



VER CAPITAL CREDIT PARTNERS S.A. SICAV-SIF
VER CAPITAL CREDIT PARTNERS SMEs - PRIVATE DEBT

Sustainability Disclosure Reporting

Disclosure requirements according to Article 10 of Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“SFDR”), for the financial products referred to in Article 8 of the Regulation

A. Summary

Ver Capital Credit Partners SMEs - Private Debt (the “**Sub-Fund**”) promotes environmental or social characteristics but does not have as its objective sustainable investment.

The assets selection by Ver Capital SGR (the “**Investment Manager**”) is based on exclusions criteria (negative screening) and scoring Environmental, Social, and Governance (“**ESG**”) (positive screening). The Investment Manager has developed a proprietary model based on the qualitative/quantitative assessment of ESG factors. Specifically, each asset is subjected, both in the preliminary investment phase and in the subsequent monitoring and reporting phase, to an internal analysis aimed at determining an ESG score, taking into account the initiatives and/or targets that the company, the object of potential investment, intends to pursue.

The ESG process covers all assets included within the Sub-Fund, but at least 50% of the financial instruments must be compliant with the environmental, social and government characteristics promoted by Sub-Fund.

Environmental and social characteristics are promoted by the Sub-Fund through an internal methodology based on predetermined criteria and analysis for identification, implementation and monitoring. The main methodological limitations include: the limited availability of data for conducting ESG analysis; the absence of universal standards regarding ESG information; the absence of systematic third-party monitoring of ESG data; the limited comparability of data, as not all companies publish the same indicators; the use of proprietary methodologies, which rely on the experience and expertise of the Investment Manager team.

No benchmark index has been designated for the achievement of the environmental and social characteristics promoted by the Sub-Fund.

B. No sustainable investment objective

This Sub-Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

C. Environmental or social characteristics of the financial product

The Sub-Fund promotes environmental and social characteristics by investing in issuers who demonstrate a sufficient ESG score, as determined by our internal evaluation process.

These characteristics are upheld by the Sub-Fund through a two-fold approach: firstly, by excluding investment in sectors identified by the Investment Manager as having a harmful impact on society, and secondly, by applying an internal ESG rating system to assess and monitor the sustainability performance of potential and current investments.

The Investment Manager has developed a proprietary model based on the qualitative/quantitative evaluation of ESG factors. This approach entails a detailed internal analysis of each asset, conducted both in the preliminary investment phase and in the subsequent monitoring and reporting phase.

Specifically, we assign an ESG score to each potential investment, taking into account the sustainability initiatives and/or targets set by the Company.

The investment team is focused on identifying relevant and measurable ESG factors, enabling them to assess the sustainability trajectory of the issuers both before investment (ex-ante), during the investment period (ongoing) and after the investment has been made (ex-post). The Sub-Fund's aim is to promote at least one key environmental and social characteristics, as follows:

- Environmental (E): climate change impact and CO2 emissions, energy efficiency and renewable energy, waste treatment and recycling.
- Social (S): workplace health and safety, employees' development and third party/supply chain labor standards.
- Governance (G): inclusion and diversity, transparency among the main stakeholders.

They are measured and monitored through the application of an ESG internal rating score, as further described below, while sectors which are deemed harmful are excluded by the Investment Manager.

D. Investment strategy

The Sub-Fund employs a rigorous ESG scoring system to evaluate potential investments. Each ESG key indicator is assigned a numerical score from 1 to 5, where "1" indicates an excellent ESG profile and "5" an inadequate ESG profile.

The overall ESG score for an asset is determined through an arithmetic average of the scores for each of the three ESG factors. This score is regularly updated based on new documentation from the company or agent regarding the practices, initiatives, and goals identified by the issuing company (e.g., sustainability report, ESG report, or any ESG questionnaire).

Furthermore, companies in contradiction of the Investment Manager's Responsible Investment Policy will be excluded from investment, such as those that do not respect international conventions or national regulations, and as such those involved in controversial business.

The ESG score is integrated in the fundamentals and valuation analysis and reported in the information memorandum of the company. The Investment Manager analyses the practices used by the companies referring to the environmental, social and governance matters on a continuous basis as part of the stock selection process, as one of the instruments to minimize the negative impact of the investments.

The Sub-Fund has the following binding elements:

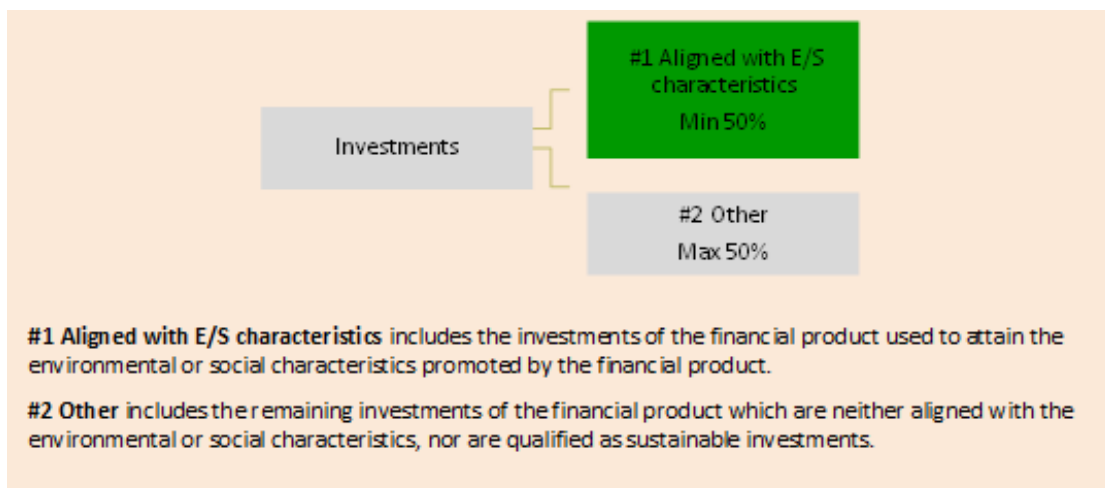
- The average ESG portfolio score should not be lower than a score equal to 3 on the base of or/and Investment Manager internal model. At least 50% of the invested portfolio must have an ESG score lower than 3.
- The Sub-Fund's portfolio should be complies with the Investment Manager's Exclusion Policy, that is based on exclusion criteria with regards to companies whose main business activity is involved in some of the following business areas:

