Article 10 (SFDR)

# Website disclosure for an article 8 fund

## E2D Fund 1 SCSp SICAV-RAIF

## A SUMMARY / RÉSUMÉ


**English version**

E2D Fund 1 SCSp SICAV-RAIF (the "**Fund**") promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 ("**SFDR**"). This disclosure is made under Article 10 of SFDR and Commission Delegated Regulation (EU) 2022/1288 (the "**SFDR RTS**").

**No sustainable investment objective**

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment. The Fund does not consider principal adverse impacts on sustainability factors.

**Environmental or social characteristics**

Responsible exposure to dual-use innovation (resilience, cybersecurity, technological sovereignty); exclusion of prohibited weapons and controversial activities; compliance with export controls and international humanitarian law; sound governance practices. Defence activities are assessed case by case.

**Investment strategy**

Growth equity / late-stage venture investments in unlisted dual-use and defence-related technology companies in the EU and eligible Horizon Europe jurisdictions, with a maximum exposure of 15% per company. ESG factors are integrated through exclusion screening, case-by-case sector review, a good governance assessment (management structures, employee relations, tax compliance) and ongoing monitoring.

**Proportion of investments**

At least 70% of the Fund's assets contribute to the promoted characteristics; the remainder mainly consists of cash and equivalents held for liquidity. No minimum share of sustainable or EU Taxonomy-aligned investments is committed.

**Monitoring, methodologies and data**

Characteristics are monitored throughout the investment lifecycle (pre-investment checks, ongoing monitoring, event-driven review, GP / AIFM oversight) using mainly qualitative, risk-based indicators. Data comes from portfolio companies, due diligence, external advisors and public sources (e.g. sanctions lists), and is cross-checked internally; some data may be estimated conservatively.

**Limitations to methodologies and data**

Limited ESG disclosure by private companies, lack of harmonised metrics and evolving regulation. These are mitigated by a conservative approach and do not materially affect the attainment of the promoted characteristics.

**Due diligence and engagement**

Each investment undergoes a multi-disciplinary due diligence (ESG, legal and regulatory, governance, defence / dual-use), supported by external experts where relevant. Engagement with portfolio companies is selective and ownership-driven.

**Designated reference benchmark**

No reference benchmark has been designated.

**Version française**

E2D Fund 1 SCSp SICAV-RAIF (le « **Fonds** ») promeut des caractéristiques environnementales et/ou sociales au sens de l'article 8 du règlement (UE) 2019/2088 (« **SFDR** »). La présente publication est établie en application de l'article 10 du SFDR et du règlement délégué (UE) 2022/1288 (les « **RTS SFDR** »).

