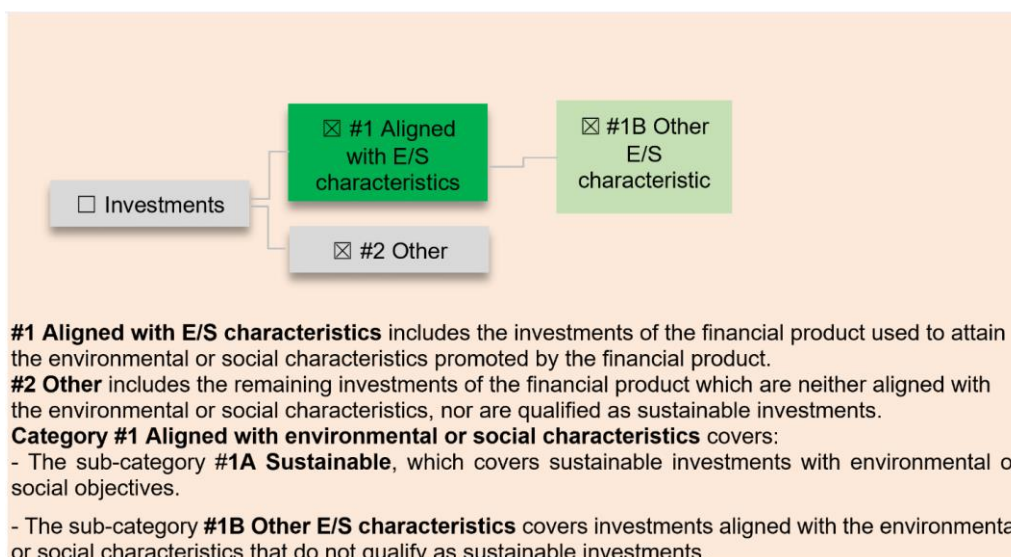


Figure 1: screenshot regarding asset allocation included in Annex II of the Commission Delegated Regulation (EU) 2022/1288

Monitoring of environmental or social characteristics

During the life of the investment, the investment team and the ESG team monitor the sustainability progress of the portfolio investments. To do this, the ESG Due Diligence Questionnaire is frequently updated. The following are examples of the KPIs monitored, although the complete ESG Due Diligence Questionnaire includes ~40 sustainability indicators.

1. In respect of the Fund's promotion of encouraging contributions to the SDG's mentioned above, the Fund will measure among others the following indicators:
 - a. decent work and economic growth (SDG 8): the [number] of total invested venture companies;
 - b. industry, innovation, and infrastructure (SDG 9): the [number / percentage] of assets under management (AUMs) invested in companies dedicated to technological innovation ;
 - c. partnerships for the Goals (SDG 17): the [number / percentage] of Underlying Funds or Co-investments developing ESG due diligence in their underlying investments, as applicable;
2. In respect of the Fund's promotion of an improvement in commitments of Underlying Funds or Co-investments and their underlying investments to sustainability factors, the Fund will measure among others the following indicators:
 - a. the [percentage] of investments with formally assigned ESG Responsibilities
3. In respect of the GP's promotion of the participation in the United Nations Principles for Responsible Investment (the "PRI") or other applicable environmental, social and governance related standards, industry associations, guidelines, reporting frameworks or initiatives, the Fund will measure the number of GPs that are (a) signatories of the PRI or (b) members of any other applicable environmental, social and governance related standards, industry associations, guidelines, reporting frameworks or initiatives.