- provide any financing, or invest, guarantee or otherwise provide financial or other support directly or indirectly to any company whose business activity consists of an illegal economic activity;
- provide any financing to any company whose business activity is substantially focused on:
 - i. the production of and trade in tobacco and distilled alcoholic beverages and related products;
 - ii. the financing and production of and trade in weapons and ammunition of any kind, it being understood that this restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies;
 - iii. casinos and equivalent enterprises; or
 - iv. the research, development or technical applications, which (x) aim specifically at supporting any activity set forth in sub-clauses a) and b) (i) to (iii) (including internet gambling, online casinos or pornography) or (y) are intended to enable the illegal entry into electronic data networks or downloading of electronic data;
- provide support to the financing of the research, development or technical applications relating to (i) human cloning for research or therapeutic purposes or (ii) genetically modified organisms (GMOs), without appropriate control by the Management Company of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.

The aim is for the average ESG portfolio score to be below 3. At least 50% of the invested portfolio must have an ESG score lower than 3.

E. Proportion of investments

The ESG process covers all financial instruments included within the Sub-Fund, but at least 50% of the financial instruments comply with the ESG characteristics promoted by the Sub-Fund in accordance with the binding elements of the investment strategy described above (ESG score < 3 of at least 50% of the invested portfolio).



The Sub-Fund mainly invests in assets that do promote environmental and/or social characteristics, but residually could hold cash and other investments with an ESG score higher than 3.

F. Monitoring of environmental or social characteristics

The environmental and social characteristics promoted by the Sub-Fund are monitored by the Investment Team through the sector exclusion lists established by the Investment Manager on each exclusion policy described above. Exclusion lists are built based on criteria defined. These lists, built on defined criteria, are essential in ensuring the Sub-Fund adheres to its promoted characteristics.

The exclusion list is updated on an annual basis unless a specific event requires an intermediate revision. This process ensures continuous alignment with the Sub-Fund's environmental and social objectives throughout its lifecycle.

G. Methodologies of environmental or social characteristics

The methodologies to measure the environmental and social characteristics promoted by the Sub-Fund are described above, in the session "Environmental or social characteristics of the financial product".

H. Data sources and processing

The Investment Manager makes use of ESG data from external data providers and/or from the Company to achieve each of the pre-determined environmental and social characteristics. The Investment Manager conducts due diligence, aimed at ensuring the integrity of the data received and adequate coverage for portfolio investments.

If it is not possible to retrieve data externally, the environmental and social characteristics of the issuer will not be analyzed, and the score will be 5, as the data estimation is not applied in any case.

The ESG Scores rely on an internal methodology with an overlay of Ver Capital's own fundamental and documented ESG analysis. Those ESG analyses are provided by the investment team, reviewed and approved by the internal committee. These data are updated at least on a bi-annual basis.

I. Limitations to methodologies and data

The main methodological limitations include:

- the limited availability of data for conducting ESG analysis;
- the absence of universal standards regarding ESG information;

- the absence of systematic third-party monitoring of ESG data;
- the limited comparability of data, as not all companies publish the same indicators;
- the use of proprietary methodologies, which rely on the experience and expertise of the Investment Manager team.

Such limitations do not affect how the environmental or social characteristics promoted by the Sub-Fund are met.

J. Due diligence

Environmental and social characteristics are promoted by the Sub-Fund through an internal methodology based on predetermined criteria and analysis for identification, implementation and monitoring.

In details:

- ex ante, the selection of companies by the investment team is based on exclusions criteria (negative screening) and scoring ESG (positive screening) aimed at identifying the companies with the best ESG criteria, using the methodology described above. Please note that appropriate environmental or social due diligence could be provided by external professional companies;
- ex post, the Investment Manager uses an evaluation and monitoring model, applied on an ongoing basis by the investment team.

The Investment Manager 's control functions verify that the securities selection process and related monitoring within the portfolio are in line with the SFDR Regulation.

K. Engagement policies

Non applicable. The Sub-Fund invests in public and private debt issues that do not allow active participation based on voting and engagement, however the Investment Manager promotes, where possible, the application of an "active" approach in private debts activities, based on the inclusion of sustainability margin ratchet in the contract of financing.

L. Designated reference benchmark

Non applicable. No benchmark index has been designated for the achievement of the environmental and social characteristics promoted by the Sub-Fund.