| | |
|---|---|
| | **Sans objectif d'investissement durable**<br>Ce produit financier promeut des caractéristiques environnementales ou sociales, mais n'a pas pour objectif l'investissement durable. Le Fonds ne prend pas en compte les principales incidences négatives sur les facteurs de durabilité.<br><br>**Caractéristiques environnementales ou sociales**<br>Exposition responsable à l'innovation à double usage (résilience, cybersécurité, souveraineté technologique) ; exclusion des armes prohibées et des activités controversées ; respect du contrôle des exportations et du droit international humanitaire ; saines pratiques de gouvernance. Les activités de défense sont évaluées au cas par cas.<br><br>**Stratégie d'investissement**<br>Investissements de growth equity / capital-risque de stade avancé dans des sociétés technologiques non cotées à double usage ou liées à la défense, dans l'UE et les pays éligibles à Horizon Europe, avec une exposition maximale de 15 % par société. Les critères ESG sont intégrés via un filtrage d'exclusion, un examen sectoriel au cas par cas, une évaluation de la bonne gouvernance (structures de gestion, relations avec le personnel, conformité fiscale) et un suivi continu.<br><br>**Proportion d'investissements**<br>Au moins 70 % des actifs du Fonds contribuent aux caractéristiques promues ; le solde est principalement constitué de liquidités détenues à des fins de gestion de la liquidité. Aucune part minimale d'investissements durables ou alignés sur la taxonomie de l'UE n'est prévue.<br><br>**Contrôle, méthodes et données**<br>Les caractéristiques sont suivies tout au long du cycle d'investissement (contrôles préalables, suivi continu, examen en cas d'événement, supervision par le GP / l'AIFM) au moyen d'indicateurs principalement qualitatifs et fondés sur les risques. Les données proviennent des sociétés en portefeuille, des due diligences, de conseillers externes et de sources publiques (p. ex. listes de sanctions) et sont recoupées en interne ; certaines peuvent être estimées de manière prudente.<br><br>**Limites aux méthodes et aux données**<br>Informations ESG limitées pour les sociétés non cotées, absence d'indicateurs harmonisés et réglementation évolutive. Ces limites sont atténuées par une approche prudente et n'affectent pas de manière significative l'atteinte des caractéristiques promues.<br><br>**Diligence raisonnable et engagement**<br>Chaque investissement fait l'objet d'une due diligence pluridisciplinaire (ESG, juridique et réglementaire, gouvernance, défense / double usage), avec l'appui d'experts externes le cas échéant. L'engagement auprès des sociétés en portefeuille est sélectif et lié à la position d'actionnaire.<br><br>**Indice de référence désigné**<br>Aucun indice de référence n'a été désigné. |
| B | <u>NO SUSTAINABLE INVESTMENT OBJECTIVE</u> |
| | This financial product promotes environmental and/or social characteristics but does not have sustainable investment as its objective.<br>The Fund does not consider principal adverse impacts (PAIs) on sustainability factors. As the Fund does not make sustainable investments within the meaning of the SFDR, it is not required to assess alignment with the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights.<br>No commitment is made to invest a minimum proportion of assets in "sustainable investments" as defined under the SFDR. |
| C | <u>ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT</u> |

The Fund promotes the following environmental and social characteristics:

- Responsible exposure to dual-use innovation, supporting resilience, cybersecurity and technological sovereignty
- Exclusion of prohibited weapons and controversial activities, in line with EU regulations
- Application of international compliance standards, including export controls and humanitarian law
- Promotion of sound governance practices, including transparency, compliance and ethical business conduct

The Fund explicitly excludes investments in entities involved in prohibited weapons and applies a case-by-case ESG assessment for defense-related activities.

D INVESTMENT STRATEGY

The Fund pursues its Article 8 characteristics through a growth equity / late-stage venture strategy focused on dual-use and defense-related technologies, implemented in accordance with its investment objective and restrictions.

**Core investment approach**
The Fund invests, directly or indirectly, in:

- Equity and equity-linked instruments (including convertibles, warrants and options)
- Unlisted companies, primarily high-growth technology businesses
- Portfolio companies active in AI, cybersecurity, deep tech, hardware and defense-related applications

Investments may be made as:

- Majority or minority positions
- Direct or through intermediate holding structures

The Fund may also:

- Provide shareholder loans on an ancillary basis (within defined limits)
- Hold cash and liquid instruments for treasury and bridging purposes

**Geographic and sector focus**
The Fund targets companies:

- Established or operating in EU Member States or eligible Horizon Europe jurisdictions
- Across growth to later-stage development phases

The sector strategy is deliberately focused on:

- Dual-use technologies
- National security and defense innovation ecosystems

**Portfolio construction and diversification**
The Fund applies defined diversification rules:

- Max 15% exposure per portfolio company (at Fund level)
- RAIF diversification principle: max 50% exposure to a single investment over time

These limits are applied on a look-through basis, including through holding structures.

**ESG integration mechanisms**
The Fund integrates ESG considerations through a multi-layered framework:
1. Pre-investment screening

- Exclusion of prohibited weapons and controversial activities
- Compliance with EU sanctions, export control regimes and international standards

