

# Sustainability-related disclosures pursuant to Regulation (EU) 2019/2088 ("SFDR")

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## I. Art. 3 – Sustainability Risks

Signature Ventures GmbH (the "**Signature Ventures**", LEI: 391200GHW6P9GX8WYO87) 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. Signature Ventures considers sustainability risks as part of its due diligence process prior to any investment. This also includes an assessment of sustainability risks. Such assessment is being conducted by using a questionnaire. The results of such assessment are taken into account when the investment decision is being taken. However, Signature ventures remains free in its decision to refrain from investing or to invest despite sustainability risks in which case Signature Ventures can also apply measures to reduce or mitigate any sustainability risks. At all times, Signature Ventures will apply the principle of proportionality taking due account of the strategic relevance of an investment as well as its transactional context.

## II. Art. 4 –No Consideration of Sustainability Adverse Impacts

Signature Ventures does not consider any adverse impacts of its investment decisions on sustainability factors and, hence, does not use the sustainability indicators listed in Annex I of the Regulatory Technical Standards (Delegated Regulation (EU) 2022/1288, "**RTS**") to identify and assess potential adverse impacts. Sustainability factors are environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery.

Given that the SFDR, the EU Taxonomy and the accompanying RTS are relatively new legislative acts, there is very little or no practical experience or practice with regard to the application of their respective provisions. Therefore, substantial legal uncertainties would remain when applying those provisions to the strategies pursued by Signature Ventures. Moreover, the burden associated with the consideration of adverse impacts on sustainability factors by using sustainability indicators is disproportionate in light of the very limited significance that such impacts could have in the context of the investment strategy of Signature Ventures Fund I GmbH & Co. KG (the "**Fund**"): Signature Ventures pursues an active venture capital strategy and invests in distributed ledger technology (DLT) and DLT related ventures and thereby software-focused projects that drive decentralization. Furthermore, the Fund will only hold minority interests in its portfolio companies. Such minority interests are, however, generally not sufficient to encourage the Fund's portfolio companies to collect and report the relevant data to Signature Ventures. Thus, it is currently not foreseeable for Signature ventures whether the information for the identification and assessment of principal adverse impacts can be obtained regularly and in full from all of the Fund's portfolio companies. In addition, Signature ventures consists currently of only five individuals who, in addition to collective asset management, do not have the capacity to collect and process data necessary to take principal adverse impacts of their investment decisions on sustainability indicators into account.

If and to the extent that the legal uncertainties will be resolved and a practicable market and administrative practice will evolve in this regard, Signature Ventures will re-evaluate considering principal adverse impacts of its investment decisions in due course. In the meantime, Signature Ventures remains free in its decision to use part of the sustainable indicators listed in Annex I of the RTS and/or an own set of indicators.

### III. Art. 5 – Remuneration Disclosure

As a registered alternative investment fund manager within the meaning of section 2 (4) of the KAGB, Signature Ventures does not have, and does not need to have, a remuneration guideline or policy in accordance with the requirements of the KAGB.

### IV. Art. 10, 8 – Sustainability-related Disclosures

Financial Product: Signature Ventures Fund I GmbH & Co. KG (the "**Fund**"); LEI: 3912005174Z8NOSUXE77

#### Summary

The Fund considers certain environmental and social characteristics as part of its investment decisions but does not seek to make sustainable investments as defined in the SFDR. The consideration of environmental and social characteristics is carried out both before and after the investments. For this purpose, information is initially and regularly obtained from the portfolio companies by means of qualitative queries. The Fund incorporates investment exclusions during the decision-making process. The actions and decisions described in the following section are each made by Signature Ventures on behalf of the Fund.

#### Zusammenfassung

Der Fonds berücksichtigt bestimmte ökologische und soziale Merkmale im Rahmen seiner Investitionsentscheidungen, strebt aber keine nachhaltigen Investitionen im Sinne der SFDR an. Die Berücksichtigung von Umwelt- und Sozialmerkmalen erfolgt sowohl vor als auch nach den Investitionen. Zu diesem Zweck werden zunächst und regelmäßig Informationen von den Portfoliounternehmen durch qualitative Abfragen eingeholt. Der Fonds bezieht Investitionsausschlüsse in seinen Entscheidungsprozess ein. Die in diesem Abschnitt beschriebenen Handlungen und Entscheidungen erfolgen jeweils durch Signature Ventures für den Fonds.

#### No sustainable investment objective

The Fund promotes environmental or social characteristics, but does not have sustainable investment as its objective.