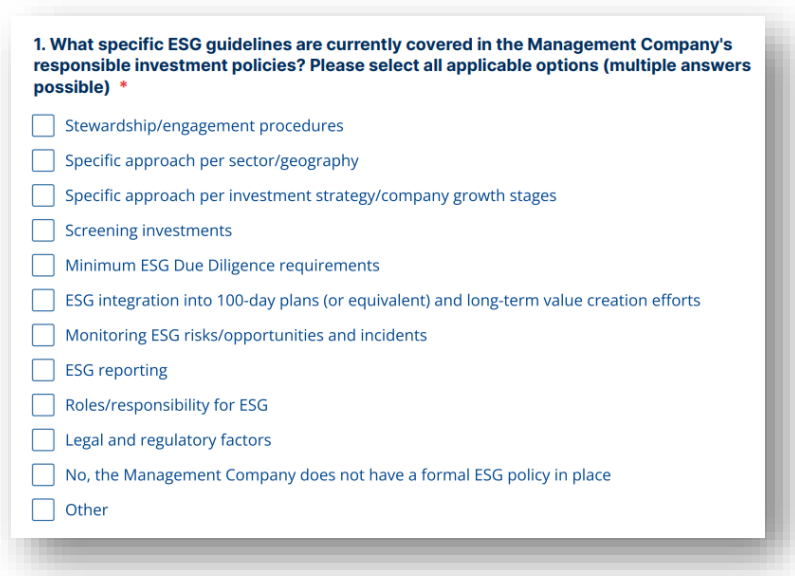
Additionally, the AIFM analyses at least annually the composition of the portfolios bottom-up along the beforementioned ESG criteria. This involves analyzing the historical investment activities in predecessor products, evaluating the target fund manager's responses to the due diligence questionnaire, analyzing historical ESG events and including relevant industry and country ratings for the invested portfolio in the assessment. The respective rating parameters are weighted at portfolio company level and aggregated at target fund level with the corresponding investment amount.

Regular monitoring of sustainability performance and promotion of social and environmental characteristics is subject to internal controls by the fund's responsible investment team and the ESG team, including controls to ensure consistency of information on a historical basis and comparison of submitted responses with public and documentation available in the Virtual Data Room (VDR).

Methodologies for environmental or social characteristics

An internal methodology aligned with international standards (including the SDGs, SASB, UNPRI and TCFD, among others) is carried out to measure the promotion of environmental and social characteristics and the commitment to sustainability of the managers of the Investments, as well as the engagement that AltamarCAM carries out with them. The indicators fall into the following categories: Policies and Risk Management, Governance and Leadership, Memberships, Climate Change, ESG Regulatory Compliance, Investment Process and Reporting.

Please, find below a sample screenshot detailing how two of the Climate Change indicators are formulated in the ESG Due Diligence Questionnaire:



The screenshot shows a question from an ESG Due Diligence Questionnaire. The question is: "1. What specific ESG guidelines are currently covered in the Management Company's responsible investment policies? Please select all applicable options (multiple answers possible) *". Below the question is a list of 13 options, each with a checkbox:

- Stewardship/engagement procedures
- Specific approach per sector/geography
- Specific approach per investment strategy/company growth stages
- Screening investments
- Minimum ESG Due Diligence requirements
- ESG integration into 100-day plans (or equivalent) and long-term value creation efforts
- Monitoring ESG risks/opportunities and incidents
- ESG reporting
- Roles/responsibility for ESG
- Legal and regulatory factors
- No, the Management Company does not have a formal ESG policy in place
- Other

Figure 2: sample of DDQ's question for Venture Capital (Policies and Risk Management Module)

According to the results of the ESG DDQ AltamarCAM classifies the GP into four categories: Beginner, Compliant, Good and Outstanding. Additionally, as previously mentioned, ESG factors are integrated at all stages of the investment process, from the Due Diligence to the monitoring performed during the investments' holding period. And the commitment with sustainability of GPs and companies in which AltamarCAM invests in is closely monitored through the ex-ante ESG DDQ, an ESG assessment model and an in-depth ex-post ESG monitoring/analyzing process (bottom-up).

Data sources and processing

AltamarCAM collects information on how the GP promote environmental and social characteristics through a detailed ESG Due Diligence Questionnaire (see more information in the 'Due Diligence' section) and through other sources (i.e., meetings, annual meetings attendance, reports, external sources). All this information is collected in our sustainability database, integrated in an internal repository, which allows its treatment in an aggregated way in order to be able to draw conclusions about the promotion of environmental and social characteristics. All the data used is real, no estimations are made.

Hence, data is obtained only from the (potential) portfolio companies. An internal or external review or verification of the information obtained will be carried out if misrepresentations are suspected. The results of the data obtained are considered in the investment decision.