2. Case-by-case sector review
Given the nature of the strategy:

- Defense and dual-use investments are not excluded per se

| | |
|---|---|
| | 3. Good governance assessment<br>Portfolio companies might be evaluated on:<br>• Management structures<br>• Employee relations and organisational practices<br>• Tax compliance and regulatory adherence<br>4. Ongoing integration<br>• ESG considerations embedded in portfolio monitoring and decision-making<br>• Alignment with evolving SFDR and EU regulatory guidance, particularly regarding defence sector classification<br>• |
| E | PROPORTION OF INVESTMENTS |
| | The Fund's investments consist primarily of:<br>• Direct investments in portfolio companies (core exposure)<br>• Ancillary exposures, including cash, cash equivalents and short-term instruments (non-ESG-aligned), used for liquidity management<br><br>All portfolio investments are subject to ESG screening and governance assessment. At least 70% of the Partnership's assets will contribute to the promotion of environmental and/or social characteristics promoted by the Partnership.<br><br>Given the Article 8 classification:<br>• No minimum share of "sustainable investments" is committed<br>• No taxonomy-aligned proportion is currently committed<br>• The Fund does not apply a strict asset allocation between "E/S aligned" vs non-aligned investments but ensures ESG considerations are applied across investments |
| F | MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS |

**Monitoring framework**

The Fund ensures that the promoted environmental and social characteristics are monitored throughout the lifecycle of each investment via an **integrated risk and portfolio monitoring framework**, consisting of:

| Layer | Description | Frequency / Trigger |
|---|---|---|
| **Pre-investment validation** | ESG screening and exclusion checks embedded in due diligence | At initial investment |
| **Ongoing portfolio monitoring** | ESG risks and indicators tracked at portfolio level by the advisors where relevant, | Continuous |
| **Event-driven escalation** | ESG incidents, controversies or regulatory events trigger enhanced review | Ad hoc |
| **Governance oversight** | Supervision by GP / AIFM and, where relevant, LPAC | Continuous |

**Sustainability indicators (qualitative and risk-based)**

Given the private equity nature of the Fund:

- Indicators are primarily qualitative or risk-based, rather than fully standardised KPIs
- Focus is placed on:
    - Compliance with exclusion criteria
    - Alignment with regulatory and international standards
    - Governance robustness
    - Exposure to adverse ESG risks (notably defence / dual-use sensitivities)

| | |
|---|---|
| | **Control mechanisms**<br>Monitoring is supported by:<br>• AIFM risk management processes<br>• Internal compliance and regulatory frameworks<br>• External advisors (legal, ESG, technical) where necessary<br>This ensures traceability and auditability, consistent with CSSF expectations for Article 8 products. |
| G | METHODOLOGIES |

**Overall methodological approach**

The Fund applies a multi-step ESG methodology, proportionate to its private equity strategy:

| Stage | Methodology applied |
|---|---|
| **Screening** | Exclusion filters (prohibited weapons, sanctions, regulatory breaches) |
| **Assessment** | ESG risk identification and sector-specific analysis |
| **Decision-making** | Integration of ESG factors into investment committee decisions |
| **Monitoring** | Alignment with evolving SFDR and EU regulatory guidance, particularly regarding defence sector classification |

**Core methodological tools**

The Fund relies on:

- Exclusion-based methodology
  → clear removal of ineligible sectors (e.g. prohibited weapons)
- Risk-based ESG assessment
  → identification of material ESG risks depending on sector and stage
- Sector-specific review methodology
  → tailored approach for defence and dual-use technologies
  → includes evaluation of:
    - export control regimes
    - compliance with international humanitarian standards
    - geopolitical and regulatory exposure
- Governance assessment framework
  → structured review of:
    - management practices
    - compliance systems
    - tax alignment

| | |
|---|---|
| H | DATA SOURCES AND PROCESSING |

**Data architecture**

The Fund might rely on a multi-source ESG data ecosystem:

| Source type | Examples |
|---|---|
| **Primary data** | Portfolio company disclosures, management input |
| **Due diligence outputs** | Legal, regulatory, ESG and technical reviews |
| **External advisors** | Consultants, law firms, specialised ESG providers |
| **Public / regulatory data** | Sanctions lists, regulatory databases |

**Data processing model**
Data is processed through:

- Validation during investment due diligence
- Internal review by AIFM and investment team
- Cross-checking between sources
- Integration into investment memos

**Data quality controls**
The Fund ensures data integrity via:

- Consistency checks
- Reliance on professional advisors where needed
- Escalation of inconsistencies or red flags

**Use of estimates**
Due to the private markets context:

- A portion of ESG data may be estimated
- Particularly for:
    - early-stage companies
    - emerging technologies

Estimates are applied using a conservative and risk-aware approach.

