

## **SUSTAINABILITY-RELATED DISCLOSURES**

Product name: 360 Square II

Legal entity identifier: 360 Capital Partners

### **ARTICLE 10 SFDR DISCLOSURE: WEBSITE PRODUCT DISCLOSURE FOR FINANCIAL PRODUCTS THAT PROMOTE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS**

#### **(a) Summary**

360 Square II (“**the Fund**”) is a financial product that promotes environmental or social characteristics but does not have as its objective sustainable investment.

The Fund aims to invest, directly or indirectly, in a diversified portfolio consisting of equity securities (or securities giving access, directly or indirectly, to the share capital) and shareholder loans issued by companies which are primarily innovative, recently formed and unlisted on a financial instruments market and with an important growth potential.

The Fund promotes environmental and social characteristics by working with the portfolio companies to improve, in particular, the reduction of their potential negative impact on sustainability, the participation to employment (FTE growth), the diversity and inclusion practices and the value sharing and employee safety. The Fund will also promote good governance by working similarly with the portfolio companies to improve their governance practices.

To promote these characteristics, the Fund assesses investment opportunities and companies at different stages:

- Pre-investment, the Fund conducts an ESG due diligence to assess the investment opportunities on these characteristics;
- During final negotiations, the Fund discusses with founders and other investors the adequate ESG clauses to be included in legal documentation, and that may include clauses related to the above mentioned characteristics; and
- During the detention period, the Fund monitors indicators related to the above mentioned characteristics via a questionnaire sent to the companies; the results are consolidated into an annual ESG report.

No reference benchmarks have been identified for the Fund.

#### **(b) No sustainable investment objective**

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

#### **(c) Environmental or social characteristics of the financial product**

The Fund promotes the following environmental and social characteristics for all portfolio companies:

- (i) reduction of potential negative impact on sustainability
- (ii) participation to employment (FTE growth);
- (iii) diversity and inclusion indicators and practices;
- (iv) value sharing and employee safety; and

(v) good governance.

**(d) Investment strategy**

The Fund will mainly seek to invest in the early stage and growth stage capital in companies operating in the following areas: deep tech, robotics, artificial intelligence, mass consumer disruption and next generation automation.

The Fund seeks to promote the following social and environmental characteristics at companies' level:

- (i) reduction of potential negative impact on sustainability
- (ii) participation to employment (FTE growth);
- (iii) diversity and inclusion indicators and practices;
- (iv) value sharing and employee safety; and
- (v) good governance.

To promote these characteristics, the following steps are incorporated into the Fund's investment and portfolio companies monitoring processes:

- Pre-investment, the Fund conducts an ESG due diligence to assess the investment opportunities on these characteristics;
- During final negotiations, the Fund could discuss with founders and other investors the adequate ESG clauses to be included in legal documentation, and that may include clauses related to the above mentioned characteristics; and
- During the detention period, the Fund monitors indicators related to the above mentioned characteristics via a questionnaire sent to the companies; the results are consolidated into an annual ESG report.

If the Fund is not be able to have access to all measurement data, particularly the most complex ones, it will provide some support to the companies to implement better reporting processes. Fund will be relying on internal data as well as ESG data collected from Companies that will be processed by the Fund's team.

**(e) Proportion of investments**

The asset allocation planned for the Fund will be as follows:

- #1 Aligned with E/S characteristics includes the investments used to attain the environmental or social characteristics promoted:

Although the Fund aims to promote the environmental and/or social characteristics on all of its companies, it may not be able to do so. This would be the case where the Fund is a minority investor and/or its representatives have no voting rights at the board of directors of such Companies

- #2 Other includes the remaining investments which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments:

Although the Fund aims to promote the environmental and/or social characteristics on all of its companies, it may not be able to do so. This would be the case where the Fund is a minority

investor and/or its representatives have no voting rights at the board of directors of such companies.

Additionally, part of the asset allocation is for specific purposes such as risk hedging or liquidity.

#### **(f) Monitoring of environmental or social characteristics**

The Fund has defined social and environmental indicators to monitor the performance of the companies with respect to the promoted characteristics above. These indicators may be revised and enhanced annually to comply with stakeholders' and regulatory requirements or if new sustainability stakes arise. The Fund has selected in particular the following indicators:

- reduction of potential negative impact on sustainability: encouraging the implementation of an environmental policy and management system including carbon footprint measurement, implementation of measures to limit water and energy consumption, implementation of eco-design approaches, where applicable, limitation of local impact and respect of biodiversity, monitoring the vulnerability to climate change and sensitivity of activities to access to raw materials;
- participation to employment (FTE growth): number of full-time employees (FTE) at the end of the previous year and of the current year, number of fixed-term hires during the current year;
- diversity and inclusion indicators and practices: share of women members within the supervisory board / board of directors and share of women within managers;
- value sharing and employee safety: employee safety in the workplace, harassment and discrimination complaint, profit-sharing scheme, access of employees (excluding top management) to capital; and
- good governance: board accountability, board level review of ESG metrics and ESG performance, anti-bribery and corruption, internal audit, and internal and external ESG reporting, or presence (where applicable) of independent board members.

#### **(g) Methodologies**

The Fund will collect annual ESG data from its portfolio companies to measure how the social or environmental characteristics promoted are met, which will then be aggregated into an ESG report.

#### **(h) Data sources and processing**

The Fund will be relying on internal data as well as ESG data collected from portfolio companies that will be processed by the Fund's team.

#### **(i) Limitations to methodologies and data**

The Fund's ESG reporting is based on data collected from portfolio companies. Given that some companies' internal ESG reporting systems might not enable the company to collect some indicators, the Fund anticipates not having access to specific measurement data.

However, the level of data collected will be sufficient to assess if the environmental or social characteristics promoted by the financial product are met.

#### **(j) Due diligence**

For each new investment, the Fund adopted an ESG checklist allowing to identify the main ESG concerns of a company's business as well as the specific risks a company may face or create for its internal and external stakeholders. If some elements require further investigation, the Fund created an ESG due diligence format with potential direct impacts on deal terms.

**(k) Engagement policies**

The Fund is committed to encouraging better disclosure and implementation criteria within portfolio companies.

The Fund incorporates its ESG analysis into the overall investment due diligence process and commits annually to releasing an ESG report.

**(l) Designated reference benchmark**

No reference benchmarks have been identified for the Fund.