Limitations to methodologies and data

The nature of the financial product implies that AltamarCAM relies, to a large extent, on the GP in which it invests in, to access to the necessary information on the promotion of environmental and social characteristics. In practice, this limitation does not affect the achievement of the environmental and social characteristics thanks to the engagement work that AltamarCAM carries out with the GP, the result of which is gaining access to almost all the information.

Due Diligence

As a fund-of-funds-manager, AltamarCAM focuses on the analysis of the ESG commitment and the ability of the underlying fund's GPs to implement good governance practices in their invested portfolio companies. The following is a summary of the process of integrating ESG criteria at all stages of AltamarCAM's investment process, which allows the promotion of environmental and social characteristics:

During the due diligence and fund selection process, it is common practice for funds to provide potential investors with a standard information package, which includes, information on sustainability policies. This information is analyzed in detail by the investment team and the result of this analysis is included as a fundamental part of the due diligence. Additionally, AltamarCAM requests the GP to answer a sustainability due diligence questionnaire (developed internally and called ESG Due Diligence Questionnaire) to evaluate the degree of commitment that the GP has to sustainable investment by assigning a scoring in terms of sustainability to each GP. AltamarCAM classifies the GP into four categories: Beginner, Compliant, Good and Outstanding. Additionally, an Exclusion Policy has been developed through which a restricted investment list of activities or sectors is established in which AltamarCAM will not make investments (said exclusion will be negotiated through side letter in investments in primaries).

The main conclusions of the sustainability due diligence are presented to the Investment Committee as a fundamental aspect when making investment decisions.

At the time of formalizing an investment commitment, and after reviewing the regulation of sustainability aspects in the legal documents, the manager is asked to incorporate a series of clauses in the side letters that formally cover the main commitments that AltamarCAM wishes to obtain from the GP in terms of sustainability.

Engagement policies

AltamarCAM considers that, in its role as fund of funds manager, it is vital to have adequate engagement policies that allow the promotion of environmental and social characteristics. That is why AltamarCAM requires the GP to complete the *ESG Due Diligence Questionnaire*, as reflected in the 'Due Diligence' section, and classifies them in terms of sustainability based on their responses. Depending on the classification obtained, the *ESG Due Diligence Questionnaire* will be updated annually or every two years.

Furthermore, AltamarCAM requests from the GP certain commitments regarding sustainability through a side letter (see section "Monitoring of environmental or social characteristics").

AltamarCAM performs an active engagement with the GPs it invests in to encourage their commitment with sustainability and good governance on Investment level. Although the power to influence underlying fund managers' decisions as a fund of funds manager is limited with only indirect access to the underlying portfolio companies AltamarCAM requests a list of Side Letter ESG provisions, that complete or regulate good governance aspects which are sometimes not expressly contemplated in LPAs.

If areas for improvement are identified in this or other matters, the entity will carry out an engagement process consisting of meetings with the manager to promote the integration of good practices, as well as the periodic updating of the Due Diligence questionnaire. This is intended both to convey AltamarCAM's priorities to the manager and to keep a record of the evolution of the GP's corporate governance. In case the ESG Due Diligence is not satisfactory, and a red flag is identified both in governance and in any other ESG aspect, the ESG team would recommend rejecting the investment and the final decision would rely on the Investment Committee.

The engagement process would continue throughout the life of the investment and consists in the periodic sending of the ESG DDQ with the consequent review of the results by AltamarCAM, the follow-up of any ESG incident and the organization of periodic meetings to raise the manager's awareness of the importance that social, environmental and governance matters have for the AltamarCAM.

In the event of a significant incident occurring during the investment period, the ESG team would analyze the specific case and submit a report with a recommendation to the Investment Committee. The latter would be responsible of deciding, depending on the severity of the incident and its impact on AltamarCAM's ESG policies, to exercise opt-out rights.

Finally, AltamarCAM considers essential to disclose its sustainability initiatives as part of its commitment. Altamar Capital Partners became a signatory of the UN PRI guidelines in 2016.

Designated reference benchmark

AltamarCAM has not designated a specific index as a benchmark to determine whether the financial product is aligned with the environmental and/or social characteristics that it promotes.

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