## I LIMITATIONS TO METHODOLOGIES AND DATA

**Key limitations**
The Fund acknowledges the following structural limitations:

| Category | Limitation |
|---|---|
| **Data availability** | Limited ESG disclosure at private company level |
| **Standardisation** | Lack of harmonised ESG metrics for growth-stage companies |
| **Sector complexity** | Defence / dual-use activities require nuanced interpretation |
| **Regulatory uncertainty** | Evolving SFDR / taxonomy / defence guidance |

**Mitigation measures**
The Fund mitigates these constraints through:

- Conservative ESG interpretation standards
- Alignment with latest EU regulatory guidance

**Conclusion on limitations**
These limitations:

- Do not materially impair the Fund’s ability to meet promoted characteristics
- Are inherent to private equity and addressed through robust governance and oversight mechanisms

## J DUE DILIGENCE

**Due diligence framework**
The Fund applies a comprehensive, multi-disciplinary due diligence process prior to investment:

| Dimension | Scope |
|---|---|
| **ESG screening** | Exclusion criteria, ESG risks, sustainability factors |
| **Legal & regulatory** | Sanctions, export controls, compliance |
| **Governance** | Management, tax compliance |

<table>
<tr><td></td><td>
<table><tr><td>Sector-specific</td><td>Defence / dual-use assessment on case-by-case basis</td></tr></table>
Execution model<br>Due diligence is:
<ul>
<li>Led by the advisors</li>
<li>Supported by external experts (legal, ESG, technical) where relevant</li>
<li>Documented and integrated into investment decision-making</li>
</ul>
Alignment with LPA principles<br>Consistent with the LPA:
<ul>
<li>Investments must comply with:
<ul>
<li>international conventions</li>
<li>sanctions regimes</li>
<li>ESG restrictions (e.g. prohibited weapons)</li>
</ul>
</li>
</ul>
</td></tr>
<tr><td>K</td><td><u>ENGAGEMENT POLICIES</u></td></tr>
<tr><td></td><td>Given the Fund’s strategy, engagement is selective and ownership-driven. Where relevant, the Fund engages with portfolio companies on encouraging environmental, social and governance practices, and promotes a long-term approach to decision-making. This includes a close monitoring of investments and engagement on ESG standards in respect of the individual managers and underlying assets.</td></tr>
<tr><td>L</td><td><u>DESIGNATED REFERENCE BENCHMARK</u></td></tr>
<tr><td></td><td>No index has been designated as a reference benchmark to meet the Characteristics.</td></tr>
</table>

# References & Guiding notes

SFDR Delegated Regulation: C_2022_1931_1_EN_ACT_part1_v6 (1).pdf (europa.eu)

*Article 24*

**Sections of website product disclosure for financial products that promote environmental or social characteristics**

For financial products that promote environmental or social characteristics, financial market participants shall publish the information referred to in Article 10(1) of Regulation (EU) 2019/2088 and Articles 25 to 36 of this Regulation in the following order and made up of all of the following sections titled:

(a) ‘Summary’;

(b) ‘No sustainable investment objective’;

(c) ‘Environmental or social characteristics of the financial product’;

(d) ‘Investment strategy’;

(e) ‘Proportion of investments’;

(f) ‘Monitoring of environmental or social characteristics’;

(g) ‘Methodologies’;

(h) ‘Data sources and processing’;

(i) ‘Limitations to methodologies and data’;

(j) ‘Due diligence’;

(k) ‘Engagement policies’;

(l)where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, ‘Designated reference benchmark’.

*Article 25*

**Website section ‘Summary’ for financial products that promote environmental or social characteristics**

1. In the website section ‘Summary’ referred to in Article 24, point (a), financial market participants shall summarise all the information contained in the different sections referred to in that Article about the financial products that promote environmental or social characteristics. The summary section shall have a maximum length of two sides of A4-sized paper when printed.

