



## Una Terra Early Growth Fund

### ESG Policy

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## 1. Purpose and Scope

This Environmental, Social and Governance (ESG) Policy sets out Una Terra's commitments, principles and high-level practices for integrating ESG considerations across its investment activities and internal operations. It is intended as a **public, website-level statement** describing how Una Terra approaches responsible investment as an SFDR Article 9 impact fund.

This policy applies to:

- Una Terra as an organisation
- All investment decisions and stewardship activities
- Engagement with portfolio companies, partners and co-investors

Detailed processes, metrics and governance mechanisms are further articulated in Una Terra's internal Impact & ESG Framework.

## 2. ESG Philosophy and Responsible Investment Approach

Una Terra invests with the conviction that long-term financial performance is inseparable from strong environmental, social and governance outcomes. We focus on early-growth European companies enabling the transition to a circular, low-carbon economy, where sustainability is embedded in the core business model rather than treated as an externality.

Our ESG approach is guided by the following principles:

- **Intentionality:** Capital is allocated to companies whose products and services contribute directly to climate mitigation, circularity, pollution avoidance, and resource efficiency.
- **Materiality:** ESG factors are assessed based on their relevance to each company's sector, maturity and value chain.
- **Integration:** ESG considerations are embedded throughout the investment lifecycle, alongside financial analysis.
- **Active Ownership:** We act as engaged stewards, supporting portfolio companies to strengthen ESG practices over time.
- **Accountability and Transparency:** We commit to clear expectations, measurable outcomes and transparent reporting.

## 3. Regulatory and Framework Alignment

Una Terra's ESG approach is aligned with leading international standards and regulatory frameworks, including:

- EU Sustainable Finance Disclosure Regulation (SFDR), with alignment to **Article 9** objectives
- EU Taxonomy for Sustainable Activities, including Technical Screening Criteria, Do No Significant Harm (DNSH) and Minimum Safeguards
- UN Sustainable Development Goals (SDGs)
- Impact Management Project (IMP) dimensions of impact

- UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises
- UN Principles for Responsible Investment (PRI)

Una Terra is a PRI signatory and reports annually on its responsible investment activities.

## 4. ESG Governance

### 4.1 Internal Oversight

ESG oversight is embedded within Una Terra's investment and governance structures. Responsibility sits with the investment team, supported by an internal Impact Management function.

An independent **Sustainability Impact Committee (SIC)** provides oversight on impact integrity, ESG risks and alignment with EU Taxonomy and SFDR requirements.

### 4.2 Active Ownership

Una Terra typically targets meaningful minority ownership positions and, where appropriate, board or observer roles. This enables ongoing engagement on ESG matters, governance structures and impact performance.

## 5. ESG Integration in the Investment Process

### 5.1 Exclusions and Screening

Una Terra applies exclusion criteria and does not invest in companies involved in, or materially exposed to:

- Fossil fuel extraction, refining or power generation
- Weapons, tobacco, pornography or exploitative gambling
- Non-democratic or harmful media
- Activities causing irreversible environmental harm
- Severe human rights abuses, corruption or fraud

### 5.2 ESG Due Diligence

All potential investments undergo proportionate ESG due diligence, integrated with financial and commercial analysis. This typically includes assessment of:

#### **Environmental factors**

- Climate change mitigation and adaptation relevance
- Resource efficiency, waste reduction and circularity
- Pollution prevention and biodiversity impacts

#### **Social factors**

- Labour standards, health and safety
- Human rights and supply-chain practices
- Diversity, equity and inclusion considerations

#### **Governance factors**

- Board structure and decision-making
- Ethics, compliance and anti-corruption practices
- Data protection and regulatory compliance

Material ESG risks and mitigation actions are identified prior to investment.

### **5.3 Post-Investment Stewardship**

Following investment, Una Terra works collaboratively with portfolio companies to:

- Strengthen ESG governance and reporting practices
- Define and monitor material ESG and impact indicators
- Address identified risks and support continuous improvement

Engagement is tailored to company stage and capacity, recognising the realities of early-growth businesses.

## **6. Environmental Principles**

Una Terra prioritises investments that support:

- Decarbonisation and climate change mitigation
- Circular economy models that reduce waste and resource use
- Climate resilience and adaptation
- Biodiversity protection and ecosystem regeneration

Portfolio companies are encouraged to measure and manage their environmental footprint and to align with evolving best practices and regulatory expectations.

## **7. Social Principles**

Una Terra expects portfolio companies to operate responsibly towards employees, customers, suppliers and communities. Core expectations include:

- Respect for internationally recognised human and labour rights
- Safe and healthy working conditions
- Fair treatment, non-discrimination and inclusion
- Responsible supply-chain practices

## 8. Governance and Ethics

Strong governance underpins sustainable value creation. Una Terra promotes:

- Transparent ownership and decision-making structures
- Ethical business conduct and zero tolerance for corruption
- Robust data protection and cybersecurity practices
- Clear accountability at board and management level

Una Terra maintains internal policies covering conflicts of interest, ethical conduct and confidentiality.

## 9. Monitoring, Reporting and Transparency

ESG and impact performance are monitored throughout the investment lifecycle. Una Terra discloses relevant information to investors in line with SFDR Article 9, EU Taxonomy and PRI reporting requirements.

Public reporting focuses on aggregate outcomes, material risks and progress toward stated environmental objectives.

## 10. Continuous Improvement

Una Terra recognises that ESG standards and regulatory expectations evolve over time. This policy is reviewed periodically to reflect regulatory developments, market best practice and learnings from portfolio engagement.

## 11. Best-Practice Commitments Beyond Prior Documentation

In line with leading European impact VC practice, Una Terra has incorporated the following elements in this policy that are considered best practice, even where not previously articulated in standalone ESG documentation:

- Explicit reference to **DNSH and Minimum Safeguards** under the EU Taxonomy
- Alignment with the **UN Guiding Principles on Business and Human Rights**
- Formal articulation of **active ownership** as an ESG lever
- Commitment to **periodic policy review and continuous improvement**

These elements reflect market expectations for Article 9 funds and enhance transparency and accountability for stakeholders.

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*This ESG Policy is publicly available on Una Terra's website and complements Una Terra's detailed Impact & ESG Framework.*