#### Environmental or social characteristics of the financial product

The Fund does not invest in portfolio companies whose business includes:

- a) Performing research and innovation activities considered as illegal according to the applicable legislation in the country of the statutory seat of the portfolio company;
- b) An illegal economic activity (*i.e.*, any production, trade or other activity, which is illegal under the laws or regulations applicable to the Fund or the statutory seat of the portfolio company);
- c) The production of, and trade in, tobacco and distilled alcoholic beverages and related products;
- d) The financing and production of, and trade in, weapons and ammunition of any kind;
- e) Casinos and equivalent enterprises (this shall, for the avoidance of doubt, not include skill-based gaming);
- f) The research, development or technical applications relating to electronic data programs or solutions, which aim specifically at: (i) supporting any activity referred to under b) through e); or (ii) pornography.

#### Investment strategy

The Fund shall focus on investments in the full scope of distributed ledger technology (commonly also referred to as blockchain technology) and DLT related ventures, including but not limited to infrastructure

(e.g., fundamental protocols, 2nd layer solutions, enabler technology, developer tools), decentralized finance (e.g., fiat on-ramps, wallets, custody solutions), blockchain applications (e.g., decentralized identity, gaming and IoT). The Fund intends to make its initial investments in the early stage, *i.e.*, Pre-Seed, Seed and Series A rounds (including, for the avoidance of doubt, late seed rounds). The Fund is bound by the investment restrictions and limitations set out in the Fund's limited partnership agreement (cf. above) and shall procure that such requirements, restrictions and limitations are complied with at all times. In particular, the Fund will screen each investment opportunity against its investment exclusions and no investments will be made in the area of such exclusions.

Good governance practices are assessed through an informal process as appropriate in light of the circumstances of each individual case. Such practices include, in particular, sound management structures, employee relations, remuneration of staff and tax compliance within the portfolio companies. Good governance practices are monitored on an ad hoc basis, *i.e.*, if the Fund becomes aware of severe governance issues in the investee companies, it will investigate them and work with all parties involved to find an appropriate solution.

#### Proportion of investments

The Fund invests fully in line with its investment strategy and investment restrictions. The Fund does not intend to make any investments which are not aligned with its environmental or social characteristics (*i.e.*, its investment exclusions). The Fund does not make and does not intend to make sustainable investments within the meaning of Art. 2 no. 17 SFDR or environmentally sustainable investments within the meaning of Art. 3 Taxonomy; hence, no portion of its investments will be aligned with the Taxonomy.

#### Monitoring of environmental or social characteristics

The Fund has an increased awareness of the impact of sustainability risks on risk management and thus on the value potential of investments. In order to monitor the environmental or social characteristics promoted by the Fund (*i.e.*, its investment exclusions), the Fund consults with the portfolio companies in regular intervals and will carry out further checks if there are indications of relevant undesirable developments. Therefore, the Fund monitors compliance with the ESG requirements on an ongoing basis. External monitoring mechanisms are not provided.

#### Methodologies for environmental or social characteristics

Currently the Fund applies qualitative assessments with regard to environmental or social characteristics (*i.e.*, its investment exclusions).

The Fund conducts its initial assessment in the course of its due diligence. The Fund's due diligence takes the form of a questionnaire which the Fund asks its portfolio companies to complete. Based on the results of such assessment the Fund identifies pre-investment whether the environmental or social characteristics promoted by the Fund are met. During the holding period, the so conducted assessment forms the basis to measure and monitor if the characteristics are continuously being met.

#### Data sources and processing

In order to attain each of the environmental or social characteristics promoted by the Fund (*i.e.*, its investment exclusions), a questionnaire is completed by the portfolio companies. Hence, data is obtained only from the (potential) portfolio companies. An external review or verification of the information obtained will only be carried out if misrepresentations are suspected.

#### Limitations to methodologies and data

The information collected *via* the questionnaire as part of the 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, the Fund considers it a priority to establish and maintain a trustful working relationship with the Fund's portfolio companies in order to ensure compliance with the restrictions described in this section. Further limitations, in particular with regard to the accuracy of the data and reliability of the data sources used, are not apparent at this time.

#### Due diligence

An initial assessment of how an investment relates to the aforementioned characteristics is carried out as part of the due diligence process using a questionnaire. As a rule, purely qualitative statements of an ecological or social nature or relating to corporate governance are requested from the portfolio companies and then taken into account in the investment decision-making process.

#### Engagement policies

The Fund decides at its sole discretion whether or not to make an investment and may include risk mitigation measures where appropriate. However, engagement is not part of the environmental or social investment strategy of the Fund.

#### Designated reference benchmark

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Fund.