2. The website section ‘Summary’ referred to in Article 24, point (a), shall be provided in at least the following languages:

(a) one of the official languages of the home Member State and, where different and where the financial product is made available in more than one Member State, in an additional language customary in the sphere of international finance;

(b) where the financial product is made available in a host Member State, one of the official languages of that host Member State.

*Article 26*

**Website section ‘No sustainable investment objective’ for financial products that promote environmental or social characteristics**

1. In the website section ‘No sustainable investment objective’ referred to in Article 24, point (b), financial market participants shall insert the following statement: “This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.”

2. Where the financial product commits to making one or more sustainable investments, financial market participants shall in the website section ‘No sustainable investment objective’ referred to in Article 24, point (b), explain how the sustainable investment does not significantly harm any of the sustainable investment objectives, including all of the following:

(a) how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of that Annex I, are taken into account;

(b) whether the sustainable investment is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

*Article 27*

**Website section ‘Environmental or social characteristics of the financial product’ for financial products that promote environmental or social characteristics**

In the website section ‘Environmental or social characteristics of the financial product’ referred to in Article 24, point (c), financial market participants shall describe the environmental or social characteristics that the financial products promote.

*Article 28*

**Website section ‘Investment strategy’ for financial products that promote environmental or social characteristics**

In the website section ‘Investment strategy’ referred to in Article 24, point (d), financial market participants shall describe all of the following:

(a) the investment strategy used to meet the environmental or social characteristics promoted by the financial product;

(b) the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

*Article 29*

**Website section 'Proportion of investments' for financial products that promote environmental or social characteristics**

In the website section 'Proportion of investments' referred to in Article 24, point (e), financial market participants shall insert the information referred to in Article 14 and shall distinguish between direct exposures in investee entities and all other types of exposures to those entities.

*Article 30*

**Website section 'Monitoring of environmental or social characteristics' for financial products that promote environmental or social characteristics**

In the website section 'Monitoring of environmental or social characteristics' referred to in Article 24, point (f), financial market participants shall describe how the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.

*Article 31*

**Website section 'Methodologies for environmental or social characteristics' for financial products that promote environmental or social characteristics**

In the website section 'Methodologies for environmental or social characteristics' referred to in Article 24, point (g), financial market participants shall describe the methodologies to measure how the social or environmental characteristics promoted by the financial product are met.

*Article 32*

**Website section 'Data sources and processing' for financial products that promote environmental or social characteristics**

In the website section 'Data sources and processing' referred to in Article 24, point (h), financial market participants shall describe all of the following:

(a) the data sources used to attain each of the environmental or social characteristics promoted by the financial product;

(b) the measures taken to ensure data quality;

(c) how data are processed;

(d) the proportion of data that is estimated.

*Article 33*

### Website section ‘Limitations to methodologies and data’ for financial products that promote environmental or social characteristics

In the website section ‘Limitations to methodologies and data referred to in Article 24, point (i), financial market participants shall describe all of the following:

(a) any limitations to the methodologies referred to in Article 24, point (g), and to the data sources referred to in Article 24, point (h);

(b) How such limitations do not affect how the environmental or social characteristics promoted by the financial product are met.

*Article 34*

### Website section ‘Due diligence’ for financial products that promote environmental or social characteristics

In the website section ‘Due diligence’ referred to in Article 24, point (j), financial market participants shall describe the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.

*Article 35*

### Website section ‘Engagement policies’ for financial products that promote environmental or social characteristics

In the website section ‘Engagement policies’ referred to in Article 24, point (k), financial market participants shall describe the engagement policies implemented where engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies.

*Article 36*

### Website section ‘Designated reference benchmark’ for financial products that promote environmental or social characteristics

1. In the website section ‘Designated reference benchmark’ referred to in Article 24, point (l), financial market participants shall describe whether an index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product, and how that index is aligned with the environmental or social characteristics promoted by the financial product, including the input data, the methodologies used to select those data, the rebalancing methodologies and how the index is calculated.

2. Where part or all of the information referred to in paragraph 1 is published on the website of the administrator of the reference benchmark, a hyperlink shall be provided to that information.